



## ELPRO INTERNATIONAL LIMITED

Our Company was incorporated as a public limited company on July 27, 1962 under the Companies Act, 1956 with its registered office at Mumbai. On November 14, 1962, our Company received certificate of commencement of business from the Registrar of Companies, Maharashtra at Mumbai.

**Registered Office:** "Nirmal", 17th Floor, Nariman Point, Mumbai-400 021, Maharashtra, India

**Tel:** +91-22-2202-3075/4029-9000; **Fax:** +91-22-2202-7995

**Contact Person:** Ms. Binal Khosla, Company Secretary and Compliance Officer; **E-mail:** cs@elpro.co.in; **Website:** www.elpro.co.in

**Corporate Identity Number:** L51505MH1962PLC012425

**PROMOTERS AND PROMOTER GROUP OF OUR COMPANY: MR. SURBHIT DABRIWALA, MR. RAJENDRA KUMAR DABRIWALA, MS. YAMINI DABRIWALA, IGE (INDIA) PRIVATE LIMITED, R.C.A. LIMITED AND INTERNATIONAL CONVEYORS LIMITED**

**FOR PRIVATE CIRCULATION TO THE EQUITY SHAREHOLDERS OF ELPRO INTERNATIONAL LIMITED (THE "COMPANY" OR "OUR COMPANY" OR THE "ISSUER") ONLY.**

**ISSUE OF UPTO [●] FULLY PAID-UP EQUITY SHARES OF FACE VALUE OF ₹ 1 EACH ("RIGHTS EQUITY SHARES") FOR CASH AT A PRICE OF ₹ [●] PER RIGHTS EQUITY SHARE, INCLUDING A SHARE PREMIUM OF ₹ [●] PER RIGHTS EQUITY SHARE AGGREGATING UPTO ₹ 10,000 LAKHS TO OUR EXISTING EQUITY SHAREHOLDERS ON A RIGHTS BASIS IN THE RATIO OF [●] FULLY PAID-UP EQUITY SHARE(S) FOR EVERY [●] FULLY PAID-UP EQUITY SHARE(S) HELD BY THE EXISTING EQUITY SHAREHOLDERS ON THE RECORD DATE, I.E. [●] ("THE ISSUE"). THE ISSUE PRICE FOR THEIR RIGHTS EQUITY SHARE IS [●] TIMES THE FACE VALUE OF THE EQUITY SHARE. FOR FURTHER DETAILS, PLEASE SEE THE SECTION "TERMS OF THE ISSUE" ON PAGE 151 OF THE DRAFT LETTER OF OFFER. THE ENTIRE ISSUE PRICE FOR THE EQUITY SHARE IS PAYABLE ON APPLICATION.**

### GENERAL RISKS

Investment in equity and equity related securities involve a degree of risk and investors should not invest any funds in the 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 Issue. For taking an investment decision, Investors must rely on their own examination of our Company and the Issue including the risks involved. The securities being offered in the Issue have not been recommended or approved by the Securities and Exchange Board of India ("SEBI") nor does SEBI guarantee the accuracy or adequacy of this Draft Letter of Offer. **Investors are advised to refer to the section "Risk Factors" on page 11 of the Draft Letter of Offer, before making an investment in the Issue.**

### COMPANY'S ABSOLUTE RESPONSIBILITY

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

### LISTING

The existing Equity Shares are listed on the BSE Limited ("BSE"). We have received "in-principle" approval from BSE for listing the Rights Equity Shares to be allotted in the Issue *vide* its letter dated [●]. For the purposes of the Issue, the Designated Stock Exchange is BSE.

#### LEAD MANAGER TO THE ISSUE

## KEYNOTE

**Keynote Corporate Services Limited**  
The Ruby, 9th Floor  
Senapati Bapat Marg  
Dadar (West)  
Mumbai-400 028  
Maharashtra, India  
**Tel No:** +91-22-3026-6000-3  
**Fax No:** +91-22-3026-6088  
**E-mail:** mbd@keynoteindia.net  
**Website:** www.keynoteindia.net  
**Contact Person:** Ms. Pooja Sanghvi  
**SEBI Registration No:** INM 000003606

#### REGISTRAR TO THE ISSUE



**Sharex Dynamic (India) Private Limited**  
Unit 1, Luthra Ind Premises  
Safed Pool, Andheri Kurla Road  
Andheri (East), Mumbai-400 072  
Maharashtra, India  
**Tel No:** +91-22-2851-5606/2851-5644  
**Fax No:** +91-22-2851-2885  
**Email:** sharexindia@vsnl.com  
**Website:** www.sharexindia.com  
**Contact Person:** Mr. Shashi Kumar  
**SEBI Registration No:** INR000002102

### ISSUE PROGRAMME

ISSUE OPENS ON	LAST DATE FOR RECEIPT OF REQUEST FOR SPLIT APPLICATION FORMS	ISSUE CLOSURES ON
[●]	[●]	[●]

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## SECTION I – GENERAL

### DEFINITIONS AND ABBREVIATIONS

#### Definitions

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

#### Company Related Terms

Term	Description
“our Company”, “the Company”, “the Issuer Company” and “the Issuer”	Elpro International Limited
“we”, “us” and “our”	Our Company and its Subsidiary, except as the context otherwise requires
Articles/AoA/Articles of Association	The articles of association of our Company, as amended
Associate	Dabri Properties & Trading Company Limited
Audited Financial Statements	The audited financial information of our Company as at and for the financial years ended March 31, 2017 and the related notes and schedules thereto prepared in accordance with the requirements of the Companies Act, 2013 and Indian GAAP
Board of Directors/Board	Our board of directors or any duly constituted committees thereof
CFO	Chief Financial Officer of our Company
Directors	Directors of our Company
Equity Shares	Equity shares of face value of ₹ 1 each of our Company
Group Companies	Such companies as are covered under the applicable accounting standards. Further, there are no other material group companies
IGE (India) Private Limited	IGE India
Memorandum/MoA/Memorandum of Association	The memorandum of association of our Company, as amended
Promoters and Promoter Group	Mr. Surbhit Dabriwala, Mr. Rajendra Kumar Dabriwala, Ms. Yamini Dabriwala, IGE India, R.C.A. Limited and International Conveyors Limited
Registered Office	“Nirmal”, 17th Floor, Nariman Point, Mumbai-400 021, Maharashtra, India
Shareholders	Equity shareholders of our Company, from time to time
Statutory Auditor	Our statutory auditor, M/s Todarwal & Todarwal LLP, Chartered Accountants
Subsidiary	Elpro Estates Limited

#### Issue Related Terms

Term	Description
Abridged Letter of Offer	The abridged letter of offer to be sent to the Equity Shareholders with respect to the Issue in accordance with the SEBI ICDR Regulations
Allotment/Allot/Allotted	Allotment of Rights Equity Shares pursuant to the Issue
Allottee(s)	Persons to whom Rights Equity Shares will be Allotted pursuant to the Issue
Application	Unless the context otherwise requires, refers to an application for Allotment of Rights Equity Shares in this Issue
Application Money	Aggregate amount payable in respect of the Equity Shares applied for in the Issue at the Issue Price
Application Supported by Blocked Amount/ASBA	The application (whether physical or electronic) used by ASBA Investors to make an application authorising the SCSB to block the amount payable on application in ASBA Account
ASBA Account	Account maintained with a SCSB and specified in the CAF or plain paper application, as the case may be, for blocking the amount mentioned in the CAF, or the plain paper application, as the case may be
ASBA Investor/ASBA Applicant	Equity Shareholders proposing to subscribe to the Issue through ASBA process and: (a) Who are holding our Equity Shares in dematerialised form as on the Record Date and have applied for their Rights Entitlements and/or additional Equity Shares in dematerialised form; (b) Who have not renounced their Rights Entitlements in full or in part; (c) Who are not Renounees; and

Term	Description
	(d) Who are applying through blocking of funds in a bank account maintained with SCSBs. All QIBs and other Investors whose application value exceeds ₹ 2 lakhs complying with the above conditions may participate in this Issue through the ASBA process only
Bankers to the Issue	[●]
Composite Application Form/CAF	The form used by an Investor to make an application for the Allotment of Rights Equity Shares in the Issue
Consolidated Certificate	In case of holding of Equity Shares in physical form, the certificate that would be issued for the Rights Equity Shares Allotted to 1 folio
Controlling Branches of the SCSBs	Such branches of the SCSBs which coordinate with the Lead Manager, the Registrar to the Issue and the Stock Exchange, a list of which is available on <a href="http://www.sebi.gov.in">www.sebi.gov.in</a>
Designated Stock Exchange	BSE
Designated Branches	Such branches of the SCSBs which shall collect application forms used by ASBA Investors and a list of which is available on <a href="http://www.sebi.gov.in">www.sebi.gov.in</a>
Draft Letter of Offer/DLOF	This draft letter of offer dated September 29, 2017 filed with SEBI for its observations which does not contain complete particulars of the Issue
Equity Shareholders/Eligible Equity Shareholder(s)	A holder/beneficial owner of our Equity Shares as on the Record Date
Investor(s)	The Equity Shareholders(s) on the Record Date, applying in this Issue, and the Renouncees who have submitted an Application to subscribe to the Issue
Issue/Rights Issue	Issue of [●] Equity Shares of face value of ₹ 1 each for cash at a price of ₹ [●] per Equity Share including a share premium of ₹ [●] per Equity Share aggregating up to ₹ 10,000 lakhs to our existing Equity Shareholders on a rights basis in the ratio of [●] Equity Shares for every [●] Equity Shares held by them on the Record Date
Issue Closing Date	[●]
Issue Opening Date	[●]
Issue Price	₹ [●] per Rights Equity Share
Issue Size	Amount up to ₹ 10,000 lakhs
Issue Proceeds	The gross proceeds to be raised through this Issue
Lead Manager/Keynote	Keynote Corporate Services Limited
Letter of Offer	The final letter of offer to be filed with the Stock Exchange after incorporating the observations received from the SEBI on the Draft Letter of Offer
Net Proceeds	The Issue Proceeds less the Issue related expenses. For further details, please see section “ <i>Objects of the Issue</i> ” on page 48 of the Draft Letter of Offer.
Non-ASBA Investor	Investors other than ASBA Investors who apply in the Issue otherwise than through the ASBA process
Non-Institutional Investors	Investor, including any company or body corporate, other than a Retail Individual Investor and a QIB
Qualified Foreign Investors/QFI	Qualified Foreign Investor as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014 (as amended), registered with SEBI under applicable laws in India. A Qualified Foreign Investor may buy, sell or otherwise continue to deal in securities without registration as Foreign Portfolio Investors subject to compliance with conditions specified in the SEBI (Foreign Portfolio Investors) Regulations, 2014
QIBs or Qualified Institutional Buyers	Qualified institutional buyers as defined under Regulation 2(1)(zd) of the SEBI ICDR Regulations
Record Date	[●]
Refund Banker	[●]
Registrar to the Issue/Registrar and Transfer Agent/RTA/Registrar	Sharex Dynamic (India) Private Limited
Renouncee(s)	Any person(s) who has/have acquired Rights Entitlements from Equity Shareholders
Retail Individual Investors	Individual Investors who have applied for Rights Equity Share for an amount not more than ₹ 2 lakhs (including HUFs applying through their Karta)
Rights Entitlement	The number of Rights Equity Share that an Investor is entitled to in proportion to the number of Equity Shares held by the Investor on the Record Date
Rights Equity Shares	Equity Shares of our Company to be allotted pursuant to this Rights Issue
SAF(s)	Split Application Form(s)
SCSB(s)	A Self Certified Syndicate Bank, registered with SEBI, which acts as a banker to the Issue and which offers the facility of ASBA. A list of all SCSBs is available at <a href="http://www.sebi.gov.in">http://www.sebi.gov.in</a>

Term	Description
Stock Exchange	BSE, where our Equity Shares are presently listed
Working Days	All days other than 2 <sup>nd</sup> and 4 <sup>th</sup> Saturdays of the month, Sundays or public holidays, on which commercial banks in Mumbai are open for business provided however, for the purpose of the period between the Issue Closing Date and listing of the securities on the Stock Exchange, "Working Days" shall mean all days excluding 2 <sup>nd</sup> and 4 <sup>th</sup> Saturday, Sundays and bank holidays in Mumbai, in accordance with the SEBI circular no. CIR/CFD/DIL/3/2010 dated April 22, 2010.

### Conventional and General Terms/Abbreviations/Industry Related Terms

Term	Description
“₹”/“Rs.”/“Rupees”/“INR”	Indian Rupee
Act/Companies Act	Companies Act, 1956 and/or Companies Act, 2013, as applicable
AIF(s)	Alternative investment funds, as defined and registered with SEBI under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
AGM	Annual General Meeting
AS	Accounting Standards notified pursuant to the Companies (Accounting Standards) Rules, 2006, as amended
BSE	BSE Limited
CAGR	Compounded Annual Growth Rate
Companies Act, 1956	Companies Act, 1956 and the rules made thereunder to the extent not repealed
Companies Act, 2013	Companies Act, 2013 and the rules made thereunder, to the extent in force pursuant to notification of the notified sections
CDSL	Central Depository Services (India) Limited
Depositories Act	The Depositories Act, 1996, as amended
Depository	A depository registered with SEBI under the SEBI (Depositories and Participant) Regulations, 1996
Depository Participant/DP	A depository participant as defined under the Depositories Act
DIN	Director Identification Number
DP ID	Depository Participant Identity
EGM	Extra-Ordinary General Meeting
EPS	Earnings per Share
FDI	Foreign Direct Investment
FDI Policy	Consolidated Foreign Direct Investment Policy notified under Circular No. D/o IPP F. No. 5(1)/2017-FC-1, effective from August 28, 2017, issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India, and any modifications thereto or substitutions thereof, issued from time to time
FEMA	The Foreign Exchange Management Act, 1999, including the regulations framed thereunder, as amended
FPI	Foreign Portfolio Investor as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014 (as amended), registered with SEBI under applicable laws in India
Fiscal Year/Fiscal	Period of 12 months ended March 31 of that particular year
FIPB	Foreign Investment Promotion Board, Ministry of Finance, GoI
FVCI	Foreign Venture Capital Investors as defined under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000 (as amended) registered with SEBI under applicable laws in India
GAAP	Generally Accepted Accounting Principles
GoI	Government of India
HUF	Hindu Undivided Family
ICAI	Institute of Chartered Accountants of India
IFRS	International Financial Reporting Standards
IFSC	Indian Financial System Code
ISIN	International Securities Identification Number
ISO	International Organisation for Standardisation
IT Act	The Income Tax Act, 1961, as amended
Ind AS	Indian Accounting Standards
Indian GAAP	Generally accepted accounting principles followed in India
Listing Agreement	The uniform listing agreement entered pursuant to the Listing Regulations read along with SEBI Circular No. CIR/CFD/CMD/6/2015 dated October 13, 2015

<b>Term</b>	<b>Description</b>
	and the erstwhile equity listing agreements entered into between our Company and the Stock Exchange, as the context may refer to
Listing Regulations	The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
MICR	Magnetic Ink Character Recognition
Mutual Fund/MF	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996
NAV	Net Asset Value
NECS	National Electronic Clearing Services
NEFT	National Electronic Funds Transfer
NR	Non-Resident
NRI	Non-Resident Indian
NRE Account	Non-Resident External Account
NRO Account	Non-Resident Ordinary Account
NSDL	National Securities Depository Limited
OCB	Overseas Corporate Body
p.a.	Per Annum
PAN	Permanent Account Number under the IT Act
PAT	Profit After Tax
PBD	Purchase Bill Discounting Limit
PBT	Profit Before Tax
PC	Packing Credit
RBI	Reserve Bank of India
Registrar of Companies/RoC	Registrar of Companies, Maharashtra
Regulation S	Regulation S under the Securities Act
RTGS	Real Time Gross Settlement
SEBI	Securities and Exchange Board of India
SEBI Act	Securities and Exchange Board of India Act, 1992
SEBI ICDR Regulations/SEBI Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended
SEBI Merchant Bankers Regulations	Securities and Exchange Board of India (Merchant Bankers) Regulations, 2012, as amended
Securities Act	U.S. Securities Act of 1933, as amended
Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended
U.S./US/USA/United States	United States of America

The words and expressions used but not defined herein shall have the same meaning as is assigned to such terms under the Companies Act, as amended, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996 and the rules and regulations made thereunder.

Notwithstanding the foregoing, terms in “*Statements of Tax Benefits Statement*” and “*Financial Information*” on pages 52 and 67, respectively, shall have the meaning given to such terms in such sections.

## NOTICE TO OVERSEAS SHAREHOLDERS

The distribution of the Draft Letter of Offer, Letter of Offer, Abridged Letter of Offer and the Issue of Rights Equity Shares on a rights basis to persons in certain jurisdictions outside India may be restricted by legal requirements prevailing in those jurisdictions. Persons into whose possession the Draft Letter of Offer, Letter of Offer, Abridged Letter of Offer or CAFs may come are required to inform them about and observe such restrictions. Our Company is making this Issue of the Rights Equity Shares on a rights basis to the Equity Shareholders as on Record Date and will dispatch the Letter of Offer/Abridged Letter of Offer and CAFs to such Eligible Equity Shareholders who have provided an Indian address to our Company. Those overseas shareholders, who have not updated our records with their Indian address or the address of their duly authorised representative in India, prior to the date on which we propose to dispatch the Letter of Offer/Abridged Letter of Offer and CAFs, shall not be sent the Letter of Offer/Abridged Letter of Offer and CAFs.

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

Any person who makes an application to acquire Equity Shares offered in this Issue will be deemed to have declared, represented, warranted and agreed that she/he is authorised to acquire the Rights Equity Shares in compliance with all applicable laws and regulations prevailing in her/his jurisdiction. Our Company, the Registrar, the Lead Manager or any other person acting on behalf of us reserve the right to treat any CAF as invalid where we believe that CAF is incomplete or acceptance of such CAF may infringe applicable legal or regulatory requirements and we shall not be bound to allot or issue any Rights Equity Shares or Rights Entitlement in respect of any such CAF. Neither the delivery of this Draft Letter of Offer, Letter of Offer, Abridged Letter of Offer and CAFs nor any sale hereunder, shall under any circumstances create any implication that there has been no change in our Company's affairs from the date hereof or that the information contained herein is correct as at any time subsequent to the date of the Draft Letter of Offer.

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

### NO OFFER IN THE UNITED STATES

The Rights Entitlements and the Rights Equity Shares have not been and will not be registered under the Securities Act, or any U.S. state securities laws and may not be offered, sold, resold or otherwise transferred within the United States of America or the territories or possessions thereof (“**United States**” or “**U.S.**”), or to, or for the account or benefit of “U.S. persons” (as defined in Regulation S of the Securities Act), except in a transaction not subject to, or exempt from the registration requirements of the Securities Act. The offering to which this Draft Letter of Offer relates is not, and under no circumstances is to be construed as, an offering of

any Rights Equity Shares or Rights Entitlement for sale in the United States or as a solicitation therein of an offer to buy any of the Rights Equity Shares or Rights Entitlement. There is no intention to register any portion of the Issue or any of the securities described herein in the United States or to conduct a public offering of securities in the United States. Accordingly, this Draft Letter of Offer, Letter of Offer or Abridged Letter of Offer and the enclosed CAF should not be forwarded to or transmitted in or into the United States at any time. In addition, until the expiry of 40 days after the commencement of the Issue, an offer or sale of Rights Entitlements or Rights Equity Shares within the United States by a dealer (whether or not it is participating in the Issue) may violate the registration requirements of the Securities Act.

Neither our Company nor any person acting on our behalf will accept a subscription or renunciation from any person, or the agent of any person, who appears to be, or who our Company or any person acting on our behalf has reason to believe is, either a U.S. Person or otherwise in the United States when the buy order is made. Envelopes containing a CAF should not be postmarked in the United States or otherwise dispatched from the United States or any other jurisdiction where it would be illegal to make an offer, and all persons subscribing for the Rights Equity Shares Issue and wishing to hold such Equity Shares in registered form must provide an address for registration of these Equity Shares in India. Our Company is making the Issue on a rights basis to Eligible Shareholders and the Letter of Offer / Abridged Letter of Offer and CAF will be dispatched only to Eligible Shareholders who have an Indian address. Any person who acquires Rights Entitlements and the Rights Equity Shares will be deemed to have declared, represented, warranted and agreed that, (i) it is not and that at the time of subscribing for such Rights Equity Shares or the Rights Entitlements, it will not be, in the United States, (ii) it is not a U.S. Person and does not have a registered address (and is not otherwise located) in the United States when the buy order is made, and (iii) it is authorised to acquire the Rights Entitlements and the Rights Equity Shares in compliance with all applicable laws and regulations.

Our Company reserves the right to treat any CAF as invalid which: (i) does not include the certification set out in the CAF to the effect that the subscriber is not a U.S. Person and does not have a registered address (and is not otherwise located) in the United States and is authorised to acquire the Rights Equity Shares or Rights Entitlement in compliance with all applicable laws and regulations; (ii) appears to us or our agents to have been executed in or dispatched from the United States; (iii) appears to us or our agents to have been executed by a U.S. Person; (iv) where a registered Indian address is not provided; or (v) where our Company believes that CAF is incomplete or acceptance of such CAF may infringe applicable legal or regulatory requirements; and our Company shall not be bound to allot or issue any Rights Equity Shares or Rights Entitlement in respect of any such CAF.

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



## **CERTAIN CONVENTIONS, USE OF FINANCIAL, INDUSTRY AND CURRENCY OF PRESENTATION**

### **Certain Conventions**

References in the Draft Letter of Offer to “India” are to the Republic of India and the “Government” or the “Central Government” is to the Government of India (“GoI”) and its territories and possessions and to the “US” or “U.S.” or the “United States” is to the United States of America and its territories and possessions.

Unless stated otherwise, all references to page numbers in this Draft Letter of Offer are to the page numbers of this Draft Letter of Offer. References to the singular also refer to the plural and one gender also refers to any other gender, wherever applicable.

In this Draft Letter of Offer, unless the context otherwise indicates or implies, references to “you”, “your”, “offeree”, “purchaser”, “subscriber”, “recipient”, “investor”, “prospective investor” and “potential investor” are to the prospective investors in the Issue, references to the “Company” or the “Issuer” or “our Company” are to Elpro International Limited and references to “we”, “us” or “our” are to the Company and its Subsidiary, unless otherwise specified.

### **Financial Data**

Unless stated otherwise, the financial data in the Draft Letter of Offer is derived from our financial statements prepared in accordance with Indian GAAP. Our fiscal year commences on April 1 of each year and ends on March 31 of the succeeding year, so all references to a particular “Fiscal Year” or “Fiscal” are to the 12 month period ended on March 31 of that year. Our audited consolidated and audited standalone financial statements for the Fiscal 2017 (“**Audited Financial Statements**”) that appear in the Draft Letter of Offer have been prepared by our Company in accordance with Indian GAAP, applicable standards and guidance notes specified by the Institute of Chartered Accountants of India, applicable accounting standards prescribed by the Companies (Accounting Standards) Rules, 2006 and other applicable statutory and/or regulatory requirements. Limited reviewed unaudited standalone financial statement for the quarter ended June 30, 2017 has been prepared in accordance with Ind AS. For further details of such financial statements, see the section “**Financial Information**” on page 67.

We publish our financial statements in Indian Rupees.

In the Draft Letter of Offer, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off, and unless otherwise specified, all financial numbers in parenthesis represent negative figures. Numerical values have been rounded off to two decimal places.

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

### **Currency of Presentation**

All references in the Draft Letter of Offer to “Rupees”, “₹”, “Rs.”, “Indian Rupees” and “INR” are to Indian Rupees, the official currency of India. All references to “U.S. dollars”, “USD” and “U.S.\$” are to United States dollars, the official currency of the United States of America. All references to ‘€’ and the ‘Euro’ are to Euro, the official currency of European Monetary Union’s member states.

Please Note:

- One lakh is equal to 100 thousand; and
- One crore is equal to 100 lakhs

### **Exchange Rates**

The following table provides information with respect to the exchange rate for the Indian rupee per US \$1.00. The exchange rates are based on the reference rates released by the Reserve Bank of India, which is available on the website of RBI. No representation is made that any Rupee amounts could have been, or could be, converted into U.S. dollars at any particular rate, the rates stated below, or at all.

(₹ per US\$)

	<b>Period end <sup>(1)</sup></b>	<b>Average <sup>(2)</sup></b>	<b>High</b>	<b>Low</b>
<b>Fiscal:</b>				
2015	62.59	61.15	63.75	58.43
2016	66.33	65.46	68.78	62.16
2017	64.84	67.09	68.72	64.84
<b>Quarter ended:</b>				
December 31, 2016	67.95	67.46	68.72	66.43
March 31, 2017	64.84	67.01	68.23	64.84
June 30, 2017	64.74	64.46	65.04	64.00

(Source: [www.rbi.org.in](http://www.rbi.org.in))

<sup>(1)</sup> In case of holidays, the exchange rate on the last traded day of the month has been considered as the rate for the period end.

<sup>(2)</sup> Average of the official rate for each working day of the relevant period.

## FORWARD LOOKING STATEMENTS

Certain statements contained in this Draft Letter of Offer that are not statements of historical fact constitute 'forward-looking statements'. Investors can generally identify forward-looking statements by terminology such as 'anticipate', 'believe', 'continue', 'can', 'could', 'intend', 'may', 'shall', 'should', 'will', 'would', 'future', 'forecast', 'guideline' or other words or phrases of similar import. Similarly, statements that describe the strategies, objectives, plans or goals of our Company are also forward-looking statements. However, these are not the exclusive means of identifying forward-looking statements. Forward-looking statements are not guarantees of performance and are based on certain assumptions, discuss future expectations, describe plans and strategies contain projections of results of operations or of financial condition or state other forward-looking information.

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

- economic downturns in India and global markets;
- strikes or work stoppages by our employees;
- competition from global and Indian companies, including new entrants in the market;
- accidents and natural disasters;
- loss of or shut down of operations at any of our manufacturing facilities;
- volatility in the supply or price of raw materials;
- failure to predict the change in consumer preferences and demand;
- failure to respond to the technological advances;
- failure to safeguard the reputation of our brand or failure to enhance our brand recognition;
- changes in government policies;
- downfall in the real estate industry;
- our ability to obtain financing to expand our business;
- objects of the Issue being based on management estimates and not being appraised by any bank or financial institution;
- absence of any definitive agreements to monitor the utilisation of the Issue Proceeds;
- failure of our customers to make timely payments;
- general economic and business conditions in India and other countries; and
- fluctuations in the exchange rate of the Rupee and other currencies.

Additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited to, those discussed in chapter titled "**Risk Factors**" beginning on page 11 of this Draft Letter of Offer. Whilst our Company believes that the expectations reflected in such forward-looking statements are reasonable at this time, it cannot assure investors that such expectations will prove to be correct. Given these uncertainties, Investors are cautioned not to place undue reliance on such forward-looking statements. In any

event, these statements speak only as of the date of this Draft Letter of Offer or the respective dates indicated in this Draft Letter of Offer, and our Company undertakes no obligation to update or revise any of them, whether as a result of new information, future events or otherwise. If any of these risks and uncertainties materialise, or if any of our Company's underlying assumptions prove to be incorrect, the actual results of operations or financial condition of our Company could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent forward-looking statements attributable to our Company are expressly qualified in their entirety by reference to these cautionary statements.

## SECTION II - RISK FACTORS

*An investment in equity shares involves a high degree of risk. The risks described below together with other information contained in this Draft Letter of Offer should be carefully considered by the prospective investors before making an investment decision. Prospective investors should carefully consider all the information contained in the section titled “**Financial Information**” on page 67 for the information related to the financial performance of our Company. The risks described in this section are those that we consider to be the most significant to our business, results of operations, financial condition and prospects. Additional risks not presently known to us or that we currently deem immaterial may also adversely affect our business operations. If any or a combination of the following events occur, our business, results of operations, financial condition and prospects could materially suffer, the trading price of our Equity Shares could decline and you may lose all or part of your investment. Unless otherwise stated, we are not in a position to specify or quantify the financial or other risks mentioned herein.*

*The following risk factors have been determined by our Board on the basis of their materiality. In accordance Clause (IV(C)) in Part E of Schedule VIII of the SEBI ICDR Regulations, the following factors have been considered for determining the materiality: (i) Some events may not be material individually, but may be found material collectively, (ii) some events may have material impact qualitatively instead of quantitatively, and (iii) some events may not be material at present but may have material impact in the future.*

### INTERNAL RISKS

#### **RISKS RELATING TO OUR ELECTRICAL EQUIPMENT BUSINESS**

- 1. Our operations are significantly dependent on our ability to successfully identify customer requirements and preferences and gain customer acceptance for our products. If we are unable to do so, our order-book may suffer adversely.***

Our future success depends significantly on our ability to ensure continued demand for our products, which requires us to continuously anticipate and respond in a timely manner to customer requirements and preferences. Further, our success is also dependent on our ability to gain customer acceptance for our current and future products. If we are unable to successfully anticipate customer requirements, or are unable to modify our current portfolio of products or develop new products, in a timely manner, we may lose market opportunities. Though we are committed to product innovation to respond to changing requirements in the electrical goods equipment industry, there can be no assurance that we will be successful in developing in timely manner new products that respond to such changes or changes in customer requirements and preferences or that our products would gain acceptance in our existing or new markets in a timely manner or at all.

A decline in demand for our products, or an error in our forecasts of future demand, among other factors, may significantly lower our sales, lead to increase in inventory levels and also require us to sell our products at substantially marked-down prices. Moreover, failure to correctly anticipate trends and adapt to the changing technological environment may result in obsolescence of and reduced demand of our products. Additionally, the development of new or improved products or technologies by our competitors may render our products obsolete or less competitive. To keep abreast of the most updated technology and respond effectively to changing customer preferences and requirements, we may be required to undertake additional capital expenditure and make investments to upgrade or enhance our manufacturing facilities and capabilities. Our continued engineering and development efforts towards upgrading and developing contemporary technologies for manufacturing updated electrical goods equipment at competitive prices may not be successful or may not result into successful commercial production in a timely manner or at all.

- 2. A significant portion of our revenues is concentrated amongst a limited number of customers, with whom we have not entered into long-term contracts.***

Our Company undertakes the business of manufacturing surge suppression products for the complete spectrum of high and low voltage applications. Although our electrical goods equipments find suitability for applications in diverse industry segments, *inter alia*, power generation and distribution, railways, telecommunication, solar energy and wind energy, we depend on a limited number of customers for a sizeable portion of our revenues. Our long-standing relationship with our major customers has been one of the most significant factors contributing to our growth. As on March 31, 2017, the sale of finished goods and services in relation to these electrical goods equipments constituted ₹ 495.00 lakhs, constituting 10.29% of our total revenues, on a

standalone basis. Our top 10 customers constitute over 46.14% and 56.45% of gross revenue from operations for Fiscal 2017 and for the three months period ended June 30, 2017, respectively, on standalone basis.

Even though we do not have any long-term supply agreements with them, we have continually received repeat business from many of our customers. However, in the absence of long-term agreements with our customers, we cannot assure you that we can maintain the historical levels of orders from these customers or that we will be able to find new customers in case we lose any of them. As a result, loss of one or more of our significant customers may result in a loss or non-receipt of orders from that customer which will affect our business, financial condition, result of operations and cash flows.

**3. *We rely on our raw material suppliers for our business, which exposes us to risks associated with volatility or fluctuations in prices of raw materials, and reductions in the availability of raw material supplies could materially disrupt our operations.***

Our ability to manufacture and make timely deliveries of our products is dependent on the availability and cost of raw materials. We rely on third-party suppliers for our primary raw materials, such as Porcelains, ZNO disc and surge protective device. As on March 31, 2017 and March 31, 2016, the consumption of raw materials used in our manufacturing business contributed to 28.09% and 15.73% of our expenses, respectively.

We procure our raw materials from both domestic and international suppliers, varying between 41.31% and 7.85% of our expenses, respectively. While we are not dependent on any particular raw material supplier, raw material supply and pricing can be volatile due to a number of factors beyond our control, including global demand and supply, transportation and labour costs, labour unrest, natural disasters, competition, import duties, tariffs and currency exchange rates, and any unanticipated variation in any of these factors could have a material adverse effect on our operations. Further, we generally do not enter into long-term agreements to supply raw materials and other requirements for our products. Any material shortage or interruption in the supply or decrease in the quality of these raw materials due to natural causes or other factors could result in increased costs of goods sold that we may not be able to pass on to our customers, which in turn would have a material adverse effect on our margins and results of operations. Further, any restriction in import of the raw materials and increase in shipment costs for the import of the raw materials could have material adverse impact on our business and our operations.

Further, we do not have long term agreements with our vendors/suppliers and operate on a purchase order system. Due to the absence of any formal contract with our vendors/suppliers, we are exposed to the risks of irregular supplies or no supplies at all and delayed supplies which would materially affect our results of operations and reputation.

**4. *The success and wide acceptability of our products is largely dependent upon certain quality accreditations of our products. Any inability to receive these quality accreditations in a timely manner or at all adversely affect our business prospects and financial performance.***

Our business requires obtaining and maintaining quality certifications and accreditations from independent certification entities. As on the date of filing of this Draft Letter of Offer, our manufacturing unit at Chinchwadgaon, Pune is ISO 9001:2008 certified. We also comply with prescribed specifications and standards of quality in connection with the products we manufacture. Such specifications and standards of quality is an important factor in the success and wide acceptability of our products.

If we fail to comply with applicable quality standards or if the relevant accreditation institute or agency declines to certify our products, or if we are otherwise unable to obtain such quality accreditations in the future, within time or at all, our business prospects and financial performance will be materially and adversely affected.

**5. *Product liability and other civil claims and costs incurred for any reason owing to a product recall; could harm our business, results of operations and financial condition.***

We are subject to risks and costs associated with product liability, warranties and recalls, supply of defective products, parts, or related after-sales services provided by us. Our customers use our products for critical applications, and in the event, that our products fail to perform as expected or such failure results, or is alleged to result, in bodily injury or property damage or both we may be subject to product liability. Further, defects, if any, in our products could lead to rejection of supplied products and consequential financial claims and could require us to undertake service actions. Though there have not been any significant rejection and claims

experienced by our Company in past, we cannot assure you that no such claims will be made against us in the future or that such claims will be settled in our favour. Our Company has not taken any specific insurance for product liability. Any product liability claims against us could generate adverse publicity, leading to a loss of reputation, customers and/or increase our costs, thereby materially and adversely affecting our business, results of operations, financial condition and cash flows.

**6. *Our business could be adversely affected by any delays or increased costs resulting from issues that our carriers may face in transporting our raw materials or finished products.***

We rely on third parties for the performance of certain functions and services, including delivery of our raw materials or finished products. Our ability to identify and build relationships with reliable transportation service providers not only helps us manage our inventory successfully but also other aspects of our operations. We have appointed third party transportation service providers for carrying out our delivery functions of raw materials and our finished goods. We do not have long term contracts with majority of our appointed third-party transportation service providers for deliveries. Although we believe our relationships with our appointed third-party transportation service providers have been satisfactory till now, there can be no assurance that we will not experience disruptions in their services in the future. Problems suffered by any of these third-party transportation service providers, such as the financial instability, non-compliance with applicable laws, trade restrictions, labour disputes, severe weather, political uncertainty, terrorist attacks and lack of adequate transport capacity and product handling capabilities and cost may disrupt our distribution chains, which may result in increased costs, damage to our finished products, raw materials or delivery delays, which may in turn harm our reputation with our customers. A failure to maintain a continuous supply of raw materials or to deliver our products to our customers in an efficient and reliable manner could have a material and adverse effect on our business, financial condition and results of operations.

**7. *We face competition from both domestic as well as international markets and our inability to compete effectively may have a material adverse impact on our business and results of operations.***

The electrical goods equipment manufacturing industry is highly competitive, both in India and abroad. As a result, to remain competitive in the market, we must continuously strive to reduce our production and distribution costs and improve our operating efficiencies and to offer better product design, performance, price, reputation, warranty terms, customer service and consumer convenience. If we fail to do so, our competitors may be able to sell their products at prices lower than ours, which may have an adverse effect on our market share and results of operations. The increasing reforms being implanted by the Government may attract global manufacturers to enter the domestic market, which will lead to increased competition for us. Some of our competitors, including many international companies and potential entrants to the domestic market, may have significantly greater resources than us. Any failure by us to compete effectively, including in terms of pricing or providing quality products, could have a material adverse effect on our financial condition, results of operations and cash flows. Our ability to compete successfully will depend, in significant part, on our ability to reduce costs by such means as leveraging global purchasing, improving productivity, elimination of redundancies and increasing production at low-cost supply sources. If we are unable to compete successfully, our market share may decline, which may have a material adverse effect on our results of operations, financial condition and cash flows.

**8. *We do not hold any patents or other form of intellectual property protection in relation to our manufacturing processes and/or our products, and our inability to maintain the integrity and secrecy of our manufacturing processes and/or our products may adversely affect our business.***

We possess extensive technical knowledge about our products. Our know-how may not be adequately protected by intellectual property rights such as patent registration or any trademark registration of our products. We rely in part on mutual trust for protection of our trade secrets and confidential information relating to our manufacturing processes. We take necessary precautions to protect our trade secrets and confidential information against breach of trust by our employees, consultants, customers and suppliers. However, it is possible that unauthorised disclosure of our trade secrets or confidential information may occur. We cannot assure you that we will be successful in the protection of our trade secrets and confidential information, and in case of our failure to protect, others may be able to use the same or similar production processes, thereby undermining any competitive advantage we may have derived from such processes and adversely affecting our financial condition and results of operations.

- 9. *Our operations are subject to various operational hazards, environmental, health and safety laws and other government regulations, which could expose us to the risk of liabilities, loss of revenues and increased expenses or material liabilities in the future, that may in turn result in an adverse effect on our financial condition or result in material liabilities in the future.***

Our operations are subject to various operational hazards associated with the manufacturing and especially with the electrical equipment industry such as the use, handling, processing, storage and transportation of hazardous materials, as well as accidents such as leakage or spillage of hazardous materials. The storage of these hazardous materials near our manufacturing unit and the handling of these materials in the manufacturing process pose inherent risks. Any mishandling of hazardous substances could expose our workforce to injuries or death. In addition, our workmen operate heavy machinery at our manufacturing unit and accidents may occur during operations.

While our Company adopts high safety standards in accordance with both national and international laws, these operational hazards can cause personal injury and loss of life, severe damage to and destruction of property and equipment, environmental damage and may result in the suspension of operations and the imposition of civil and criminal liabilities. While we maintain general insurance against these liabilities, insurance proceeds may not be adequate to fully cover the substantial liabilities, lost revenues or increased expenses that we might incur. Any failure to effectively cover ourselves against any of the foregoing risks could expose us to substantial costs and potentially lead to losses. Additionally, the occurrence of any of these risks may also divert management's attention and resources and adversely affect public perception about our operations and the perception of our suppliers, customers and employees, leading to an adverse effect on our business, results of operations and financial condition in the short term. If we fail to comply with applicable laws and regulations in relation to handling and disposal of hazardous substances, we could be subject to significant fines, penalties, costs, liabilities or restrictions on operations, which could negatively affect our financial condition.

- 10. *Our failure to accurately forecast and manage inventory could result in an unexpected shortfall and/or surplus of products, which could harm our business.***

We monitor our inventory levels based on our own projections of future demand. We must undertake production decisions well in advance of sales due to the period required to produce commercial quantities of our products. An inaccurate forecast of demand for any product can result in the unavailability/surplus of products. This unavailability of products in high demand may depress sales volumes and adversely affect customer relationships. Conversely, an inaccurate forecast can also result in an over-supply of products, which may increase costs, negatively impact cash flow, reduce the quality of inventory, erode margins substantially and ultimately create write-offs of inventory. Any of the aforesaid circumstances could have a material adverse effect on our business, results of operations and financial condition.

- 11. *Any shutdown of operations at our manufacturing unit could result in significant costs and may have an adverse effect on our operations and financial condition.***

Our Company has a manufacturing unit, situated at Chinchwad Gaon, Pune in Maharashtra. Our manufacturing unit is subject to operating risks, such as (a) the risk of substantial disruption or shutdown due to breakdowns or failure of equipment, natural disasters, storms, fires, explosions, earthquakes, floods and other catastrophic events, actual, potential or suspected epidemic outbreaks, terrorist attacks and wars, labour disputes, strikes, lock-outs, loss of services of our external contractors, and industrial accidents, (b) performance below expected levels of output or efficiency, and (c) obsolescence. Moreover, catastrophic events could also destroy any inventory located at our manufacturing unit. The occurrence of any such event could result in a temporary or long-term closure of any of our single manufacturing unit, which could have material adverse effect on our operations, business and financial condition.

#### ***RISKS RELATING TO OUR REAL ESTATE BUSINESS***

- 12. *We derive a significant portion of our revenue from our real estate segment and any reduction in demand for our projects in such segment could have an adverse effect on our business, results of operations, financial condition and cash flows.***

We derive a significant portion of our revenue from our real estate segment, which primarily comprises of construction and development of commercial and residential projects in the Chinchwadgaon region of Pune, Maharashtra on lease and sale basis. For the Fiscals 2017 and 2016, our revenue from the real estate segment



has been ₹ 4,265.88 lakhs and ₹ 3,936.80 lakhs, respectively. Any reduction in demand for our projects under the real estate segment could have an adverse effect on our business, results of operations, financial condition and cash flows.

**13. *Our business is heavily dependent on the performance of, and the prevailing conditions affecting, the real estate market in India.***

We are primarily focused on commercial and residential projects in the Chinchwadgaon area of Pune, Maharashtra. As a result, our business, financial condition and results of operations have been and will continue to be heavily dependent on the performance of, and the prevailing conditions affecting, the real estate market in India particularly in the area of Pune. However, the real estate market in Pune may perform differently from, and be subject to market and regulatory developments different from, real estate markets in other cities or areas in India. We cannot assure you that the demand for our real estate developments in Pune will continue to grow, or will not decrease, in the future. In the event that a decline or downturn were to occur in property prices in Pune, our business, financial condition and results of operations could be materially and adversely affected. These below-mentioned factors may contribute to changes in real estate prices and the availability of land in these regions, and may adversely affect our business, financial condition and results of operations:

- prevailing local economic, income and demographic conditions;
- availability of consumer financing (interest rates and eligibility criteria for loans);
- availability of and demand for properties comparable to those we develop;
- changes in governmental policies relating to zoning and land use;
- changes in applicable regulatory schemes; and
- the cyclical nature of demand for and supply of real estate.

These factors may result in fluctuations in real estate prices, which may negatively affect the demand for and the value of our projects, and may result in delays to or the cancellation of our projects or the cancellation of sales bookings or lease agreements.

Further, our operations and revenues are geographically concentrated in Chinchwadgaon region of Pune, Maharashtra. Our business is therefore significantly dependent on the general economic growth and demographic conditions in India and specifically the state and local policies in the Chinchwadgaon region of Pune, Maharashtra relating to the real-estate activities. Although investment in the real estate sector in the geographic area in which we operate has been encouraged, there can be no assurance that this will continue. Should there be a regional slowdown in economic activity in such an area or any developments that make construction and real estate projects economically less beneficial, the growth of our business, our financial condition and results of operations in the future could suffer. If there is a slowdown in the development of real estate projects, the growth of our business and results of operations in the future could be materially and adversely affected.

**14. *We depend on various third-parties to construct and develop our projects. We cannot assure you that the services rendered by any of these third-parties will always be satisfactory, match our requirements for quality and/or be in compliance with law.***

We primarily rely on third-parties for the implementation of our projects and generally enter into several arrangements with such third parties. We also leverage the expertise of external professionals with specialisations to match our wide range of operations, such as architects, interior designers, landscapers, engineers, building services consultants and communication consultants for the construction and development of our properties. Accordingly, the timing and quality of construction and development of our projects depends upon the availability, skill and cost of such third-parties. Although, we have established strong working relationships with various contractors/sub-contractors and other third parties who provide services, we cannot assure that they will continue to be available at reasonable rates and in the region of Chinchwadgaon, Pune and will continue to perform their obligations and services satisfactorily, to a standard that meets our requirements or targeted quality levels or will be compliant to the legal provisions.

Further, our contractors and service providers may face financial, legal or other difficulties which may affect their ability to commence and/or continue with construction and development of a project. We may be required to incur additional cost or time to develop our projects owing to delays or non-performance on part of such third parties, which could adversely affect our business, future growth and operations. Additionally,

we may also not be able to recover compensation for any resulting defective work or raw materials used for the construction and development of our projects, therefore, incur losses as a result of our projects being delayed or disrupted or having to fund the repair of defective work or pay damages to persons who have suffered loss as a result of such defective work.

***15. Fluctuations in market conditions between the time we construct and enter into lease or transfer agreements, may affect our ability to sell or lease our projects at expected prices or at all, which could adversely affect our revenues and earnings.***

We construct and develop our projects on the land we own. However, we are subject to significant fluctuations in the market value of land and inventories. The risk of owning undeveloped land, developed land and inventories can be substantial as the market value of land and inventories can change significantly as a result of changing economic and market conditions. There is a time gap between the construction and development and sale or lease of our projects, during which, deviations if any, could have a material adverse effect due to, among other things, changes to the national, state and local business climate and regulatory environment, local real estate market conditions, perceptions of prospective customers with respect to the convenience and attractiveness of our properties, and changes with respect to competition from other property developments. Since our real estate investments are relatively illiquid, our ability to mitigate the risk of any market fluctuations is limited. We could be adversely affected if the market conditions deteriorate or if we purchase inventories at higher prices during stronger economic periods and the value of the land or the inventories subsequently declines during weaker economic periods. Historically, the Indian real estate market has been cyclical, a phenomenon that can affect the optimal timing for the sale or rental of our properties. We cannot assure you that real estate market cyclicity will not continue to affect the Indian real estate market in the future. As a result, we may experience fluctuations in property values and rental income over time which in turn may adversely affect our business, financial condition and results of operations.

***16. We may experience volatility in prices of, or shortage of, key building materials.***

The success of our operations depends on, among other things, our ability to source raw materials at competitive prices and our ability to source adequate building supplies for use by our construction contractors. We procure building materials for our properties, such as steel, cement, flooring products, hardware, doors and windows, bathroom fixtures and other interior fittings from third party suppliers. We currently do not have any long-term arrangements for the sourcing of such building materials from such third-party suppliers. In addition, our supply chain may be periodically interrupted by circumstances beyond our control, including work stoppages and labour disputes affecting our suppliers, their distributors, or the transporters of our supplies. During periods of shortages in building materials, we may not be able to complete projects according to our previously established timelines, at our previously estimated project cost, or at all, which could harm our results of operations and financial condition. In addition, during periods of volatility in the price of building materials, where prices have increased significantly or unexpectedly, we may not be able to pass the increase in construction costs through to our customers, particularly as we generally aim to pre-sell/lease a significant portion of our residential/commercial units prior to project completion, which could reduce or eliminate the profits we attain with regards to our developments.

Our ability to develop and construct properties profitably is dependent upon our ability to source adequate building supplies for use by our construction contractors. Any significant increase in the prices of these raw materials due to any reasons such as government policies, and our inability to pass on increased costs of raw material to our customers or reduction in demand from our customers, may adversely affect our sales and profitability. In the event of any disruption in the supply of raw materials supply in terms of requisite quantities and qualities, our schedule may also be adversely affected. If we are unable to procure raw materials or have to procure such raw materials at a higher price than what we are currently paying, then our operations and financial conditions can be adversely affected.

***17. Some or all of our ongoing projects may not be completed by their expected completion dates or at all. Delays in the completion of construction of our ongoing projects could lead to cost overruns, which could have an adverse effect on our business, results of operations, financial condition and cash flows.***

Real estate developments typically require substantial capital outlay during the construction and development phases and it may take a year or more before income or positive cash flows may be generated through sales/lease of a real estate development. Depending on the size of the development, the time span for completing a real estate development runs into several years. Consequently, changes in the business

environment during the length of time a project requires for completion may affect the revenue and cost of the development during the period from project commencement to completion, directly impacting on the profitability of the project. As of August 31, 2017, we have 3 ongoing projects namely, Elpro Mall, 1Elpro Park-OEP and Elpro Business Bay, on a consolidated basis. Our ongoing projects may be subject to significant changes and modifications from our currently estimated management plans and timelines as a result of factors outside our control, including, among others:

- (a) availability of financing;
- (b) increases in construction costs;
- (c) natural disasters;
- (d) regulatory changes;
- (e) reliance on third party contractors; and
- (f) the risk of decreased market demand during the development of a project.

We may also change our management plans and timelines for strategic, marketing, internal planning and other reasons. Such changes and modifications may have a significant impact on our ongoing projects, and consequently, we may not develop these projects as planned, or at all, which may have an adverse effect on our business, operations and financial condition. Such changes and modifications may have a significant impact on our ongoing projects, and could lead to cost over-runs, lower or no return on capital and reduced revenue for us. Such delays could have adverse effects on our business, results of operations and financial condition.

Timely completion of construction of our ongoing projects is subject to various execution risks as well as other matters, including receipt of relevant approvals for such ongoing projects. We cannot assure you that we will be able to complete our current projects within specified schedules or at all, which may have an adverse effect on our business, results of operations, financial condition and cash flows.

***18. Sales of our projects may be adversely affected by the ability of our prospective customers to purchase property and availability of financing to potential customers, particularly buyers of residential properties.***

A large number of our customers, especially buyers of residential properties belonging to mid-income segment, finance their purchases by raising loans from banks and other lenders. Mortgage backed financing is usually available for customers from banks and financial institutions as our primary focus is on providing mid-income group housing to middle-income families. The availability of home loans may however, be affected if the interest rates on such loans continue to increase or there is a decrease in the availability of home loans. This may affect the ability of our customers to finance the purchase of their residential properties and may consequently affect the demand for our projects. In the past, lower interest rates on financing from India's retail banks and housing finance companies, particularly for residential real estate, combined with the favourable tax treatment of loans, had helped to fuel the growth of the Indian real estate market. On account of the prevailing conditions of the global and Indian credit markets in the past several years, buyers of property have been cautious, and consumer sentiment and market spending may continue to be cautious in the near-term. Additionally, any changes in the tax treatment with respect to the repayment of principal on housing loans and interest paid on housing loans may further affect demand for residential real estate.

The interest rate at which our real estate customers may borrow funds for the purchase of our properties affects the affordability of our real estate projects. Any changes in the home loans market, making home loans less attractive to our customers may adversely affect our business, future growth and results of operations. Further, as of August 31, 2017, some of our residential units were unsold. We cannot assure you that we will be able to sell such unsold residential units in a definite period of time or at all. Such non-sale of our residential units may adversely affect our profitability, financial condition and our business.

***19. Our commercial projects which are based on lease model are subject to risk of non-renewal, non-replacement or early termination.***

As part of our business model for our commercial projects, we have entered into lease agreements with our tenants for leasing out office and retail spaces. We receive rental income from the lease of commercial and retail projects. On a consolidated basis, our segment revenue from leasing segment was ₹ 1,336.27 lakhs. The lease agreements are for a fixed period and are subject to renewal on a regular basis. Our tenants have the right to terminate the lease agreements prior to completion of the leased period by giving prior notice to us. As on the date of this Draft Letter of Offer, we have not received any termination notice from our major

tenants. However, we cannot assure you that our tenants shall not opt for early termination of the lease agreement or renew the lease agreement post the completion of the lease period. Further, we cannot assure you that we will be able to find a new tenant for such office or retail space that have been vacated pursuant to the early termination or non-renewal by the existing tenants or any tenant for the unoccupied units. Any such instance of non-renewal, early termination or inability to find new tenants could have an adverse impact on our revenue from such commercial projects.

**20. *In the past, there have been delays in handover of our residential units to our customers.***

We enter into agreements with our customers which require us to complete the project development by a certain date for the residential projects. We cannot assure you that we will always finish the construction or development of our residential project in accordance with the timelines specified in such agreements. We have in the past had delays in the completion and handover of residential projects. Continued delays in the completion of the construction and development of our residential projects and handover to our customers will adversely affect our reputation and results of operations.

**21. *Our business is subject to extensive regulation by the Government, state governments and local authorities with which we may not comply with, and which may require more time and cost to comply with.***

The real estate industry in India is heavily regulated by the Government, state governments and local authorities. Property developers need to comply with a number of requirements mandated by Indian laws and regulations, including policies and procedures established by local authorities such as requirement of payment of stamp duty and registration of property documents. There are also various land ceiling legislations that regulate the amount of land that can be held under single ownership.

Prior to the commencement of construction, we are required to obtain clearance from pollution control boards, approvals from fire services as well state police authorities. The planning permission granted by local municipal authorities is usually subject to compliance with the terms and conditions of all licenses and permits granted in connection with the project. After obtaining all such clearances and approvals, we are required to obtain planning permission from the relevant municipal authorities. We may have to revise our strategies and plans to be able to adapt to new laws, regulations or policies that may come into effect from time to time with respect to the real estate sector and which may impose significant monetary costs on us. Although we believe that our projects are in compliance with applicable laws and regulations, there could be instances of non-compliance, which may subject us to regulatory action in the future, including penalties, seizure of land and other legal proceedings.

Any non-compliance could lead to a cancellation of planning permission granted, and consequentially a cancellation of such project. Further, due to the possibility of unanticipated regulatory developments, the amount and timing of future expenditure to comply with these regulatory requirements may vary substantially from those currently in effect. We may encounter material difficulties in fulfilling any conditions precedent to the approvals described above or any approvals that we may require in the future, some of which are onerous and may require us to incur substantial expenditure that we may not have anticipated. Further, the registrations and approvals that we have obtained for our projects are required to be renewed from time to time, in the ordinary course of our business.

There may also be delays on the part of the administrative bodies in reviewing our applications and granting approvals or the approvals issued to us may 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. If we fail to obtain or renew or experience significant delays in obtaining or renewing the requisite governmental approvals, or if any approvals are suspended or revoked, the schedule of development and the sale/lease of our projects could be substantially disrupted or impeded, which could have a material adverse effect on our business, prospects, financial condition and operations.

**22. *The success of our real estate development businesses is dependent on our ability to anticipate and respond to consumer requirements.***

The growth of the Indian economy has led to changes in the way businesses operate in India and the growing disposable income of India's middle and upper income classes has led to a change in lifestyle, resulting in a substantial change in the nature of their demands. Increasingly, consumers are seeking better housing and better amenities in new residential developments. The growth and success of our leasing business depends

on the provision of high quality office space to attract and retain clients and on our ability to anticipate the future needs and expansion plans of these clients. We believe that an increase in disposable incomes, demographic changes, the change in perception of branded products and the entry of international retail players has led to a greater demand for access to luxury brands.

Our inability to meet our customers' preferences or our failure to anticipate and respond to customer needs accordingly could materially and adversely affect our business and results of operations. If we fail to anticipate and respond to consumer requirements, we could lose potential clients to competitors, which in turn could materially and adversely affect our business and prospects.

**23. *The real estate sector is intensely competitive and our inability to compete effectively may adversely affect our business, results of operations, financial condition and cash flows.***

The real estate development industry in India, while fragmented, is highly competitive and we face competition in Chinchwadgaon region of Pune, Maharashtra where our business activities are presently located from numerous sources including other Indian real estate development and construction companies. We compete on the basis of location, facilities and supporting infrastructure, services and price. Competitors with greater resources could acquire land in more desirable locations, offer more attractive prices than we are able to or anticipate or respond sooner to the requirements of customers. We may not, therefore, be able to compete successfully against our existing or potential competitors. In addition, increased competition between real estate developers may result in higher costs for land acquisition, oversupply of properties and a slowdown in the approval process for new property developments by the relevant government authorities, all of which may materially and adversely affect our business, financial condition and operations.

We face significant competition from a large number of real estate developers and companies in the real-estate business, which also operate in the same regional markets as us. While technical capacity and performance and personnel, as well as reputation and experience, are important considerations in the customers decision, price and availability are major factors for most real estate investments. Some of our competitors may be larger than us, may have more financial resources or a more experienced management team, or may have more engineering experience in executing certain types of technically complex projects. Further, the premium placed on having experience may cause some of the new entrants to accept lower margins in order to establish themselves. We cannot assure you that we can continue to compete effectively with our competitors in the future, and failure to compete effectively may have an adverse effect on our business, results of operations, financial condition and cash flows.

**24. *Our revenues in relation to the real-estate segment are dependent on various factors and are therefore difficult to predict and can vary significantly from period to period, which could cause the price of the Equity Shares to fluctuate.***

Under our existing business model, revenues in our real estate development business are derived primarily from the sale of residential developments and lease of commercial space, which are dependent on various factors such as the size of our developments, the price at which such developments are sold/offered for lease, the extent to which they qualify for percentage of completion treatment under our revenue recognition policies, rights of lessors or third parties that could impair our ability to sell properties and general market conditions including those caused by the current global financial crisis. Our revenues are also recognised based on a percentage of completion on estimated total costs, which estimate may vary, sometimes significantly. Further, while we make sale/lease of properties, our ability to recognise revenue and profits will depend on the successful execution and completion of projects and the customers paying us the remaining amounts due under contract, after the payment of initial deposit or continued rental payments.

The completion dates for our projects are estimates based on current expectations, market demands and management estimates and could change. Any changes in the construction schedule could affect revenue recognition in our financial statements. These factors may result in significant variations in our revenues and profits. Therefore, we believe that period-to-period comparisons of our results of operations are not necessarily meaningful and should not be relied upon as indicative of future performance.

**25. *Our operations and our work force are exposed to various hazards and we are exposed to risks arising from construction related activities that could result in material liabilities, increased expenses and diminished revenues.***

There are certain unanticipated or unforeseen risks that may arise in the course of property development due to adverse weather and geological conditions such as storm, hurricane, lightning, flood, landslide and earthquake. Additionally, our operations are subject to hazards inherent in providing architectural and construction services, such as risk of equipment failure, impact from falling objects, collision, work accidents, fire or explosion, including hazards that may cause injury and loss of life, severe damage to and destruction of property and equipment, and environmental damage. We may become responsible for the death or injury suffered by any contractor, architect or third party appointed by us in the course of development of the project. Any such risk could result in exposing us to material liabilities, increase our expenses, adversely affect our reputation and may result in a decline in our revenues. Although there has been no such incident, we cannot assure that we may be able to prevent any such incidents in the future.

**26. *We face labour risks, including potential increases in labour costs, industrial unrest and slowdowns. Our results of operations could be adversely affected by strikes, work stoppages or increased wage demands by employees as well as due to unavailability of a sufficient pool of contract labour.***

India has stringent labour legislations that protect the interests of workers, including legislation setting forth procedures for the establishment of unions, dispute resolution and employee removal and legislation imposing certain financial obligations on employers upon retrenchment. We operate in a labour-intensive industry and our contractors hire casual labour to work on our projects. As of June 30, 2017, we had 21 permanent employees. Our employees are currently not represented by any labour union. While we consider our current labour relations to be good, there can be no assurance that future disruptions will not be experienced due to disputes or other problems with our work force, which may adversely affect our business and results of operations. It may also be difficult to procure the required skilled workers for our projects. Either of these factors could adversely affect our business, financial condition, results of operations and cash flows in relation to the real-estate activities. In addition, we may be liable for or exposed to sanctions, penalties or losses arising from accidents or damages caused by our employees or contractors.

We are also dependent on the availability of a sufficient pool of contract labour to execute our construction projects. The number of contract labourers employed by us varies from time to time based on the nature and extent of work contracted to independent contractors. We enter into contracts with independent contractors to complete specified assignments. Although we do not engage these labourers directly, we are responsible for any wage payments to be made to such labourers in the event of default by such independent contractors. Any requirement to fund their wage requirements may have an adverse impact on our results of operations and our financial conditions.

**27. *We may be subject to various warranty and indemnity claims and remedial and other costs relating to our projects.***

With respect to our projects, we may be subject to claims resulting from defects arising from workmanship, procurement and/or construction services provided by us within the applicable defect liability periods under the various project documents. Actual or claimed defects in construction quality could give rise to claims, liabilities, costs and expenses relating to loss of life, personal injury or damage to property. Our policy of covering these risks through contractual limitations of liability and insurance may not always be effective. A failure to meet quality standards could expose us to the risk of liability claims or customer claims for damages. In defending such claims, we could incur substantial costs and be subject to adverse publicity. Management resources could be diverted away from the day to day running of our business towards defending such claims. If we incur any of the afore-mentioned liabilities or costs or are required to pay damages or reimburse our customers, our business, results of operations and financial condition may be adversely affected.

***RISKS RELATING TO OUR WINDMILL BUSINESS***

**28. *We are facing a gradual reduction in our revenue from our wind power segment and this may have an adverse effect on our financial condition, cash flow and business.***

We are in the business of operating two (2) wind generating facilities, located at Shivajinagar, Ahmednagar, Maharashtra and Goolihosahalli, Chitradurga, Karanataka from the year 2007 and 2006, respectively. However, for the Fiscal 2016 and Fiscal 2017, the portion of revenue generated from the wind power segment has been ₹ 106.19 lakhs and ₹ 51.91 lakhs, respectively, on a consolidated basis. We are facing a reduction in the revenue generation from our wind power segment due to breakdown of the machines, non-availability

of the spare parts and unfavourable wind conditions. We cannot assure that we will be able to increase the revenue generation from our wind power segment or even that there will be any revenue generation at all, in the future. We may not be able to sustain our growth which may adversely affect our business, financial condition and results of operation.

**29. *Our machineries and other equipments used in both wind generating facilities are more than 10 years old and are prone to repetitive breakdown, which increases our cost of repair and maintenance of the wind generating facilities and has material adverse effect on our profitability, revenue and financial condition.***

We have installed the requisite machineries such as wind turbine at both of our wind generating facilities in Maharashtra and Karnataka. The life expectancy of such machineries is 20 to 25 years. Given their usage over these many years and their nature to be subject to normal tear and wear, we are incurring substantial repair costs of such machineries. Further, there have been instances of long breakdown of such machineries over the past few months, which has halted the power generation and has resulted into reduction of revenue in the Fiscal 2017 as compared to Fiscal 2016. Accordingly, we will have to bear the ordinary cost of repair and tear along with any replacement cost of the break down machineries, if required, in the future, which will require capital and may halt the supply of the power generated to the customers and result into an unordinary delay and may have an adverse effect on our profitability, revenue, reputation and our financial condition.

**30. *We have limited number of customers for our wind power projects and any factor affecting their financial condition, business and their relationship with us, will have an adverse effect on our financial condition and business.***

We have entered into wind power purchase and supply agreements for both of the wind power generating facilities with Maharashtra State Electricity Distribution Company Limited (“MSEDCL”) and Bangalore Electricity Supply Company Limited (“BESCL”) for Maharashtra and Karnataka, respectively, in the years 2007 and 2006, respectively. Our customers then supply and distribute the wind power purchased from us to the end-result customers. We are therefore dependent upon the factors affecting their businesses. Our customers have entered into the power and supply agreements with us due to Government mandated ‘Renewable Purchase Obligation’ to procure renewable energy from such production entities to foster the use of renewable energy in India. Should there be any change in the Government policies in relation to our customers, usage of renewable energy, usage of another source of renewable energy or of the ‘Renewable Purchase Obligation’, it would have an adverse effect on our relationship with our customers and will adversely impact our financial condition and business. Further, any other factor affecting the business, paying conditions or any facet of our customers will have an adverse effect on our business and financial condition.

Further, the purchase and supply agreements that we have entered into with MSEDCL and BESCL are valid till 2020 and 2026, respectively subject to the renewal of such agreements. However, we cannot assure you that MSEDCL and BESCL will renew the purchase and supply agreements with us, upon the expiry of such agreements. In case of non-renewal, we would not have any customer to sell the wind power generated at our wind power generating facilities. We cannot assure you that we will be in a position to find another customer in a short period of time or at all. This may result into non-generation of any revenue, increase of expenditure and closure of our wind power generating facilities, which will have an adverse effect on our financial condition and our business. Further, we cannot assure you that in case of renewal or new customers, such agreements will be negotiated at the same commercial terms as of the existing purchase and supply agreements with MSEDCL and BESCL and this may have an adverse effect on our revenue and our financial condition.

**31. *Demand for our products and services in relation to the wind power segment depends on the activity and new capital expenditure levels in the wind power sector.***

The demand for our products and services in relation to the wind power sector is particularly sensitive to the commercial viability of wind power relative to the commercial viability of other sources of power. Capital expenditure in the wind power sector is influenced by, among other factors, demand for energy, prices for, and the pace of development and implementation of, competing energy sources, governmental regulations and policies including with respect to tax incentives, local and international political and economic conditions, cost and availability of capital, local demand and availability of supply of power. In the past few years, the policy objective of the Government of India has been to increase generation of power from

renewable sources. However, a reduction of capital investment in the wind power industry due to any of the above factors or for any other reason could have a material adverse effect on our results of operations and financial condition.

**32. *If wind patterns at sites that we have previously identified as suitable for wind farm projects change, our business, financial condition and results of operations could be adversely affected.***

The viability of a wind power project is dependent on the availability of wind, which by its very nature is intermittent. The viability of wind farm projects at sites we have identified is primarily dependent on the wind patterns at these sites conforming to the patterns that were used to determine the suitability of these sites for wind farm projects. Although both the Government of India and we conduct wind resource assessments based on long-term wind patterns at identified wind sites, there can be no assurance that wind patterns at a particular site will remain constant. Changes in wind patterns at particular sites that we have previously identified as suitable for wind farm projects, and which we have acquired and developed, could result into a shutdown of our wind power generating projects which may have a material adverse effect on our business, financial condition and results of operations.

**RISK RELATING TO OUR COMPANY**

**33. *The shareholding of FPIs in our Company for the quarter ended June 30, 2017 increased beyond the prescribed limit of 24% as per applicable law and we have intimated the RBI in this regard to take appropriate steps.***

In terms of Schedule 2 and 2A of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, notified by the RBI *vide* Notification No. FEMA 20/2000-RB dated May 3, 2000 (“**Regulations**”), FPIs may invest in the capital of an Indian company under the ‘Portfolio Investment Scheme’ which limits the individual holding of an FPI below 10% of the capital of a company and the aggregate limit for FPI investment to 24% of the capital of the company. The aggregate limit of 24% can be increased to the sectoral cap/statutory ceiling, as applicable, by the Indian company concerned through a resolution by its board of directors followed by a special resolution to that effect by its general body and subject to prior intimation to the RBI. For further details, please see “**Terms of the Issue-Investment by FPIs, FIIs and QFIs**” on page 180.

The shareholding of FPIs in our Company has increased from 23.98%, as on March 31, 2017 to 24.17%, as on June 30, 2017. Our Company has not carried out any corporate action, including passing of a board resolution or a special resolution in the general meeting, to increase the aggregate limit of the shareholding of FPI to the limit of 24% as set out in the Regulations.

In this regard, we have intimated the RBI on September 28, 2017 to bring to RBI’s attention that the shareholding of the FPIs in our Company has exceeded the threshold limit of 24% for the quarter ended June 30, 2017 and to enable the RBI to take appropriate steps. RBI has set a mechanism to monitor the change in the shareholding of FPIs in an Indian company and pursuant to which they have the power to include an entity in the ‘Caution List’ if the shareholding of the FPIs in such entity has exceeded or is likely to exceed the threshold prescribed by the RBI. We cannot assure you if our Company would not be put on the RBI’s ‘Caution List’ pursuant to the increase in the shareholding of the FPIs in our Company beyond 24%. Accordingly, RBI may restrict the participation of the FPIs in the Issue and any further trading in the Equity Shares of our Company by the FPIs. Should our Company be listed on the ‘Caution List’, the price of our Equity Shares may have an adverse impact as well as such an action against our Company by the RBI may have an adverse effect on our reputation and business.

**34. *There are certain material outstanding legal proceedings involving our Company and our Subsidiary which if determined against us, may have a material adverse effect on our business, financial results and reputation.***

There are certain outstanding legal proceedings, including criminal, tax and civil litigation, involving our Company and our Subsidiary, which are pending at different stages of adjudication before various courts, tribunals and other authorities. For details, see the section titled “**Outstanding Litigation and other Defaults**” on page 136. Any unfavourable decision in connection with such proceedings, individually or in the aggregate, could increase our expenses. We have not made any provision for such liabilities that may arise, except for income tax matters, and such liabilities could materially and adversely affect our reputation, business and financial results. We cannot assure you that any of these matters will be resolved in our favour, or that no



additional liability will arise out of these proceedings. Further, there is no assurance that similar proceedings will not be initiated against the abovementioned entities in the future. This could materially and adversely affect our reputation, business and our financial results.

**35. We have certain contingent liabilities that, if materialised, may adversely affect our business and financial results.**

For Fiscal 2017 and Fiscal 2016, we had the following outstanding contingent liabilities not provided for in our financial statements:

Particulars	<i>(in ₹ lakhs)</i>	
	Fiscal 2017	Fiscal 2016
Excise Duty		2.23
Employee related matters	Amount not ascertainable	Amount not ascertainable
Sales Tax Matters		25.44
Bank Guarantees (secured by hypothecation of current assets)	14.22	20.17
Corporate Guarantee to Bank (Secured by mortgagee of land)	3,491.00	3,650.00

If the above-mentioned contingent liabilities materialise, our business and financial results may be adversely affected. For details, see the section “**Financial Information**” on page 67.

**36. Any inability to attract, recruit and retain skilled personnel could adversely affect our business and results of operations.**

Our success including our future success depends to a large extent upon the continued services of senior management, executive officers, key employees and other skilled personnel. We could be adversely affected by the loss of any of the members of senior management, executive officers and other key employees. The market for such qualified professionals is competitive and we may not continue to be successful in our efforts to attract and retain qualified people. In some of our markets, the specialised skills we require are difficult and time consuming to acquire and, as a result, are in short supply. We require a long period of time to hire and train replacement personnel when we lose skilled employees. Our inability to hire, train and retain a sufficient number of qualified employees could delay our ability to bring new products to the market and impair the success of our operations. This could have a material adverse effect on our business, financial condition and results of operations.

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

We have entered into transactions with several of our related parties, aggregating to ₹ 2,552.67 lakhs and ₹ 1,302.46 lakhs, for Fiscal 2017 and Fiscal 2016, which were conducted in compliance with applicable laws. For further details, please see section titled “**Financial Information**” on page 67.

Whilst we believe that all our related party transactions have been conducted on an arms-length basis and contain commercial terms, there can be no assurance that we could not have achieved more favourable terms if such transactions had not been entered into with related parties. Further, the transactions we have entered into, or any future transactions with our related parties, have involved or may potentially involve conflicts of interest. It is likely that we may continue to enter into related party transactions in the future and we cannot assure you that such transactions, individually or in the aggregate, will not adversely affect our financial condition and results of operations.

**38. Our insurance coverage may not be adequate to protect us against all potential losses to which we may be subject, and this may have a material adverse effect on our business, financial condition and results of operations.**

While we believe that the insurance coverage that we maintain is reasonably adequate to cover all normal risks associated with the operation of our business, including the use of hazardous raw materials, there can be no assurance that our insurance coverage will be sufficient, that any claim under our insurance policies will be honoured fully or timely, or that our insurance premiums will not increase substantially. Accordingly, to the extent that we suffer loss or damage that is not covered by insurance or which exceeds our insurance coverage, or are required to pay higher insurance premiums, our business, financial condition and results of operations may be materially and adversely affected. In addition, our insurance coverage expires from time to time. We

apply for the renewal of our insurance coverage in the normal course of our business, but we cannot assure you that such renewals will be granted in a timely manner, at acceptable cost or at all.

**39. *Our Promoters will continue to hold a majority of our Equity Shares after the Issue and can significantly influence our corporate actions.***

As on the date of the filing of this Draft Letter of Offer, our Promoters and Promoter Groups hold 65.65% of our Equity Share capital. Following the Issue, our Promoters and Promoter Group will continue to hold majority of our Equity Share capital. As a result, our Promoters and Promoter Group will continue to have the ability to exercise significant influence over all matters requiring shareholder's approval, including the appointment of directors and approval of significant corporate transactions, including a scheme of arrangement or transactions resulting into change in control of our Company. Our Promoters and Promoter Group will also continue to have the ability to cause us to take actions that are not in, or may conflict with, our interests and/or the interests of our minority shareholders, and there can be no assurance that such actions will not have an adverse effect on our future financial performance and the price of our Equity Shares.

**40. *Some of our financing agreements require prior consent of our lenders for undertaking a number of corporate actions, including the Issue, and one such consent has not been obtained as on date of this Draft Letter of Offer.***

Some of our financing agreements and debt arrangements set limits on or require us to obtain prior lender consent, *inter-alia*, effecting any change in the charter documents, formulating a scheme of amalgamation or reconstruction, entering into any long term contractual obligations, raising additional capital, repaying any monies brought in by the Promoters/Directors and effecting changes in the management and control of our Company and initiating and consummating the Issue.

As of the date of this Draft Letter of Offer, we have not received consent from one of our lenders namely, Bank of India. Whilst our Company anticipate obtaining the necessary consent in relation to the Issue from such lender prior to filing the Letter of Offer with the Designated Stock Exchange, undertaking the Issue without obtaining such lender consent may constitute a default under such a loan agreement. Further, such lender may also curtail our ability to utilise a portion of the Issue Proceeds for repayment or prepayment of certain debt availed by us. For further details of the proposed objects of the Issue, please see the section titled "*Objects of the Issue*" on page 48.

In the event of a violation of any of such restrictive covenants, it may amount to events of default, which may result in breach of contract causing claims to be brought against us or termination of the agreements as well as prepayment obligations. Where instances of breach arise, our lenders may invoke rights under the borrowing arrangements. The implications of such restrictive covenants could have a material adverse impact on our operations and financial conditions.

**41. *We engage contract labour for carrying out certain business operations.***

In order to retain operational efficiencies, we engage independent contractors through whom we engage contract labour for performance of our operations therefore, we are dependent on the availability of a sufficient pool of contract labour. The number of contract labourers employed by us varies from time to time based on the nature and extent of work contracted to independent contractors. We enter into contracts with independent contractors to complete specified assignments. Although we do not engage these labourers directly, we are responsible for any wage payments to be made to such labourers in the event of default by such independent contractors. Any requirement to fund their wage requirements may have an adverse impact on our results of operations and our financial conditions

**42. *Any damages caused by fraud, theft or other misconduct by our employees could adversely affect our profitability, results of operations and cash flows.***

Although we have put measures in place dedicated to monitoring illegal and unethical behaviour, fraud, data theft or other misconduct of employees, we run the risk that such employee misconduct could occur. We may be subject to substantial financial losses and damage to our reputation and loss of business from our customers, owing to such employee misconduct. Such misconduct could also involve the improper use or disclosure of confidential information, which could result in regulatory sanctions and serious reputational or financial harm, including harm to our brand/goodwill. We cannot assure you that we will always be able to deter employee

misconduct and the precautions taken and systems put in place to prevent and detect such activities may not be effective in all cases. Such instances of employee misconduct could have material adverse impact on our profitability, results of operations and cash flows.

**43. *We require several licenses, approvals and permissions for carrying on our business. If our Company is unable to obtain or renew the expiring/expired material approvals and licenses in a timely manner, our business and operations may be adversely affected.***

We require certain statutory and regulatory permits, licenses and approvals to operate our business such as consents to establish and operate from the state pollution control board, importer-exporter code, registration and licenses issued under the Factories Act, 1948, as amended, for our manufacturing unit, commissioning certificates and safety certificates from the state electricity board, registration certificates issued under various labor laws for all of our business segments. There can be no assurance that the approvals, licenses, permits and registrations may not be revoked in the event of any non-compliance with any terms or conditions imposed thereof.

As on the date of filing of this Draft Letter of Offer, our Company has obtained all the material permits, licenses and approvals to operate our business. In the future, we will be required to renew permits, licenses and approvals for our business, and to obtain new permits, licenses and approvals for any proposed expansion. While we will endeavor to renew or obtain such approvals as required, there can be no assurance that the relevant authorities will issue any such approvals within our anticipated timeframe or at all. An inability to renew, maintain or obtain any required permits, licenses or approvals may result in the interruption of our operations and have a material adverse effect on our business, financial condition and results of operations.

**44. *We are required to comply with environmental laws and regulations that could cause us to incur significant costs.***

Our operations are subject to various international, national, state and local laws and regulations, which are subject to laws specific to the industry in which we operate, as well as laws generally governing business in India, including those relating to the protection of the environment and occupational health and safety, including those governing the generation, handling, storage, use, management, transportation and disposal of, or exposure to, environmental pollutants or hazardous materials resulting from our business operations. While we are not aware of any outstanding material claims or obligations, we may incur substantial costs, including clean up or remediation costs, fines and civil or criminal sanctions, and third-party property damage or personal injury claims, as a result of violations of or liabilities under environmental or health and safety laws or non-compliance with permits required at our facilities, which, as a result, may have an adverse effect on our business and financial condition.

**45. *We may not be able to sustain effective implementation of our business and growth strategy.***

As a part of our growth strategy, we are planning to increase our focus in real estate sector, especially in commercial lease rentals and it has now contributing substantial revenue as compared to our core manufacturing activity.

There can be no assurance that we will be able to execute our strategy on time and within the estimated budget in the future. Our growth strategy is subject to and involves risks and difficulties, many of which are beyond our control and accordingly, there can be no assurance that we will be able to implement our strategy or growth plans, or complete them within the budgeted cost and timelines. Any inability on our part to manage our growth or implement our strategy effectively could have a material adverse effect on our business, results of operations and financial condition. Further, we operate in a dynamic industry, and on account of changes in market conditions, industry dynamics, technological improvements or changes and any other relevant factors, our growth strategy and plans may undergo changes or modifications, and such changes or modifications may be substantial, and may even include limiting or foregoing growth opportunities if the situation so demands.

**46. *Our ability to pay dividends in the future will depend upon our future earnings, financial condition, cash flows, working capital requirements and capital expenditures. Any inability to declare dividend may adversely affect the trading price of our Equity Shares.***

Our Board has not recommended any dividend for the shareholders in the Fiscal 2017. Our future ability to pay dividends and the amount of any such dividends, if declared, will depend upon a number of factors, including

our future earnings, financial condition, cash flows, planned capital expenditures, working capital requirements, results of operations and financial condition and other factors considered relevant by our Board of Directors and shareholders. We cannot assure you that we will generate sufficient income to cover our operating expenses and shall be able to pay dividends. Further, dividends distributed by our Company will attract dividend distribution tax and may be subject to other requirements prescribed under law. There is no assurance that we will declare and pay, or shall have the ability to declare and pay, any dividends on Equity Shares in the future.

**47. *Diverse business segments may have material adverse effect on our business, profitability and our financial results.***

As on the date of filing of this Draft Letter of Offer, our Company is involved in various business segments such as of manufacturing surge assemblers, construction and development of real estate properties, windmill operations and equity investment in third parties. Our business segments are so diverse and exclusive of each other, which requires divided attention and focus of our senior management and employees to have a strategic direction and to ensure the profitability of all the business segments of our Company. We cannot assure you that the diversity and exclusivity of our business segments will always be profitable to our business and to your investments. The divided attention and focus of our management may have adverse effect on our business, profitability and financial results.

**48. *Our Company has substantial amount of its capital invested in PNB MetLife India Insurance Company Limited. Any downfall in these investments made by our Company would in turn affect our profitability and the business of our Company.***

Our Company has substantial amount of capital invested in the shares of PNB MetLife India Insurance Company Limited (“**MetLife**”) an affiliate of MetLife, Inc. based in USA which is listed on New York Stock Exchange. One of our Promoters is also a director in MetLife. As investment in MetLife is very substantial which form a part of approximately 68.43 per cent of the total asset of the company. Such instances can have an adverse effect on the profitability of our Company.

**49. *Our customers may fail to pay us the monies due to us on time or at all, which could have a material adverse effect on our business, prospects, results of operations, cash flows and financial condition.***

If there is deterioration in our customers’ financial condition, including insufficient liquidity, they may be unable to pay us these accounts receivables on time or at all. Any failure or delay in payment by our customers could also lead us to further extend our payment terms, restructure our accounts receivable or create allowances for doubtful debts. All of these factors could have a material adverse impact on our financial condition, results of operations and cash flows. Any global economic uncertainty could increase the risk of our customers being unable to pay amounts due to us and of our customers going into bankruptcy or reorganisation proceedings, which could impact our ability to collect our receivables. If one or more of our customers were to become insolvent or otherwise unable or unwilling to pay for their orders, our results of operations, cash flows and financial condition could be adversely affected.

## **EXTERNAL RISK FACTORS**

**50. *Political instability or significant changes in the economic liberalisation and deregulation policies of the Government or in the government of the states where we operate could disrupt its business.***

The Government has traditionally exercised and continues to exercise a significant influence over many aspects of the Indian economy. Our businesses, and the market price and liquidity of its securities may be affected by changes in exchange rates and controls, interest rates, government policies, taxation, social and ethnic instability and other political and economic developments in or affecting India. In recent years, India has been following a course of economic liberalisation and our business could be significantly influenced by economic policies followed by the Government.

However, there can be no assurance that such policies will continue in the future. The rate of economic liberalisation could change, and specific laws and policies affecting foreign investment, currency exchange rates and other matters affecting investment in India could change as well.

**51. *The recent currency demonetisation measures imposed by the Government of India may adversely affect our business and the Indian economy.***

Through notifications dated November 8, 2016 issued by the Ministry of Finance, Government of India and the RBI, ₹ 500 and ₹ 1,000 denominations of bank notes of the then existing series issued by the RBI ceased to be legal tender. Pursuant to this currency demonetisation, these high denomination notes have no value and cannot be used for transactions or exchange purposes with effect from November 9, 2016. The Government and the RBI issued new series of ₹ 500 and ₹ 2,000 banknotes in exchange for the discontinued banknotes. In an effort to monitor replacement of demonetised notes, the Government had specified restrictive limits for exchange and withdrawal of currency from ATMs and bank accounts across India. While these restrictions in relation to the withdrawals from ATMs and bank accounts have been lifted in the Q4 of Fiscal 2017 (January 30, 2017 for current accounts and March 13, 2017 for savings accounts), the impact of this move on the Indian economy and the manufacturing sector are uncertain.

The demonetisation may result in reduction of purchasing power, alteration in consumption patterns, overall cooling effect of the Indian economy, which may adversely affect our business. While the comprehensive and long-term impact of this currency demonetisation measure cannot be ascertained at the moment, it is possible that there may be a slowdown in the economic activities in India, at least in the short term, given the demonetisation impacts a majority quantity of the cash currency in circulation. Such a slowdown can adversely affect the Indian economy, impacting the financial performance of our borrowers, which in turn could affect our results of operations and financial position.

**52. *The proposed new taxation system in India could adversely affect our business and the trading price of the Equity Shares.***

The Government of India is presently in the process of reforming Indian tax laws primarily through the introduction of the goods and services tax, the direct taxes code and provisions relating to the general anti-avoidance rule (“GAAR”). The GAAR, has come into effect from April 1, 2017. The tax consequences of the GAAR provisions being applied to an arrangement could result in denial of tax benefit amongst other consequences. In the absence of any precedents on the subject, the application of these provisions is uncertain. The direct taxes code aims to simplify the direct tax laws in India. The direct tax code will revise and consolidate the structure of direct taxes into a single legislation. Whilst, a draft of the direct tax code was released on March 31, 2014, the implementation of the direct taxes code is presently uncertain. The GAAR provisions are intended to cover arrangements which are structured to deliberately avoid paying tax in India. If GAAR provisions are invoked, then the tax authorities have wide powers, including denial of tax benefit or a benefit under a tax treaty.

The Goods and Services Tax (“GST”) in India was introduced on July 1, 2017. GST is a unified and comprehensive, multi stage and destination based tax which has subsumed the multiple indirect taxes levied by the central and state governments. India has adopted a dual model of GST. Under GST Regime, the real estate rentals are 18% against earlier service tax of 15%, the rate for the manufacturing sector is 18% to 28% as compared to MVAT of 5% to 6% and an excise duty of 12.5% as compared to GST regime of 18% to 28%. Further, under the GST regime, there is no impact on the income generated from the windmill business.

We have not determined the impact that these recently introduced legislations may have on our business. Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy in the jurisdictions in which we operate, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may impact the viability of our current business or restrict our ability to grow our business in the future.

**53. *A decline in India’s foreign exchange reserves may affect liquidity and interest rates in the Indian economy, which could adversely impact our financial condition.***

A decline in India’s foreign exchange reserves could impact the valuation of the Rupee and result in reduced liquidity and higher interest rates, which could adversely affect our future financial condition our business, financial condition and results of operations. Flows to foreign exchange reserves can be volatile, and past declines may have adversely affected the valuation of the Rupee. There can be no assurance that India’s foreign exchange reserves will not decrease again in the future. Further decline in foreign exchange reserves, as well as other factors, could adversely affect the valuation of the Rupee and could result in reduced liquidity and higher interest rates that could adversely affect our business, financial condition and results of operations. While this may be beneficial to for our exports, a general decline in the liquidity may have an adverse effect on our results of operations and financial conditions.

**54. *Increases in the inflation rate may adversely affect the Indian economy and our business.***

The inflation rate in India was 6.35% in 2014, 5.87% in 2015 and 4.94% in 2016, according to the Organisation for Economic Cooperation and Development (“OECD”). As of June 30, 2017, the inflation rate in India for 2017 had decreased from 3.17% in January 2017 to 1.54% in June 2017, according to the Indian Ministry of Statistics and Programme Implementation. Although India’s inflation rate has recently declined, India’s inflation rate between 2014 and 2016 remained higher than all of the 35 OECD member states other than Turkey, according to the OECD. India has also experienced high levels of inflation in the past, and there can be no assurance that the inflation rate will remain at its current level or continue to decline in the future. Any future increase in the level of inflation may adversely affect the growth of the Indian economy and our business, results of operations and financial condition.

**55. *Fluctuation in the exchange rate between the Indian Rupee and other foreign currencies may have an adverse effect on the value of our Equity Shares, independent of our operating results.***

Our Equity Shares are quoted in Indian Rupees on the Stock Exchange. Any dividends in respect of our Equity Shares will also be paid in Indian Rupees and subsequently converted into the relevant foreign currency for repatriation, if required. Any adverse movement in currency exchange rates during the time that it takes to undertake such conversion may reduce the net dividend to foreign investors. In addition, any adverse movement in currency exchange rates during a delay in repatriating outside India the proceeds from a sale of Equity Shares may reduce the proceeds received by Equity Shareholders. The exchange rate between the Rupee and the U.S. dollar has fluctuated substantially in recent years and may continue to fluctuate substantially in the future, which may have an adverse effect on the trading price of our Equity Shares and returns on our Equity Shares, independent of our operating results.

**56. *Companies in India, including our Company, are required to prepare financial statements under the new Indian Accounting Standards. In addition, all income-tax assessee in India, including our Company, will be required to follow the Income Computation and Disclosure Standards.***

Our audited consolidated financial statements for the Fiscals 2017, 2016 and 2015 are prepared and presented in conformity with Indian GAAP. The Institute of Chartered Accountants of India has issued Ind AS (a revised set of accounting standards) which converges the Indian accounting standards with International Financial Reporting Standards. The Ministry of Corporate Affairs (“MCA”), Government of India, has through a notification issued the Indian Accounting Standards Rules, 2015 (“IndAS”) and are applicable to companies which fulfil certain conditions. In accordance with this circular, our Company is required to prepare its financial statements in accordance with Ind AS from the financial year beginning on April 1, 2017. Given that Ind AS is different in many respects from Indian GAAP, our financial statements for the period commencing from April 1, 2017 and its comparable period included in accordance with Ind AS may not be comparable to our historical financial statements prepared under Indian GAAP. For instance, accounting policies related to employee benefits, operating lease rentals, investments, borrowings, deferred taxes, etc. in terms of the Ind AS are different from the accounting policies for these items under Indian GAAP.

The full impact of the adoption of Ind AS cannot be ascertained at this stage. There can be no assurance that the adoption of Ind AS will not affect our reported results of operations or cash flows. In addition, our management may also have to divert its time and other resources for the successful and timely implementation of Ind AS. Any failure to successfully adopt Ind AS may have an adverse effect on the trading price of our Equity Shares and/or may lead to regulatory action and other legal consequences. Any of these factors relating to the use of Ind AS may adversely affect our financial condition, results of operations and cash flows.

Further, the Ministry of Finance, Government of India has issued a notification dated September 29, 2016 notifying Income Computation and Disclosure Standards (“ICDS”), thereby creating a new framework for the computation of taxable income. The ICDS shall apply from the assessment year 2017-2018 and subsequent years. The adoption of ICDS is expected to significantly alter the way companies compute their taxable income, as ICDS deviates from several concepts that are followed under general accounting standards, including Indian GAAP and Ind AS. In addition, ICDS shall be applicable for the computation of income for tax purposes but shall not be applicable for the computation of income for minimum alternate tax. There can be no assurance that the adoption of ICDS will not adversely affect our business, results of operations and financial condition.

**57. *Terrorist attacks, civil unrest and other acts of violence or war involving India and other countries could adversely affect our business and the Indian financial markets.***

India has from time to time experienced instances of civil unrest and terrorist attacks. These events could lead to political or economic instability in India and may adversely affect the Indian economy, our business, and results of operations, financial condition and the trading price of our Equity Shares. India has also experienced social unrest and communal disturbances in some parts of the country. If such tensions occur in places where we operate or in other parts of the country, leading to overall political and economic instability, it could adversely affect our business, results of operations, financial condition and the trading price of our Equity Shares.

Any major hostilities involving India or other acts of violence, including civil unrest or similar events that are beyond our control, could have a material adverse effect on India's economy and our business and may adversely affect the Indian stock markets where our Equity Shares will trade as well the global equity markets generally. Such acts could negatively impact business sentiment as well as trade between countries, which could adversely affect our Company's business and profitability. Our insurance policies cover for general coverage to our Company. However, our insurance policies may not be adequate to cover the loss arising from these events, which could adversely affect our results of operations and financial condition.

India has also witnessed civil disturbances in recent years and it is possible that future civil unrest as well as other adverse social, economic and political events in India could have an adverse impact on us. Regional or international hostilities, terrorist attacks or other acts of violence of war could have a significant adverse impact on international or Indian financial markets or economic conditions or on Government policy. Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse impact on our business and the price of the Equity Shares.

**58. *Natural disasters and other disruptions could adversely affect the Indian economy and could cause our business and operations to suffer and the trading price of our Equity Shares to decrease.***

Our operations, may be damaged or disrupted as a result of natural disasters such as earthquakes, floods, heavy rainfall, epidemics, tsunamis and cyclones and other events such as protests, riots and labour unrest. Such events may lead to the disruption of information systems and telecommunication services for sustained periods. They also may make it difficult or impossible for employees to reach our business locations which may affect our manufacturing processes. Damage or destruction that interrupts our production could adversely affect our reputation, our relationships with our customers, our senior management team's ability to administer and supervise our business or it may cause us to incur substantial additional expenditure to repair or replace damaged equipment or rebuild parts of our infrastructure. We may also be liable to our customers for disruption in supply resulting from such damage or destruction. Our insurance coverage for such liability may not be sufficient. Any of the above factors may adversely affect our business, our financial results and the price of our Equity Shares.

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

Capital gains arising from the sale of our Equity Shares are generally taxable in India. Any gain realised on the sale of our Equity Shares on a stock exchange held for more than 12 months will not be subject to capital gains tax in India if securities transaction tax ("STT"), has been paid on the transaction. STT will be levied on and collected by an Indian stock exchange on which our Equity Shares are sold. Any gain realised on the sale of equity shares held for more than 12 months by an Indian resident, which are sold other than on a recognised stock exchange and as a result of which no STT has been paid, will be subject to capital gains tax in India. Further, any gain realised on the sale of our Equity Shares held for a period of 12 months or less will be subject to capital gains tax in India. Capital gains arising from the sale of our Equity Shares will be exempt from taxation in India is provided under a treaty between India and the country of which the seller is a resident. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdictions on gains arising from a sale of our Equity Shares.

**60. *Future issuances or sales of the Equity Shares could affect the trading price of the Equity Shares.***

The future issuance of shares by us or the disposal of shares by any of our major shareholders, or the perception that such issuance or sales may occur, may affect the trading price of the Equity Shares. There can be no

assurance that we will not issue further shares or that the major shareholders will not dispose of, pledge or otherwise encumber their shares.

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

Our Company is subject to a daily circuit breaker imposed on listed companies by all stock exchanges in India which does not allow transactions beyond certain volatility in the price of the Equity Shares. This circuit breaker operates independently of the index-based market-wide circuit breakers generally imposed by SEBI on Indian stock exchanges. The percentage limit on our circuit breaker is set by the stock exchanges based on the historical volatility in the price and trading volume of the Equity Shares. The stock exchanges are not required to inform us of the percentage limit of the circuit breaker from time to time, and may change it without our knowledge. This circuit breaker would effectively limit the upward and downward movements in the price of the Equity Shares. As a result of this circuit breaker, the ability of shareholders to sell the Equity Shares or the price at which shareholders may be able to sell their Equity Shares may be adversely affected.

**62. *The trading price of our Equity Shares may be subject to volatility and you may not be able to sell your Equity Shares at or above the Issue Price.***

The price of our Equity Shares on the Stock Exchange may fluctuate after this Issue as a result of several factors, including:

- volatility in the Indian and global securities market or in the Rupee's value relative to the U.S. Dollar, the Euro and other foreign currencies;
- our profitability and performance;
- perceptions about our future performance or the performance of Indian companies in general;
- performance of our competitors and the perception in the market about investments in our industry;
- adverse media reports about us or our industry;
- significant developments in India's economic liberalisation and deregulation policies;
- significant developments in India's fiscal and environmental regulations; and
- changes in central banks' monetary policies of developed economies, affecting the global liquidity scenario.

There can be no assurance that an active trading market for our Equity Shares will be sustained after this Issue, or that the price at which our Equity Shares have historically traded will correspond to the price at which the Equity Shares are offered in this Issue or the price at which our Equity Shares will trade in the market subsequent to this Issue. Our Equity Share price may be volatile and may decline post listing.

**63. *Investors may have difficulty enforcing judgments against our Company or our management.***

We are incorporated under the laws of India and majority of our Directors, key management personnel and senior management personnel reside in India. All of our assets, and majority of the assets of our Directors, key management personnel and other senior management, are also located in India. Where investors wish to enforce foreign judgments in India, they may face difficulties in enforcing such judgments. India is not a party to any international treaty in relation to the recognition or enforcement of foreign judgments. India exercises reciprocal recognition and enforcement of judgments in civil and commercial matters with a limited number of jurisdictions. In order to be enforceable, a judgment obtained in a jurisdiction which India recognises as a reciprocating territory must meet certain requirements of the Code of Civil Procedure, 1908 ("**Civil Code**"). Further, the Civil Code only permits enforcement of monetary decrees not being in the nature of any amounts payable in respect of taxes or, other charges of a like nature or in respect of a fine or other penalty and does not provide for the enforcement of arbitration awards. Judgments or decrees from jurisdictions not recognised as a reciprocating territory by India cannot be enforced or executed in India.

As a result, you may be unable to: (i) effect service of process outside of India upon us and such other persons or entities; or (ii) enforce in courts outside of India judgments obtained in such courts against us and such other persons or entities. It is unlikely that a court in India would award damages on the same basis as a foreign court if an action is brought in India. Furthermore, it is unlikely that an Indian court would enforce foreign judgments if it viewed the amount of damages awarded as excessive or inconsistent with Indian practice. A party seeking to enforce a foreign judgment in India is required to obtain prior approval from the RBI to repatriate any amount recovered pursuant to the execution of such foreign judgment, and any such amount may be subject to income tax in accordance with applicable laws.



## PROMINENT NOTES

1. Issue of [●] Equity Shares of face value of ₹ 1 each for cash at a price of ₹ [●] per Equity Share including a share premium of ₹ [●] per Equity Share aggregating up to ₹ 10,000 lakhs to the existing Equity Shareholders on a rights basis in the ratio of [●] Equity Shares for every [●] Equity Shares held by them on the Record Date.
2. As on March 31, 2017, the net worth of our Company on standalone basis was ₹ 15,177.33 lakhs and ₹ 17,540.90 lakhs on consolidated basis as described in the section “**Financial Information**” on page 67 of the Draft Letter of Offer.
3. For details of our transactions with the related parties during Fiscal 2017 as per AS 18, the nature of such transactions and the cumulative value of such transactions, please see the section “**Financial Information**” on page 67 of the Draft Letter of Offer.
4. There has been no financing arrangement whereby the Promoter Group, our Directors, directors of our Promoters and their relatives have financed the purchase by any other person of our securities during the period of six (6) months immediately preceding the date of filing of this Draft Letter of Offer with SEBI.

Investors may contact the Lead Manager, Registrar to the Issue or the Compliance Officer for any complaint, clarification and information pertaining to the Issue. Any clarification or information relating to this Issue shall be made available by the Lead Manager to the public and investors at large and no selective or additional information would be made available only to a section of the investors in any manner. All grievances relating to ASBA process may be addressed to the Registrar to the Issue, with a copy to the relevant SCSBs, giving full details such as name, address of the applicants, application number, number of Equity Shares applied for, Bid Amounts blocked, ASBA Account number and the Designated Branch of the SCSBs where the ASBA Bid-cum-Application Form has been submitted by the ASBA Bidder. For contact details, please see section “**General Information**” on page 39 of the Draft Letter of Offer.

## SECTION III- INTRODUCTION

### SUMMARY OF THE ISSUE

The following is a summary of the Issue. This summary should be read in conjunction with, and is qualified in its entirety by, more detailed information in the section “**Terms of the Issue**” on page 151 of the Draft Letter of Offer.

Rights Equity Shares offered in this Issue	[●] Equity Shares
Rights Entitlement	[●] Rights Equity Share(s) for every Rights Equity Share(s) held on the Record Date
Record Date	[●]
Face Value per Equity Share	₹ 1 each
Issue Price per Rights Equity Share	₹ [●]
Issue Size	Up to ₹ 10,000 lakhs
Paid-up Equity Shares outstanding prior to the Issue	13,83,50,310 Equity Shares
Equity Shares outstanding after the Issue (assuming full subscription for and Allotment of the Rights Equity Shares)	[●] Equity Shares
Terms of the Issue	For more information, please see the section “ <b>Terms of the Issue</b> ” on page 151 of the Draft Letter of Offer
Use of Issue Proceeds	For further information, please see the section “ <b>Objects of the Issue</b> ” on page 48 of the Draft Letter of Offer
Scrip Code	ISIN: INE579B01039 BSE: 504000

#### Terms of Payment

The full amount of Issue Price ₹ [●] per Equity Share is payable on Application.

## SUMMARY OF FINANCIAL INFORMATION

The following tables set forth the summary financial information derived from our audited consolidated financial statements and audited standalone financial statements as on and for Fiscal 2017 and Fiscal 2016 prepared in accordance with Companies Act, the Indian GAAP, applicable standards and guidance notes specified by the Institute of Chartered Accountants of India, applicable accounting standards and other applicable statutory and/or regulatory requirements. Our summary of financial information presented below, is in ₹ in lakhs and should be read in conjunction with the financial information and the notes thereto included in the section titled “*Financial Information*”, on page 67 of the Draft Letter of Offer.

### Consolidated Balance Sheet

(₹ in lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016
<b>EQUITY AND LIABILITIES</b>		
Shareholders' Funds		
(a) Share Capital	1,783.50	1,783.50
(b) Reserves and Surplus	15,757.41	15,396.32
<b>TOTAL</b>	<b>17,540.91</b>	<b>17,179.83</b>
<b>Minority Interest</b>	<b>417.17</b>	<b>417.29</b>
<b>Capital Reserve on consolidation</b>	<b>-</b>	<b>-</b>
<b>Non-Current Liabilities</b>		
(a) Long-Term Borrowings	3,080.04	1,859.35
(b) Other Long Term Liabilities	2,932.85	2,619.89
(c) Long-Term Provisions	23.73	23.90
<b>TOTAL</b>	<b>6,036.62</b>	<b>4,503.15</b>
<b>Current Liabilities</b>		
(a) Short-Term Borrowings	11,381.58	12,830.46
(b) Trade Payables	917.49	808.64
(c) Other Current Liabilities	6,694.68	7,186.92
(d) Short-Term Provisions	0.93	4.13
	18,994.69	20,830.16
<b>TOTAL</b>	<b>42,989.36</b>	<b>42,930.41</b>
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
(a) Fixed Assets	3,328.17	781.01
(i) Tangible Assets	10.68	8.43
(ii) Intangible Assets	10.68	8.43
(iii) Capital Work-in-Progress	9,396.25	10,492.25
(b) Goodwill on Consolidation	66.49	66.49
(c) Non-Current Investments	26,921.07	26,920.50
(d) Deferred Tax Asset (net)	118.82	105.43
(e) Long-Term Loans and Advances	743.52	750.98
<b>TOTAL</b>	<b>40,585.00</b>	<b>39,125.09</b>
<b>Current Assets</b>		
(a) Inventories	1,250.43	1,997.64
(b) Trade Receivables	425.95	479.05
(c) Cash and Bank Balances	254.67	510.70
(d) Short-Term Loans and Advances	473.30	817.91
	2,404.36	3,805.31
<b>TOTAL</b>	<b>42,989.36</b>	<b>42,930.41</b>

**Consolidated Statement of Profit and Loss**
*(₹ in lakhs)*

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
<b>INCOME</b>		
Revenue from Operations (gross)	4,865.92	4,523.14
Less: Excise Duty	53.13	39.41
Revenue from Operations (net)	4,812.79	4,483.73
Other Income	65.86	47.85
<b>Total Revenue (I + II)</b>	<b>4,878.64</b>	<b>4,531.58</b>
<b>EXPENSES</b>		
(a) Cost of materials consumed	250.83	
(b) Project Cost	1,839.86	02,230.06
(c) Changes in inventories of finished goods, Work in Progress and Stock in Trade		
(d) Employee Benefit Expense	153.52	170.31
(e) Finance Cost	1,767.63	1,880.77
(f) Depreciation and Amortisation Expense	99.29	44.04
(g) Other Expenses	419.58	380.15
<b>TOTAL EXPENSES</b>	<b>4,531.66</b>	<b>4,911.20</b>
<b>Profit/(Loss) before exceptional and extraordinary items and tax (III-IV)</b>	<b>346.99</b>	<b>(379.61)</b>
Exceptional Items (Profit on sale of land)	0	0
<b>Profit/(Loss) before extraordinary items and tax (V-VI)</b>	<b>346.99</b>	<b>(379.61)</b>
<b>Tax Expense:</b>		
Tax of earlier years	<b>0</b>	0
Deferred Tax	<b>13.39</b>	7.18
Share of (Loss)/profit of Minority	<b>(0.15)</b>	(2.65)
Pre acquisition (Loss)/Profit	<b>0</b>	0
<b>Share of profit of Associate</b>	<b>0.57</b>	1.22
<b>Profit/(Loss) for the period from continuing operations (VII-VIII)</b>	<b>361.09</b>	<b>(368.55)</b>

## Consolidated Cash Flow Statement

(₹ in lakhs)

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>PROFIT BEFORE TAXATION AS PER STATEMENT OF PROFIT AND LOSS</b>	346.99	(379.61)
ADJUSTMENTS FOR:		
Depreciation	99.29	44.04
Interest expenses	1,767.63	1,880.77
Loss / (profit) on sale of fixed assets (net)	(8.83)	(5.00)
Interest Income	(16.65)	(31.83)
Interest income on Income tax refund	(9.34)	0.00
Dividend Income	(0.12)	(0.30)
Sundry Balances no longer required written back	(11.67)	(1.24)
Sundry balances written off	21.75	2.85
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	2,239.71	1,509.69
ADJUSTMENTS FOR:		
(Increase)/decrease in inventories	747.20	741.22
(Increase)/decrease in trade & other receivables	121.58	(380.95)
Increase/(decrease) in trade & other payables	229.45	134.16
<b>CASH GENERATED FROM / (USED IN) OPERATIONS</b>	3,337.94	2,004.13
Direct taxes (paid)/refund	(50.65)	0.00
<b>NET CASH FLOW FROM / (USED IN) OPERATING ACTIVITIES (A)</b>	3,287.29	2,004.13
<b>CASH FLOW FROM / (USED IN) INVESTING ACTIVITIES</b>		
Purchase of fixed assets	(1,594.87)	(1,974.38)
Proceeds from sale of fixed assets	51.00	12.55
Loans and deposits placed with the companies	261.84	(257.50)
Dividend received	0.12	0.30
Interest received	16.65	31.83
Interest on Income Tax Refund received	9.34	0.00
<b>NET CASH FLOW FROM / (USED IN) INVESTING ACTIVITIES (B)</b>	(1,255.93)	(2,187.20)
<b>CASH FLOW FROM / (USED IN) FINANCING ACTIVITIES</b>		
Proceeds from borrowings (Term Loan)	2,600.00	0.00
Repayment of borrowings (Term Loan)	(1,900.22)	(378.70)
Repayment of Cash Credit Loan	(28.80)	(5.96)
Inter corporate Deposits/loans received	11,642.34	13,870.08
Inter corporate Deposits/loans repaid	(12,833.08)	(10,938.92)
Interest Paid on Loans	(1,767.63)	(1,880.77)
<b>NET CASH FLOW FROM / (USED IN) FINANCING ACTIVITIES (C)</b>	(2,287.39)	665.73
<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A + B + C)</b>	(256.03)	482.66
<b>OPENING CASH AND CASH EQUIVALENTS</b>	510.70	28.04
<b>CLOSING CASH AND CASH EQUIVALENTS</b>	254.67	510.70

## Standalone Balance Sheet

(₹ in lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016
<b>EQUITY AND LIABILITIES</b>		
<b>Shareholders' Funds</b>		
(a) Share Capital	1,783.50	1,783.50
(b) Reserves and Surplus	13,393.83	13,032.40
<b>TOTAL</b>	<b>15,177.33</b>	<b>14,815.90</b>
<b>Non-Current Liabilities</b>		
(a) Long-Term Borrowings	2,403.55	1,411.74
(b) Other Long Term Liabilities	2,914.07	2,599.94
(c) Long-Term Provisions	23.73	23.90
<b>TOTAL</b>	<b>5,341.36</b>	<b>4,035.58</b>
<b>Current Liabilities</b>		
(a) Short-Term Borrowings	11,381.58	12,830.46
(b) Trade Payables	745.13	659.19
(c) Other Current Liabilities	6,607.34	6,913.27
(d) Short-Term Provisions	0.93	4.13
	<b>18,734.98</b>	<b>20,407.05</b>
<b>TOTAL</b>	<b>39,253.67</b>	<b>39,258.54</b>
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
(a) Fixed Assets		
(i) Tangible Assets	3,322.40	773.76
(ii) Intangible Assets	3.54	1.29
(iii) Capital Work-in-Progress	1,157.77	2,863.46
<b>TOTAL</b>	<b>4,483.71</b>	<b>3,638.51</b>
(b) Non-Current Investments	27,051.20	27,051.20
(c) Long-Term Loans and Advances	547.85	501.11
<b>TOTAL</b>	<b>32,082.76</b>	<b>31,190.81</b>
<b>Current Assets</b>		
(a) Inventories	1,250.43	1,997.64
(b) Trade Receivables	407.07	460.17
(c) Cash and Bank Balances	248.00	508.27
(d) Short-Term Loans and Advances	5,265.41	5,101.64
	<b>7,170.92</b>	<b>8,067.72</b>
<b>TOTAL</b>	<b>39,253.67</b>	<b>39,258.54</b>

## Standalone Statement of Profit and Loss

(₹ in lakhs)

	Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
<b>I</b>	<b>INCOME</b>		
	Revenue from Operations (gross)	4,865.92	4,523.14
	Less: Excise Duty	53.13	39.41
	Revenue from Operations (net)	<b>4,812.79</b>	4,483.73
<b>II.</b>	Other Income	57.54	47.85
<b>III</b>	<b>Total Revenue (I + II)</b>	<b>4,870.33</b>	<b>4,531.58</b>
<b>IV</b>	<b>EXPENSES</b>		
	(h) Cost of materials consumed	250.83	198.36
	(i) Project Cost	1,839.86	2,230.06
	(j) Changes in inventories of finished goods, Work in Progress and Stock in Trade	0.94	7.51
	(k) Employee Benefit Expense	137.15	153.28
	(l) Finance Cost	1,767.48	1,880.44
	(m) Depreciation and Amortisation Expense	97.68	42.64
	(n) Other Expenses	414.96	372.53
	<b>TOTAL EXPENSES</b>	<b>4,508.90</b>	<b>4,884.81</b>
<b>V</b>	<b>Profit/(Loss) before exceptional and extraordinary items and tax (III-IV)</b>	<b>361.43</b>	<b>(353.23)</b>
<b>VI</b>	Exceptional Items (Profit on sale of land)	0	0
<b>VII</b>	<b>Profit/(Loss) before extraordinary items and tax (V-VI)</b>	<b>361.43</b>	<b>(353.23)</b>
<b>VII I</b>	<b>Tax Expense:</b>		
<b>IX</b>	<b>Profit/(Loss) for the period from continuing operations (VII-VIII)</b>	<b>361.43</b>	<b>(353.23)</b>
	<b>Earnings per equity share of ₹ 2 each</b>		
	<b>(1) Basic Earnings per Share (₹)</b>	<b>0.52</b>	<b>(0.51)</b>
	<b>(2) Diluted Earnings per Share (₹)</b>	<b>0.52</b>	<b>(0.51)</b>

## Standalone Cash Flow Statement

(₹ in lakhs)

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>PROFIT BEFORE TAXATION AS PER STATEMENT OF PROFIT AND LOSS</b>	361.43	(353.23)
<b>ADJUSTMENTS FOR:</b>		
Depreciation	97.68	42.64
Interest expenses	1767.48	1880.44
Loss / (profit) on sale of fixed assets (net)	(8.83)	(5.00)
Interest Income	(16.65)	(31.83)
Interest income on Income tax refund	(9.34)	0.00
Provision for Income Tax	50.65	0.00
Dividend Income	(0.12)	(0.30)
Sundry Balances no longer required written back	(3.35)	(1.24)
Sundry balances written off	21.75	2.85
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	<b>2260.71</b>	<b>1534.34</b>
<b>ADJUSTMENTS FOR:</b>		
(Increase)/decrease in inventories	747.20	741.22
(Increase)/decrease in trade & other receivables	67.80	(281.89)
Increase/(decrease) in trade & other payables	385.69	682.07
<b>CASH GENERATED FROM / (USED IN) OPERATIONS</b>	<b>3461.41</b>	<b>2675.73</b>
Direct taxes (paid)/refund	(50.65)	0.00
<b>NET CASH FLOW FROM / (USED IN) OPERATING ACTIVITIES (A)</b>	<b>3410.76</b>	<b>2675.73</b>

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
<b>CASH FLOW FROM / (USED IN) INVESTING ACTIVITIES</b>		
Purchase of fixed assets	(985.05)	(253.18)
Proceeds from sale of fixed assets	51.00	12.55
Loans and deposits placed with the companies	(246.95)	(2648.12)
Dividend received	0.12	0.30
Interest received	16.65	31.83
Interest on Income Tax Refund received	9.34	0.00
<b>NET CASH FLOW FROM / (USED IN) INVESTING ACTIVITIES (B)</b>	<b>(1154.91)</b>	<b>(2856.63)</b>
<b>CASH FLOW FROM / (USED IN) FINANCING ACTIVITIES</b>		
Proceeds from borrowings (Term Loan)	2600.00	0.00
Repayment of borrowings (Term Loan)	(1899.76)	(377.60)
Repayment of Cash Credit Loan	(28.80)	(5.96)
Inter corporate Deposits/loans received	11413.00	13865.43
Inter corporate Deposits/loans repaid	(12833.08)	(10938.92)
Interest Paid on Loans	(1767.48)	(1880.44)
<b>NET CASH FLOW FROM / (USED IN) FINANCING ACTIVITIES (C)</b>	<b>(2516.11)</b>	<b>662.50</b>
<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A + B + C)</b>	<b>(260.26)</b>	<b>481.61</b>
<b>OPENING CASH AND CASH EQUIVALENTS</b>	508.26	26.65
<b>CLOSING CASH AND CASH EQUIVALENTS (Refer Note 1 below)</b>	248.00	508.26
<b>Notes to the Cash Flow Statement:</b>		
1. Cash and cash equivalents consist of cash on hand and balances with banks. Cash and cash equivalents included in the cash flow statement comprise of the following Balance Sheet items.		
Cash on hand	1.03	0.78
Cheques on hand		
Balance with scheduled banks:		
In current accounts	134.25	498.20
In fixed and margin deposits	112.72	9.28
	<b>248.00</b>	<b>508.26</b>
<b>Less: Book overdraft</b>		
2. The above Cash Flow Statement has been prepared under indirect method as set out in Accounting Standard 3 (AS 3) 'Cash Flow Statements' as specified in Companies (Accounting Standard) Rules, 2006.		
3. Previous year's figures have been regrouped/reclassified wherever necessary to conform to current years' classification.		



## GENERAL INFORMATION

Our Company was incorporated as a public limited company on July 27, 1962 under the Companies Act, 1956 with its registered office at Mumbai.

### Registered Office of our Company

#### **Elpro International Limited**

“Nirmal”, 17th Floor

Nariman Point, Mumbai-400 021

Maharashtra, India

**Tel No:** +91-22-2202-3075/4029-9000

**Fax No:** +91-22-2202-7995

**Email:** sambhaw@elpro.co.in

**Website:** www.elpro.co.in

**Corporate Identity No:** L51505MH1962PLC012425

### Address of the Registrar of Companies

Our Company is registered with the Registrar of Companies, Mumbai located at the following address:

#### **Registrar of Companies**

100, 5th Floor, Everest

Near Marine Lines Railway Station

Marine Drive, Mumbai – 400 002

Maharashtra, India

### Company Secretary and Compliance Officer

#### **Ms. Binal Khosla**

“Nirmal”, 17th Floor

Nariman Point, Mumbai-400 021

Maharashtra, India

**Tel No:** +91-22-4029-9000

**Fax No:** +91-22-2202-7995

**Email:** cs@elpro.co.in

**Website:** www.elpro.co.in

### Lead Manager to the Issue

#### **Keynote Corporate Services Limited**

The Ruby, 9th Floor

Senapati Bapat Marg

Dadar (West)

Mumbai-400 028

Maharashtra, India

**Tel No:** +91-22-3026-6000-3

**Fax No:** +91-22-3026-6088

**E-mail:** mbd@keynoteindia.net

**Website:** www.keynoteindia.net

**Contact Person:** Ms. Pooja Sanghvi

**SEBI Registration No:** INM 000003606

### Legal Counsel to the Issue

#### **Khaitan & Co**

One Indiabulls Centre

Tower 1, 13<sup>th</sup> Floor

841 Senapati Bapat Marg

Mumbai – 400 013

Maharashtra, India  
**Tel:** +91-22-6636-5000  
**Fax:** +91-22-6636-5050

#### **Registrar to the Issue**

#### **Sharex Dynamic (India) Private Limited**

Unit 1, Luthra Ind Premises  
Safed Pool, Andheri Kurla Road  
Andheri (East), Mumbai-400 072  
Maharashtra, India  
**Tel No:** +91-22 – 2851-5606/2851-5644  
**Fax No:** +91-22-28512885  
**Email:** sharexindia@vsnl.com  
**Website:** www.sharexindia.com  
**Contact Person:** Mr. Shashi Kumar  
**SEBI Registration:** INR000002102

#### **Statutory Auditor of our Company**

#### **M/s Tadarwal and Tadarwal LLP**

Chartered Accountants  
12, Maker Bhavan No.3  
1st Floor, 21, New Marine Lines  
Mumbai-400 020  
Maharashtra, India  
**Tel No:** +91-22-2206-8264  
**Fax No:** +91-22-2208-3115  
**Firm Registration No:** 111009W  
**Email:** tadarwal@tadarwal.com

Investors are advised to contact the Registrar to the Issue or the Company Secretary and Compliance Officer for any pre-Issue/post-Issue related matter. All grievances relating to the ASBA process may be addressed to the Registrar to the Issue, with a copy to the 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 CAF or the plain paper application was submitted by the ASBA Investors. For further detail on ASBA process, please refer to the details given in the CAF and section “*Terms of the Issue*” on page 151 of this Draft Letter of Offer.

#### **Bankers to the Issue**

[•]

#### **Statement of responsibilities of the Lead Manager to the Issue**

Keynote Corporate Services Limited is the sole Lead Manager and its responsibilities are as follows:

<b>No.</b>	<b>Activity</b>
1.	Capital structuring with relative components and formalities such as type of instruments, etc
2.	Drafting and design of the offer document and of advertisement / publicity material including newspaper advertisements and brochure / memorandum containing salient features of the Draft Letter of Offer, Letter of Offer, Abridged Letter of Offer, CAF, etc. To ensure compliance with the SEBI ICDR Regulations and other stipulated requirements and completion of prescribed formalities with Stock Exchange and SEBI
3.	Marketing of the Issue will cover, <i>inter alia</i> , preparation of publicity budget, arrangements for selection of (i) ad-media, (ii) bankers to the issue, (iii) collection centres (iv) distribution of publicity and issue material including CAF, the Abridged Letter of Offer and the Letter of Offer to the extent applicable
4.	Selection of various agencies connected with the issue, namely Registrar to the Issue, Bankers to the Issue, printers, advertisement agencies, etc.
5.	Follow-up with Bankers to the Issue to get estimates of collection and advising our Company about closure of the Issue, based on the correct figures
6.	Post-Issue activities will involve essential follow-up steps, which must include finalisation of basis of

No.	Activity
	allotment / weeding out of multiple applications, listing of instruments and dispatch of certificates and refunds, with the various agencies connected with the work such as Registrars to the Issue, Bankers to the Issue and bank handling refund activities. Even if many of these Post-Issue activities would be handled by other intermediaries, the Lead Manager shall be responsible for ensuring that such agencies fulfil their functions and enable it to discharge this responsibility through suitable agreements with our Company

### **Expert**

Except as stated below, our Company has not obtained any expert opinions:

Our Company has received written consent from the Auditor namely, M/s Todarwal and Todarwal LLP, Chartered Accountants to include its name as an expert under Section 2(38) and Section 26(5) of the Companies Act in the Draft Letter of Offer in relation to the report of the Auditor on September 29, 2017. Our Company has also received written consent from M/s Todarwal and Todarwal LLP, Chartered Accountants, to include its name as an expert under Section 26(5) of the Companies Act in the Draft Letter of Offer in relation to the report on statement of tax benefits dated September 27, 2017 and such consent has not been withdrawn as of the date of the Draft Letter of Offer.

### **Self Certified Syndicate Banks**

The list of banks that have been notified by SEBI to act as SCSBs for the ASBA process is provided on [www.sebi.gov.in](http://www.sebi.gov.in). Details relating to designated branches of SCSBs collecting the ASBA application forms are available at the above-mentioned link.

### **Credit rating**

As the Issue is a rights issue of Equity Shares, no credit rating is required.

### **Monitoring Agency**

Since the size of the Issue does not exceed ₹ 10,000 lakhs, the appointment of a monitoring agency as per SEBI ICDR Regulations is not required.

### **Appraising Agency**

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

### **Debenture trustee**

This being an issue of equity shares, a debenture trustee is not required.

### **Minimum Subscription**

If our Company does not receive the minimum subscription of 90% of the Issue, we shall refund the entire subscription amount received within 15 days from the Issue Closing Date. In the event that there is a delay of making refunds beyond such period as prescribed by applicable laws, our Company shall pay interest for the delayed period at rates prescribed under applicable laws. The above is subject to the terms mentioned under the section titled “*Terms of the Issue*” on page 151 of the Draft Letter of Offer.

### **Principal Terms of Loans and Assets charged as security**

For details in relation to the principal terms of loans and assets charged as security of our Company, please see the section “*Financial Information*” on page 67 of the Draft Letter of Offer.

### **Underwriting**

This Issue of Rights Equity Shares is not being underwritten and/or no standby support is being sought for the Issue.

### **Issue Schedule**

<b>Issue Opening Date:</b>	[●]
<b>Last date for receipt of request for SAFs:</b>	[●]
<b>Issue Closing Date:</b>	[●]

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

## CAPITAL STRUCTURE

The capital structure of our Company and related information as on the date of this Draft Letter of Offer is set forth below:

Particulars	Aggregate Nominal Value (₹ in lakhs)	Aggregate Value at Issue Price
<b>Authorised share capital</b>		
22,00,00,000 Equity Shares of ₹ 1 each	2,200.00	-
40,00,000 Preference Shares of ₹ 10 each	400.00	-
<b>Issued share capital</b>		
13,83,53,540 Equity Shares of ₹ 1 each **	1,383.54	-
40,00,000 Preference Shares of ₹ 10 each	400.00	-
<b>Subscribed and fully paid up capital</b>		
13,83,50,310 Equity Shares of ₹ 1 each **	1,383.50	
40,00,000 Preference Shares of ₹ 10 each	400.00	-
<b>Present Issue being offered to the Equity Shareholders through the Draft Letter of Offer*</b>		
[●] Rights Equity Shares at a premium of ₹ [●] i.e. at an Issue Price of ₹ [●]	[●]	[●]
<b>Issued, subscribed and fully paid up capital after the Issue (assuming full subscription for and allotment of the Rights Entitlement)*</b>		
[●] Equity Shares	[●]	-
<b>Securities premium account</b>		
Existing securities premium account		13,089.61
Securities premium account after the Issue		[●]

Notes:

*The Issue has been authorised by the Board of Directors of our Company under Section 62 and other provisions of the Companies Act, 2013 in its meeting held on July 25, 2017.*

*\*The Issue of Equity Shares on a rights basis is in the ratio of [●] Rights Equity Shares for every [●] Equity Shares held by our existing equity shareholders on the Record Date i.e. [●].*

*\*\* Our Company has forfeited 323 Equity Shares of ₹ 10 each due to non-payment of allotment monies in the year 2008, which had been intimated to the investors by BSE on February 24, 2009.*

### Notes to the Capital Structure

1. Details of the outstanding instruments

Our Company does not have any outstanding warrants, options, convertible loans, debentures or any other securities convertible at a later date into Equity Shares, as on the date of this Draft Letter of Offer.

2. Our Company does not have a stock option scheme.

3. The shareholding pattern of our Company as on June 30, 2017 is as follows:

## Summary statement holding of specified securities

Category of shareholder	Nos. of shareholders	No. of fully paid up equity shares held	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	Number of equity shares held in dematerialised form
(A) Promoter & Promoter Group	6	4,54,16,220	4,54,16,220	65.65	4,54,16,220
(B) Public	2,888	2,37,58,935	2,37,58,935	34.35	2,22,06,990
(C1) Shares underlying DRs					
(C2) Shares held by Employee Trust					
(C) Non Promoter-Non Public					
<b>Grand Total</b>	<b>2,894</b>	<b>6,91,75,155</b>	<b>6,91,75,155</b>	<b>100.00</b>	<b>6,76,23,210</b>

### Note:

(i) Our Board and our shareholders on July 25, 2017 and September 8, 2017, respectively, approved the sub-division of the face value of our Equity Shares from ₹ 2 each to ₹ 1 each. Further, September 28, 2017 was fixed by our Board as the record date for the sub-division of the face value, pursuant to which our Equity Shares have received a new ISIN from the BSE, i.e., INE579B01039.

(ii) Pursuant to the sub-division of the face value of our Equity Shares, the authorised share-capital of our Company was increased from ₹ 20,00,00,000 (Rupees Twenty Crores Only) divided into 8,00,00,000 (Eight Crores Only) Equity Shares of ₹ 2 (Rupees Two Only) each and 40,00,000 (Forty Lakhs Only) Preference Shares of ₹ 10 (Rupees Ten Only) each to ₹ 26,00,00,000 (Rupees Twenty Six Crores Only) divided into 22,00,00,000 (Twenty Two Crores Only) Equity Shares of ₹ 1 (Rupee One Only) each and 40,00,000 (Forty Lakhs Only) Preference Shares of ₹ 10 (Rupees Ten Only), as approved by our Board and shareholders on July 25, 2017 and September 8, 2017, respectively.

## Statement showing shareholding pattern of the Promoter and Promoter Group

Category of shareholder	Nos. of shareholders	No. of fully paid up equity shares held	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	Number of equity shares held in dematerialised form
<b>A1) Indian</b>					
<b>Individuals/Hindu undivided Family</b>	3	25,54,860	25,54,860	3.69	25,54,860
Surbhit Dabriwala	1	12,00,000	12,00,000	1.73	12,00,000
Rajendra Kumar Dabriwala	1	63,885	63,885	0.09	63,885
Yamini Dabriwala	1	12,90,975	12,90,975	1.87	12,90,975
<b>Any Other (specify)</b>	3	4,28,61,360	4,28,61,360	61.96	4,28,61,360
IGE (India) Private Limited	1	2,82,73,200	2,82,73,200	40.87	2,82,73,200
R. C. A. Limited	1	44,93,580	44,93,580	6.50	44,93,580
International Conveyors Limited	1	1,00,94,580	1,00,94,580	14.59	1,00,94,580
<b>Sub Total A1</b>	<b>6</b>	<b>4,54,16,220</b>	<b>4,54,16,220</b>	<b>65.65</b>	<b>4,54,16,220</b>
<b>A2) Foreign</b>					
<b>A=A1+A2</b>	<b>6</b>	<b>4,54,16,220</b>	<b>4,54,16,220</b>	<b>65.65</b>	<b>4,54,16,220</b>

**Statement showing shareholding pattern of the public shareholder**

Category & Name of the Shareholders	No of shareholders	No. of fully paid up equity shares held	Total no. shares held	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2)	No of Voting Rights	Total as a % of Total Voting right	Number of equity shares held in dematerialised form (Not Applicable)
<b>B1) Institutions</b>							
<b>Mutual Funds</b>	2	6750	6,750	0.01	6750	0.01	
<b>Foreign Portfolio Investors</b>	6	16719399	1,67,19,399	24.17	1,67,19,399	24.17	1,67,19,399
National Westminster Bank Plc as Trustee of the Jupiter India Fund	1	2785485	27,85,485	4.03	27,85,485	4.03	27,85,485
Jupiter South Asia Investment Company Limited - South Asia Access Fund	1	1650000	16,50,000	2.39	16,50,000	2.39	16,50,000
Elara India Opportunities Fund Limited	1	6075000	60,75,000	8.78	60,75,000	8.78	60,75,000
Cresta Fund Ltd	1	5490000	54,90,000	7.94	54,90,000	7.94	54,90,000
<b>Financial Institutions/Banks</b>	3	1770	1,770	0.00	1,770	0.00	1,500
<b>Sub Total B1</b>	11	16727919	1,67,27,919	24.18	1,67,27,919	24.18	1,67,27,919
<b>B2) Central Government/State Government(s)/President of India</b>	0	0		0		0	0
<b>B3) Non-Institutions</b>	0	0		0		0	0
<b>Individual share capital upto Rs. 2 lakhs</b>	2772	5390925	53,90,925	7.79	53,90,925	7.79	38,76,855
<b>Any Other (specify)</b>	105	1640091	16,40,091	2.37	16,40,091	2.37	16,09,236
Gagandeep Credit Capital Private Limited	1	1181685	11,81,685	1.71	11,81,685	1.71	11,81,685
<b>Sub Total B3</b>	2877	7031016	70,31,016	10.16	70,31,016	10.16	54,86,091
<b>B=B1+B2+B3</b>	2888	23758935	2,37,58,935	34.35	2,37,58,935	34.35	2,22,06,990

4. None of the Equity Shares held by our Promoter and Promoter Group have been locked-in or pledged or has any encumbrance on such Equity Shares.

5. Details of the shareholders holding more than one percent (1%) of the share capital of our Company as on June 30, 2017 is as follows:

No.	DP Client ID	Name of shareholder	No. of Equity Shares Held	% of total no. of Shares
1	12049200-00118541	Gagandeep Credit Capital Private Limited	11,81,685	1.71
2	IN300159-10879108	Surbhit Dabriwala	12,00,000	1.73
3	IN300159-10928390	Yamini Dabriwala	12,90,975	1.87
4	IN303438-10012407	Jupiter South Asia Investment Company Limited - South Asia Access Fund	16,50,000	2.38
5	IN300054-10024174	National Westminster Bank Plc as Trustee of the Jupiter India Fund	27,85,485	4.027
6	IN301549-15475078	R. C. A. Limited	44,93,580	6.496
7	IN300167-10043437	Cresta Fund Limited	54,90,000	7.936
8	IN301348-20011233	Elara India Opportunities Fund Limited	60,75,000	8.782
9	IN301549-16578668	International Conveyors Limited	1,00,94,580	14.593
10	IN301151-12061603	IGE (India) Private Limited	2,82,73,200	40.872
		<b>Total</b>	<b>6,25,34,505</b>	

6. None of our Promoters and Promoter Group has acquired the Equity Shares in the year immediately preceding the date of filing of this Draft Letter of Offer with SEBI.
7. Intention and extent of participation by our Promoters and Promoter Group in the Issue

Our Promoters and Promoter Group *vide* letters dated September 14, 2017, have confirmed that they intend to subscribe to their Rights Entitlement in full in the Issue. Further, in compliance with Regulation 10(4) of the SEBI Takeover Regulations, our Promoters and Promoter Group, may subscribe to such additional Rights Equity Shares (including any unsubscribed portion of the Issue) as may be permitted under the applicable law. Such subscription for Equity Shares over and above their Rights Entitlement, if allotted, may result in an increase in their percentage shareholding. Any such acquisition of additional Rights Equity Shares (including any unsubscribed portion of the Issue) shall be exempt in terms of Regulation 10(4)(b) of the SEBI Takeover Regulations subject to fulfilment of conditions mentioned therein and shall not result in a change of control of the management of our Company in accordance with provisions of the SEBI Takeover Regulations. Our Company is in compliance with Regulation 38 of the Listing Regulations and will continue to comply with the minimum public shareholding requirements pursuant to the Issue.

8. IGE India and R.C.A. Limited, entities forming part of the promoter group of our Company have provided unsecured loans, in one or more tranches, to our Company. The outstanding balances of these unsecured loans, as on September 14, 2017, are as follows:

No.	Name of promoter group entities	Outstanding balance of unsecured loans (₹ in lakhs)
1	IGE India	6,952.35
2	R.C.A. Limited	1,151.00
	<b>Total</b>	<b>8,103.35</b>

IGE India and R.C.A. Limited have *vide* letters dated September 14, 2017, confirmed that the unsecured loans



provided by them shall be adjusted towards subscription for their entitlement in the Rights Issue and towards additional subscription, if any, to the amount of ₹ 5,900.00 lakhs and ₹ 700.00 lakhs, respectively.

9. The Issue being a rights issue, as per Regulation 34(c) of the SEBI ICDR Regulations, the requirements of promoters' contribution and lock-in are not applicable.
10. The ex-rights price of the Equity Shares as per Regulation 10(4) (b) of the Takeover Regulations is ₹ [●].
11. All the Equity Shares of our Company are fully paid-up and there are no partly paid-up Equity Shares on the date of this Draft Letter of Offer. Further, the Rights Equity Shares when issued shall be fully paid-up.

## OBJECTS OF THE ISSUE

The proceeds of the Issue are proposed to be utilised by us for financing the following objects:

1. Part repayment or prepayment of unsecured loans;
2. Part repayment or prepayment of inter-corporate deposits (“ICDs”); and
3. General corporate purposes

The objects clause of our Memorandum of Association enables us to undertake our existing activities. The fund requirement and deployment are based on internal management estimates and have not been appraised. These are based on current conditions and are subject to change in light of changes in external circumstances or costs, or other financial condition, business or strategy.

In case of variations in the actual utilisation of funds earmarked for the purposes set forth below, increased fund requirements for a particular purpose may be financed by surplus funds, if any, available in respect of the other purposes for which funds are being raised in this Issue.

### **Issue Proceeds**

The details of the Issue Proceeds are set forth below:

Particulars	Amount
Gross Proceeds from the Issue*	10,000.00
(Less) Issue related expenses	[•]
<b>Net Proceeds from the Issue</b>	<b>[•]</b>

\*The Gross Proceeds from the Issue is only up to ₹ 10,000 lakhs.

### **Requirement of funds and utilisation of Net Proceeds**

The proposed utilisation of the Net Proceeds is set forth below:

No.	Particulars	Amount
1.	Part repayment or prepayment of unsecured loans	6,600.00
2.	Part repayment or prepayment of ICDs	2,500.00
3.	General corporate purposes*	[•]
	<b>Total</b>	

\*To be determined upon finalisation of the Issue Price.

### **Schedule of Implementation and Deployment of Funds**

The Net Proceeds are currently expected to be deployed in accordance with the schedule set forth below:

No.	Particulars	Total estimated deployment	Amount to be funded from the Net Proceeds	Amount
1.	Part repayment or prepayment of unsecured loans	6,600.00	6,600.00	6,600.00
2.	Part repayment or prepayment of ICDs	2,500.00	2,500.00	2,500.00
3.	General corporate purposes*	[•]	[•]	[•]
	<b>Total</b>			

\*To be determined upon finalisation of the Issue Price.

### **Means of finance**

Our Company proposes to meet the entire requirement of funds for the objects of the Issue from the Net Proceeds. Accordingly, our Company confirms that there is no requirement to make firm arrangements of finance through verifiable means towards at least 75% of the stated means of finance for the aforesaid object, excluding the amount to be raised from the Issue.

### **Details of the Objects of the Issue**

## 1. Part repayment or prepayment of unsecured loans

Our Company has taken unsecured loans from IGE India and R.C.A. Limited, entities forming a part of our Promoter and Promoter Group. Our Company intends to utilise ₹ 6,600 lakhs of the Net Proceeds towards part repayment or prepayment of these unsecured loans. The interest rate on such unsecured loans is mutually agreed between IGE India, R.C.A. Limited and our Company. The repayment terms of the unsecured loans are on demand. There are no prepayment penalties for prepayment of such unsecured loans. The unsecured loans were availed for day to day business requirement of our Company.

The following table provides details of the unsecured loans availed by our Company, as on September 14, 2017, which are proposed to be repaid from the Net Proceeds:

No.	Name of the entity	Outstanding Unsecured Loans (in ₹ lakhs)	Interest rate (%) p.a	Proposed repayment or prepayment from Net Proceeds (₹ in lakhs)
1.	IGE India	6,952.35	13%	5,900
2.	R.C.A. Limited	1,151.00	10%	700
	<b>Total</b>	<b>8,103.35</b>		<b>6,600</b>

Pursuant to certificate dated September 28, 2017, our Statutory Auditor has certified that the unsecured loans availed have been utilised for the purposes for which they were availed.

Given the nature of these borrowing facilities and the terms of repayment, the aggregate outstanding loan amounts may vary from time to time. In addition to the above, we may, from time to time, enter into further financing arrangements to avail unsecured loans. In such cases or in case any of the above loans are paid or further unsecured loan have been availed prior to the completion of the Issue, we may utilise Net Proceeds of the Issue towards repayment or prepayment of such additional unsecured loans.

## 2. Part repayment or prepayment of ICDs

Our Company has been availing ICDs from various third-parties to meet our business needs from time to time. As on the date of this Draft Letter of Offer, the total outstanding amount of the ICDs availed by our Company is ₹ 4,895.00 lakhs. The nature of such ICDs availed by our Company is of short term and are repayable on due date as per the tenure agreed between the parties. The rate of interest for such ICDs differ from one to another with different tenures. The ICDs were availed by our Company for our business requirement.

Pursuant to certificate dated September 28, 2017, our Statutory Auditor has certified that the ICDs taken by our Company have been utilised for the purposes for which it was availed.

Our Company proposes to repay or prepay ICDs upto ₹ 2,500 lakhs from the Net Proceeds.

Given the nature of these borrowing facilities and the terms of repayment, the aggregate ICDs amount may vary from time to time. In addition to the above, we may, from time to time, enter into further financing arrangements to avail ICDs. In such cases or in case any of the above ICDs are paid or further ICDs are availed prior to the completion of the Issue, we may utilise Net Proceeds of the Issue towards prepayment of such additional indebtedness.

## 3. General corporate purposes

In terms of Regulation 4(4) of the SEBI ICDR Regulations, our Company proposes to use ₹ [●] lakhs towards general corporate purposes, being not exceeding 25% of the gross proceeds of the Issue.

We will have flexibility in utilising the amount towards general corporate purposes, including but not restricted towards strategic initiatives and acquisitions, tie-ups, joint ventures, investment in subsidiaries, funding initial stages of equity contribution towards our projects, working capital requirements, part or full debt repayment or prepayment, strengthening of our marketing capabilities, meeting expenses incurred in the ordinary course of business and towards any exigencies and towards repayment and prepayment penalty on loans, as may be applicable and any other purpose as may be approved by our Board or the Rights Issue Committee, subject to compliance with the necessary provisions of the Companies Act.

In case of variations in the actual utilisation of funds designated for the purposes set forth above, increased fund requirements for a particular purpose may be financed by surplus funds, if any which are not applied to the other purposes set out above.

In addition to the above, our Company may utilise the Net Proceeds towards other expenditure (in the ordinary course of business) considered expedient and approved periodically by our Board. Our management, in response to the competitive and dynamic nature of the industry, will have the discretion to revise its business plan from time to time and consequently our funding requirement and deployment of funds may also change. This may also include rescheduling the proposed utilisation of Net Proceeds and increasing or decreasing expenditure for a particular object i.e., the utilisation of Net Proceeds. In case of a shortfall in the Net Proceeds, our management may explore a range of options including utilising our internal accruals or seeking debt from future lenders. Our management expects that such alternate arrangements would be available to fund any such shortfall. Our management, in accordance with the policies of our Board, will have flexibility in utilising the proceeds earmarked for general corporate purposes. In the event that we are unable to utilise the entire amount that we have currently estimated for use out of Net Proceeds in a Fiscal, we will utilise such unutilized amount in the next Fiscal.

### ***Interim use of Net Proceeds***

Our Company intends to deposit the Net Proceeds with scheduled commercial banks included in the second schedule of the Reserve Bank of India Act, 1934. Our Company confirms that pending utilisation of the Net Proceeds for the objects of the Issue, it shall not utilise the Net Proceeds for any investment in the equity markets, real estate or related products.

### ***Bridge financing facilities***

Our Company has not raised any bridge loans from any bank or financial institution as on the date of this Draft Letter of Offer, which are proposed to be repaid from the Net Proceeds.

### ***Issue Expenses***

The total expenses of the Issue are estimated to be ₹ [•] lakhs. The break-up for the Issue expenses is as follows:

No.	Activity Expense	Estimated amount (in ₹ lakhs)*	Percentage of total estimated Issue expenditure (%)*	Percentage of Issue size (%)*
1.	Fees of the Lead Manager, legal advisors, Registrar to the Issue, auditors, including out of pocket expenses	[•]	[•]	[•]
2.	Printing and stationery, distribution, postage, advertising and marketing expenses etc.	[•]	[•]	[•]
3.	Other expenses (including fees payable to SEBI and Stock Exchange, etc.)	[•]	[•]	[•]
<b>Total estimated Issue expenditure</b>		[•]	[•]	[•]

\*Will be completed after finalisation of the Issue Price.

### ***Monitoring of utilisation of funds***

In terms of Regulation 16 of the SEBI ICDR Regulations, there is no requirement for a monitoring agency as the size of the Issue does not exceed ₹ 10,000 lakhs. Our Board and our audit committee of the Board (“**Audit Committee**”) shall monitor the utilisation of the Net Proceeds. Our Company will disclose the utilisation of the Net Proceeds, including any interim use, under a separate head specifying the purpose for which such proceeds have been utilised along with details, if any in relation to all the Net Proceeds that have not been utilised thereby also indicating investments, if any, of such unutilised Net Proceeds in our balance sheet for the relevant financial years subsequent to the successful completion of the Issue.

Pursuant to Regulation 32(3) of the Listing Regulations, our Company shall on a quarterly basis disclose to the

Audit Committee the uses and applications of the Net Proceeds. On an annual basis, our Company shall prepare a statement of funds utilised for purposes other than those stated in this Draft Letter of Offer and place it before the Audit Committee. Such disclosure shall be made only until such time that Net Proceeds have been utilised in full. The statement shall be certified by the Statutory Auditor. Furthermore, in accordance with Regulation 32(1)(a) of the Listing Regulations, our Company shall furnish to the Stock Exchange on a quarterly basis, a statement including material deviations, if any, in the utilisation of the proceeds of the Issue from the objects of the Issue as stated above. This information will also be published in newspapers simultaneously with the interim or annual financial results, after placing the same before the Audit Committee and our Board.

***Interest of Promoters and Directors to the objects of the Issue***

IGE India and R.C.A. Limited, entities forming part of the promoter group of our Company have provided unsecured loans, in one or more tranches, to our Company, which will be repaid or prepaid out of the Net Proceeds. The outstanding balances of these unsecured loans, as on September 14, 2017, are as follows:

No.	Name of promoter group entities	Outstanding balance of unsecured loans (₹ in lakhs)
1	IGE India	6,952.35
2	R.C.A. Limited	1,151.00
	<b>Total</b>	<b>8,103.35</b>

IGE India and R.C.A. Limited have *vide* letters dated September 14, 2017, confirmed that the unsecured loans provided by them shall be adjusted towards subscription for their entitlement in the Rights Issue and towards additional subscription, if any, to the amount of ₹ 5,900.00 lakhs and ₹ 700.00 lakhs, respectively.

***Appraising entity***

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

***Year wise break-up of proceeds to be used***

Our Company proposes to use the entire funds received in the Issue during the Fiscal 2018 itself hence no year wise breakup of proceeds to be used is given separately.

## SECTION IV –STATEMENT OF TAX BENEFITS

To  
**The Board of Directors**  
**Elpro International Limited**

Dear Sirs,

**Sub: Statement of Possible Special Tax Benefits available to Elpro International Limited (“the Company”) and its shareholders prepared in accordance with the requirement of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended (“the regulations”)**

Based on the information and explanations given to us, we hereby certify that the enclosed Annexure, prepared by Elpro International Limited (hereinafter referred to as “the Company”) states the possible special tax benefits available to the Company and the shareholders of the Company under the provisions of the Income-tax IT Act, 1961 (‘the IT Act’ or ‘the Tax Laws’), (i.e. including amendments made by Finance Act 2017, i.e. applicable for the financial year 2017-18, relevant to the assessment year 2018-2019) presently in force in India as on signing date for inclusion in the Draft Letter of Offer (“**DLOF**”), the Letter of Offer (“**LOF**”) (collectively the “**Offer Documents**”). Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Act. Hence, the ability of the Company or its shareholders to derive the possible special tax benefits, is dependent upon the Company or its shareholders fulfilling such conditions, which based on the business imperatives, the Company may face in the future and accordingly, the Company or its shareholders may or may not choose to fulfill.

The benefits discussed in the enclosed Annexure cover only the special tax benefits available to the Company and its shareholders and do not cover general tax benefits. Special tax benefits are benefits which are generally not available for all companies. Further, the preparation of the contents stated is the responsibility of the Company's management. We are informed that this Statement is only intended to provide general information to the investors and hence is neither designed nor intended to be a substitute for professional tax advice. In view of the nature of individual tax consequences and the changing tax laws, each of the investor is advised to consult his or her or their own tax consultant with respect to the specific tax implications arising out of their participation in the offer for sale of equity shares of the Company.

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

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

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

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 law and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes. We shall not be liable 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.

The enclosed annexure is intended for your information and for inclusion in the Offer Documents in connection with the rights issue of equity shares and is not to be used, referred to or distributed for any other purpose without our prior written consent.

For M/s Todarwal & Todarwal LLP  
Chartered Accountants  
Reg No: 111009W/W100231

Mala Todarwal  
Partner  
Membership No: 134571  
Encl: Annexure I

**Place:** Mumbai  
**Date:** 27 September 2017

## **ANNEXURE I TO THE STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO ELPRO INTERNATIONAL LIMITED (THE “COMPANY”) AND ITS SHAREHOLDERS UNDER THE APPLICABLE TAX LAWS IN INDIA**

Outlined below are the possible special tax benefits available to the Company and its shareholders under the current tax laws in force in India. These benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant tax laws. Hence, the ability of the Company or its shareholders to derive the special tax benefits is dependent upon the Company or its shareholders fulfilling such conditions, which based on business imperatives it faces in the future, it may or may not choose to fulfil.

### **UNDER THE INCOME TAX ACT 1961 (‘THE IT ACT’ OR “THE ACT” OR ‘THE TAX LAWS’)**

#### **1. Special tax benefits available to the Company**

- 1.1. Under Section 80IAB of the Act, 100% of the profits derived by a developer, from the business of developing a special economic zone (“SEZ”), notified after April 1, 2005 under the Special Economic Zones IT Act, 2005, is deductible for a period of 10 consecutive assessment years out of 15 years beginning from the year in which a SEZ has been notified by the Central Government. For this purpose, ‘Developer’ would have the same meaning as mentioned under clause (g) of Section 2 of the Special Economic Zones IT Act, 2005. However, the development of the SEZ should begin on or before March 31, 2017.

No deduction under section 80IAB of the IT Act shall be allowed where the assessee fails to make a claim in its return of income.

- 1.2. Under Section 80IBA of the IT Act, 100% of the profits derived by a developer, from the business of developing and building housing projects, which are approved after 1<sup>st</sup> day of June 2016 but before 31<sup>st</sup> day of March 2019 are deductible. The developers has to comply with several stipulations mentioned therein, inter-alia, the following:
  - Certificate of completion to be obtained within 5 years from the date of approval
  - The housing projects should not utilize more than 3% of total aggregate carpet area for shops and other commercial purposes
  - Not more than one residential unit shall be allotted to the individual or the spouse or the minor children of such individual.

#### **2. Special tax benefits available to the shareholders of the Company**

##### **2.1. Special tax benefits to Foreign Portfolio Investors (‘FPIs’)**

- Section 2(14) of the Act provides that any security held by a FPI who has invested in such securities in accordance with the regulations made under Securities and Exchange Board of India Act, 1992 would be treated as a capital asset only so that any income arising from transfer of such security by a FPI would be treated in the nature of capital gains.
- Explanation 5A to Section 9(1)(i) clarifies that the indirect transfer provision shall not be applicable to non-resident investors in FIIs/FPIs, where such FIIs/FPIs are registered with SEBI as Category I or Category II Foreign Portfolio Investor under the SEBI (Foreign Portfolio Investors) Regulation, 2014. Such amendment retrospectively shall be with effect from AY 2012-13.
- Under section 115AD(1)(ii) of the Act, income by way of STCG arising to the FPI on transfer of shares shall be chargeable at a rate of 30% where such transactions are not subjected to STT and at the rate of 15% if such transaction of sale is entered on a recognised stock exchange in India and is chargeable to STT. The above rates are to be increased by applicable surcharge, education cess and secondary and higher education cess.



- Under section 115AD(1)(iii) of the Act income by way of LTCG arising from the transfer of shares (in cases not covered under section 10(38) of the Act) held in the Company will be taxable at the rate of 10% (plus applicable surcharge, education cess and secondary and higher education cess). The benefits of indexation of cost and of foreign currency fluctuations are not available to FPIs.

## **2.2. Special tax benefits available to venture capital companies/ funds**

- Under section 10(23FB) of the Act, any income of Venture Capital Company registered with SEBI or Venture Capital Fund registered under the provision of the Registration Act, 1908 (set up to raise funds for investment in venture capital undertaking notified in this behalf), would be exempt from income tax, subject to conditions specified therein. (Not applicable to income of venture capital fund/company being an investment fund specified in clause of the Explanation 1 to section 115UB).
- Venture capital companies / funds are defined to include only those companies / funds which have been granted a certificate of registration, before the 21st day of May 2012 as a Venture Capital Fund or have been granted a certificate of registration as Venture Capital Fund as a sub-category of Category I Alternative Investment Fund.
- ‘Venture capital undertaking’ means a venture capital undertaking as defined in clause (n) of regulation 2 of the Venture Capital Funds Regulations or as defined in clause (aa) of sub-regulation (1) of regulation 2 of the SEBI (Alternative Investment Funds) Regulations, 2012.
- As per section 115U(1) of the Act, any income accruing or arising to or received by a person out of investments made in Venture Capital Company/Venture Capital Fund would be taxable in the hands of the person making an investment in the same manner as if it were the income accruing/arising/received by such person had the investments been made directly in the venture capital undertaking.
- As per section 115U(5) of the Act, the income accruing or arising to or received by the venture capital company/funds from investments made in a venture capital undertaking if not paid or credited to a person (who has investments in a Venture Capital Company /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.

## **2.3. Special tax benefits to Non-Resident Indians**

- As per section 115C(e) of the Act, the term “non-resident Indian” means an individual, being a citizen of India or a person of Indian origin who is not a “resident”. A person shall be deemed to be of Indian origin if he, or either of his parents or any of his grand-parents, was born in undivided India.
- As per section 115E of the Act, in the case of a shareholder being a non-resident Indian, and subscribing to the shares of the Company in convertible foreign exchange, in accordance with and subject to the prescribed conditions, LTCG on transfer of the shares of the Company (in cases not covered under section 10(38) of the Act) will be subject to tax at the rate of 10% (plus applicable surcharge, education cess and secondary and higher education cess), without any indexation benefit.
- As per section 115F of the Act and subject to the conditions specified therein, in the case of a shareholder being a non-resident Indian, gains arising on transfer of a long term capital asset being shares of the Company, which were acquired, or purchased with or subscribed to in, convertible foreign exchange, will not be chargeable to tax if the entire net consideration received on such transfer is invested within the prescribed period of six months in any specified asset or savings certificates referred to in section 10(4B) of the Act. If part of such net consideration is invested within the prescribed period of six months in any specified asset or savings certificates referred to in section 10(4B) of the Act then this exemption would be allowable on a proportionate basis. Further, if the specified asset or saving certificates in which the investment has been made is transferred within a period of three years from the date of investment,

the amount of capital gains tax exempted earlier would become chargeable to tax as long term capital gains in the year in which such specified asset or savings certificates are transferred.

- As per section 115G of the Act, non-resident Indians 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 specified investments or long term capital gains earned on transfer of such investments or both, provided tax has been deducted at source from such income as per the provisions of Chapter XVII-B of the Act.
- As per section 115H of the Act, where non-resident Indian becomes assessable as a resident in India, he may furnish a declaration in writing to the Assessing Officer, along with his return of income for that year under section 139 of the Act to the effect that the provisions of Chapter XII-A shall continue to apply to him in relation to investment income derived from the investment in equity shares of the Company as mentioned in section 115C(f)(i) of the Act for that year and subsequent assessment years until assets are converted into money.
- As per section 115I of the Act, a non-resident Indian may elect not to be governed by the provisions of Chapter XII-A for any assessment year by furnishing a declaration along with his return of income for that assessment year under section 139 of the Act, that the provisions of Chapter XII-A shall not apply to him for that assessment year and accordingly his total income for that assessment year will be computed in accordance with the other provisions of the Act.

#### **2.4. Special tax benefits available to Alternative Investment Fund (Category I and II)**

- Under section 10(23FBA), any income of an investment fund other than the income chargeable under the head "Profits and gains of business or profession" is exempt from income tax.
- As per section 115UB(1) of the Act, any income accruing or arising to or received by a person out of his investments in investment Fund would be taxable in the hands of the person making an investment in the same manner as if it were the income accruing/arising/received by such person had the investments by the investment fund been made directly by him.
- As per section 115UB(6) of the Act, the income accruing or arising to or received by the investment fund if not paid or credited to the person (who has investments in the 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.

#### **2.5. Special tax benefits available to Mutual Funds**

- As per section 10(23D) of the Act, any income of Mutual Funds registered under the Securities and Exchange Board of India Act, 1992 or Regulations made thereunder and such other Mutual Funds set up by public sector banks or public financial institutions or authorised by the Reserve Bank of India subject to such conditions as the Central Government may, by notification in the Official Gazette, specify in this behalf will be exempt from income tax.

#### **2.6. Special tax benefits available to Others**

- Sub-section (5A) in Section 45 provides that in case of an assessee being individual or Hindu Undivided Family, who enters into a specified agreement for development of a project, the capital gain shall be chargeable to income- tax as income of the previous year in which the certificate of completion for the whole or part of the project is issued by the competent authority.
- Sub-section (5) in Section 23 provides that annual value of a property consisting of any building or land appurtenant thereto held as stock in trade by the assessee and not let out for the whole or any part of the year shall be deemed to be nil for a period of one year from the end of the financial year in which the certificate of completion in respect of such property is obtained.

**Notes:**

- *The above Statement of Tax Benefits sets out the provisions of law (i.e. the Act as amended by the Finance Act 2017) presently in force in India, in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of equity shares;*
- *The above Statement of Tax Benefits sets out the only the special tax benefits available to the Company and its shareholders under the current tax laws (i.e. the Act as amended by the Finance Act 2017) presently in force in India. These benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant tax laws;*
- *The above statement covers only certain relevant direct tax law benefits and does not cover any indirect tax law benefits or benefits under any other law;*
- *This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences, the changing tax laws, each investor is advised to consult his or her/ its own tax consultant with respect to the specific tax implications arising out of their participation in the issue;*
- *In respect of non-residents, the tax rates and the consequent taxation mentioned above shall be further subject to any benefits available under the DTAA, if any, between India and the country in which the non-resident has fiscal domicile;*
- *The stated benefits will be available only to the sole/first named holder in case the shares are held by joint shareholders;*
- *The tax rates (including rates for tax deduction at source) mentioned in this Statement is applicable for AY 2018-19.*
- *Wealth Tax is abolished by Finance Act, 2015 with effect from April 1, 2015 and will accordingly not apply in relation to the assessment year 2016-17 and subsequent assessment year.*

## SECTION V - HISTORY AND CERTAIN CORPORATE MATTERS

### **Brief History of our Company**

Our Company was incorporated on July 27, 1962 with the Registrar of Companies, Maharashtra, Mumbai, as a public limited company under the Companies Act, 1956. On November 14, 1962, our Company received certificate of commencement of business from the Registrar of Companies, Maharashtra at Mumbai.

Our Company's manufacturing facility is located in Pune, Maharashtra. As on the date of this Draft Letter of Offer, our Company manufactures surge asserters and zinc oxide discs, is engaged in the business of real estate development and operates two (2) wind mills in Maharashtra and Karnataka. Our Subsidiary undertakes real estate development activities in Maharashtra.

In 1963, our Company made an initial public offer. The Equity Shares of our Company are listed on the BSE Limited.

### **Corporate Structure of our Company**

As on the date of this Draft Letter of Offer, our Company has one (1) Subsidiary namely, "Elpro Estates Limited" and one (1) Associate namely, "Dabri Properties and Trading Company Limited".

### **Main objects of our Company**

The objects of our Company, as set forth in the Memorandum of Association of our Company are as follows:

- 1. To carry on the business of electricians and electrical, electronic, chemical, mechanical, metallurgical, nuclear, and general engineers and of manufacturing and assembling electrical, chemical, electronic, nuclear, metallurgical and mechanical appliances, apparatus, equipments and plant of all kinds and of buying, distribution, selling, exporting, importing, letting on hire, installing, repairing, servicing and dealing in such appliances, apparatus, equipment and plant.*
- 2. To Manufacture and produce and trade and deal in any articles belonging to any such business and all apparatus, appliances and things used in connection therewith, or with any inventions, patents or privileges for the time being belonging to the Company or for which the Company has the right of user.*
- 3. To acquire, buy, hold, own, sell, lease, exchange, dispose of, finance, deal in, construct, build, equip, improve, use, operate, maintain and work upon any and all kind of works, power plants, manufactories, structures, sub-stations, systems, tracks, machinery, generators, motors, means of surface, air and marine propulsion including jet engines and accessories therefore, lamps, poles, pipes, wires cables, conduits, apparatus, devices, equipment, supplies, articles and merchandise of every kind pertaining to or in anywise connected with the construction, operation or maintenance of telephone, telegraph, radio, wireless and other systems, facilities and devices for receipt and transmission of sounds and signals, railways, tramways and bus lines, or in anywise connected with or pertaining to the manufacture, production, generation, accumulation, purchase, use, sale supply, transmission, distribution, regulation, control employment or application of electricity, any other form of energy or power that can be used as a substitute therefore, natural or artificial gas, water, steam, ice, or refrigeration or any other purposes.*
- 4. To carry on business as manufactures, importers and exporters of and dealers in machinery articles and goods of all classes and kinds whatsoever including electrical and engineering materials, goods, machinery and requisites and as manufactures, contractors and workers in materials of any nature and kind.*
- 5. To carry on business as manufacturers and makers of and dealers in metal, wood, enamel, aluminium, alloys, plastics and any other products, articles and things of every description and kind and to carry on and conduct workshops, engineering works of every description and kind and foundries or iron, brass and other metals, woods and any other substances and to buy, sell, manipulate and deal both wholesale and retail in such products, commodities, goods, articles and things.*
- 6. To make experiments in, and public exhibitions and electrical machinery and appliances.*

7. *To let out on hire all or any of the property of the Company (whether real or personal) including every description or apparatus and appliances of the Company.*
8. *To carry on the business of suppliers of light, heat and power and carriers of passengers and goods.*
9. *To manufacture, put up and use telephones, telegraphs (Wireless or other), phonographs, dynamos, accumulators, lamps, and all apparatus now known or that may hereafter be invented, connected with the generation, accumulations, distribution, supply and employment of electricity or any power that can be used as a substitute therefore, including all cables, wires or appliances for connecting apparatus at a distance with other apparatus, and including the information of exchanges or centers.*
10. *To acquire, be interested in, construct, maintain, carry out, improve, work, alter, control, and manage any tramways, railways, steam – boats, roads, tunnels, water – works, water rights, canals, irrigation works, gas – works, electric works, reservoirs, water courses, furnaces, stamping works, smelting works, factories, warehouses and other works and conveniences which the Company may think conducive to any of its objects, and to contribute to and take part in the constructing, maintaining, carrying on improving, working controlling and managing of any such works or conveniences.*
11. *To undertake financial and commercial obligation, transactions and operations of all kinds.*
12. *To carry on business as Managing Agents or Secretaries and Treasurers of any public or private company.*
13. *To purchase or otherwise acquire any interests in any patents, brevets d'invention, licenses, concessions and the like, conferring an exclusive or non-exclusive or limited right to use, or any secret or other information or any invention and to use, exercise, develop, grant licenses in respect of or otherwise to turn to account any such patents, brevets d'invention, licenses, concessions and the like and information aforesaid.*
14. *To acquire from any sovereign state or authority, supreme, municipal, local or otherwise, any concessions, grants, or decrees, rights, or privileges whatsoever which may seem to the Company capable of being turned to account and to work, develop, carry out, exercise and turn to account the same.*
15. *To carry on any other trade or business whatsoever which can, in the opinion of the Company, be advantageously carried on by the Company in connection with or as ancillary to any of the above business or the general business of any Company.*
16. *To adopt such means of making known the business of the Company or its products as may seem expedient, and in particular by advertising in the press, by circulars, publication of books and periodicals and other means, and by granting prizes, awards and donations.*
17. *To purchase, take on lease or in exchange, hire or otherwise acquire and hold for and estate or interest in lands, buildings, easements, rights, privileges, concessions, patents, patent rights, licenses, secret processes, machinery, plant, stock-in-trade, and any real or personal property of any kind necessary or convenient for the purposes of or in connection with the Company's business or any branch or department thereof.*
18. *To erect, construct, lay down, enlarge, alter and maintain, any roads, railways, tramways, sidings, bridges, reservoirs, shops, stores, experimental and other forms, factories, laboratories, buildings, works, plant and machinery necessary or convenient for the Company's business, and to contribute to or subsidize the erection, construction and maintenance of any of the above.*
19. *To borrow or raise or secure the payment of money in such manner as the Company shall think fit, and for those or other purposes to mortgage or charge the undertaking and all or any part of the property and rights of the Company, present and future, including uncalled capital, and in particular to create and issue, perpetual or redeemable debentures or debenture stock, bonds or other obligations or securities of any description for such consideration and on such terms as the Company shall think fit.*
20. *To issue and deposit any securities which the Company has power to issue by way of mortgage to secure any sum less than the nominal amount of such securities, and also by way of security for the performance of any contracts or obligation of the Company or of its customers or other persons or corporations having*

*dealings with the Company, or in whose business or undertakings the Company is interested, whether directly or indirectly.*

21. *To lend money or property with or without security to such persons and upon such terms as the Company may approve and in particular to customers and person having dealings with the Company and generally to provide credit and facilities to customers and others provided that the Company shall not carry on the business of banking as defined by the Indian Banking Companies Act.*
22. *To provide for the welfare of directors or ex-employees of the Company or its predecessors in business, and the wives and families or the dependents or connections of such persons by building or contribution to the building of houses, dwellings or quarters or by grants of money, pensions, gratuities, allowances, bonuses, profit sharing bonuses or benefits or any other payments or by creating and from time to time subscribing for or contributing to provident and other associations, institutions, funds, profit sharing or other schemes, or trusts and by providing, subscribing, or contributing towards places of instruction and recreation, hospitals and dispensaries, medical and other attendance and other assistance as the Company shall think fit.*
23. *To subscribe or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national, public, political or other institutions or objects or for any exhibition.*
24. *To draw, make, accept, endorse, negotiate, discount, execute and issue promissory notes, bills of exchange and other negotiable instruments or transferable instruments.*
25. *To accumulate funds and to invest or otherwise employ money belonging to the Company upon any shares, securities or other investments whatsoever upon such terms as may be thought proper and from time to time to vary such investments in such manner as the Company may think fit.*
26. *To invest and deal with the moneys of the Company in any investments moveable or immoveable in such manner as may from time to time seem expedient and be determined.*
27. *To pay for any property or rights acquired by the Company, either in cash or fully or partly paid-up shares, including shares with or without preferred or guaranteed rights in respect of dividend or repayment or capital or otherwise, by the issue of any securities which the Company has power to issue. Or partly in one mode and partly in another and generally on such terms as the Company may determine.*
28. *To accept payment for any property or rights sold or otherwise disposed of or dealt with by the Company, either in cash, by instalments or otherwise or in fully or partly paid-up shares or any company or corporation, including shares with or without preferred or guaranteed rights in respect of dividend or repayment of capital or otherwise or in debentures or mortgage debentures or debenture stock, mortgages or other securities of debentures or debenture stock, mortgage or other securities of any company or corporation, or partly in one mode and partly in another, and generally on such terms as the Company may determine, and to hold, dispose of or otherwise deal with any shares, stock or securities.*
29. *To enter into any partnership or joint-purse arrangement or arrangement for sharing or pooling profits, union or interests, co-operation, joint adventures, reciprocal concessions, or otherwise with any company, firm or person carrying on or proposing to carry on any business within the objects of this Company, and to acquire and hold, sell, deal, with or dispose of shares stock or securities or any such company, and to guarantee the contracts of liabilities of, or the payment of the dividends, interest or capital of any shares, stock of securities of and to subsidize or otherwise assist any such company.*
30. *To establish or promote or concur in establishing or promoting any other company whose objects shall include the acquisition and taking over of all or any of the assets and liabilities or this company or the promotions of which shall be in any manner calculated to advance directly or indirectly the objects or interests of this Company, and to underwrite, place, acquire, hold or dispose of shares, stock or securities issued by or any other obligations of any such company.*
31. *To pay all expenses incidental to the formation, promotion registration or establishment of this or may other company and the issue of its capital, and to remunerate any person or company for services rendered or to be rendered in placing or assisting to place of guaranteeing the placing of any other shares in or debentures*

*or debenture stock or other securities or obligations of the Company or in or about the promotion, formation or business of the Company, or of any other company promoted wholly or in part by this Company.*

32. *To purchase or otherwise acquire and undertake all or any part of the business, property, liabilities, and transactions of any person, firm or company carrying on any business which this Company is authorized to carry on, or the carrying on of which is deemed likely to benefit this Company or to advance its interests or possessed of property suitable for the purpose of the Company.*
33. *To purchase, subscribe for, underwrite, take or otherwise acquire and hold shares, stock, bonds, options, debentures, debentures stock or obligations in any other company or corporation, or of any Government or State, and to give any guarantee or security for the payment of any principal sum, dividends or interest in relation thereto and to dispose of any such investments, or securities which may be surplus to the Company's requirements.*
34. *To sell, improve, manage, develop, turn to account, exchange, let on rent, royalty, shares of profits, or otherwise grant licenses, easements, and other rights in or other, and in any other manner deal with or dispose of the undertaking and all or any of the property, assets and rights (whether immoveable or moveable) for the time being of the Company for such consideration as the Company may think fit.*
35. *To establish, provide, maintain and conduct or otherwise subsidize research laboratories and experimental workshop for scientific and technical researches, experiments; to undertake and carry on scientific and technical researches, experiments and tests of all kinds to promote studies and researches both scientific and technical, investigations and inventions, by providing, subsidizing and endowing or assisting laboratories, workshops, libraries, lectures, meetings, and conferences and by providing or contribution to the remunerations of scientific or technical professors or teachers and by providing or contributing to the award or scholarships prizes grants to students or otherwise and generally to encourage, promote and reward studies, researches, investigations, experiments, tests and inventions of any kind that may be considered likely to assist any business which the Company is authorized to carry on.*
36. *To aid, pecuniary or otherwise any association, body of movement having for an object the solutions, settlement or surmounting of industrial or labour problems or troubles or the promotions of industry or trade.*
37. *To undertake and execute any trust, the undertaking of which may seem to the Company desirable, either gratuitously or otherwise.*
38. *To amalgamate with any other company whose objects are or include objects similar to those of this Company, whether by sale or purchase (for fully or partly paid-up shares or otherwise) of the undertaking, subject to the liabilities of this or any such other company as aforesaid, with or without winding up or by sale or purchase (for fully or partly paid-up shares or otherwise) of all or a controlling interest in the shares or stock of this or any other company as aforesaid or in any other manner.*
39. *To refer to arbitration any existing or future dispute or difference between the Company of every nature and kind in any manner whatsoever.*
40. *To insure any of the properties, undertaking contracts, guarantees or obligations of the Company of every nature and kind in any manner whatsoever.*
41. *To create any depreciation fund, reserve fund, sinking fund, insurance fund, or any special or other fund whether for depreciation, or for repairing, improving, extending or maintaining any of the property of the Company or for redemption of debentures or redeemable preference shares or for any other purpose whatsoever conducive to the interest of the Company.*
42. *To obtain any Provisional Order or Act of Parliament for enabling the Company to carry any of its objects into effect, or for effecting any modification of the constitution of the Company or for any other purpose that may seem expedient, and to obtain from any government or authority and licenses, rights, concessions and privileges that may seem conducive to the Company's objects or any of them and to oppose the grant to any other person or company of similar licenses, rights, concessions and privileges.*

43. *To dedicate, present or otherwise dispose of either voluntarily or for value any property of the Company deemed to be of national, public or local interest, to any national trust, public body museum, corporation of any authority or any trustees for or on behalf of any of the same or of the public.*
44. *To appropriate, use or lay out, land belonging to the Company for streets, parks, pleasure grounds, allotments and other conveniences and to present any such land so laid out to the public or to any persons or company conditionally or unconditionally as the Company may think fit.*
45. *To distribute among the members in specie any property of the Company, or any proceeds of sale of disposal of any property of the Company, but so that no distribution amounting to a reduction of capital be made except with the sanction (if any) for the time being required by law.*
46. *To establish and maintain agencies, branch places and local registers and to procure registration or recognition of the Company and to carry on business in any of the world and to take such steps as may be necessary to give the Company such rights and privileges in any part of the world as are possessed by local companies or partnerships or as may be thought desirable.*
47. *To apply the assets of the Company in any way in or towards the establishment, maintenance or extension of any association, institution or fund in anywise connected with any particular trade or business or with scientific research, trade, industry or commerce generally and particularly with the business and activities of the Company including any association, institution or fund for the protection of the interests of masters, owners and employers against loss by bad debts, accidents or otherwise.*
48. *To do all or any of the above things in any part of the world, and either as principals, agents trustees, contractors, or otherwise, and either along or in conjunction with others, and either by a through agents, sub-contractors, trustees or otherwise.*
49. *To do all such other things are incidental or conductive to the above objects or any of them:*
50. *To manufacture, process, buy, sell, import, export or otherwise deal in all kinds of cardboard packing, plastic packing, polyester packing, gunny bags, containers, bottles, hollow ware, whether made of leather, plastic H.D.P.L.D.P, Polypropylene plastic, PVC, and/or man made fibers material.*
51. *To carry on business of software development, services, selling software packages, research & development activities as regards to software development and computer systems and to carry on business as computer processing, data processing, systems and to carry on business as computer processing, data processing, system analyst and to provide service for establishing MIS, software maintenance of existing compute applications, contract development resources, training and certification of Microsoft application, development of new product design, preparing and training including internet, website and related activities.*

#### **Major events in the history of our Company**

<b>Calendar Year</b>	<b>Details of key events</b>
July 1962	Incorporation of our Company
September 1963	Our Company was listed on the BSE
March 2001	Our Company made strategic investment in PNB MetLife India Insurance Company Private Limited
December 2004	Joint Venture cum Development Agreement with Trump Properties Limited for development of residential and commercial property at Chinchwadgaon, Pune, Maharashtra
August-December 2005	Our Company entered into an exclusive and non-transferable agreement with Enercon India Limited to maintain and operate its wind farm at Panchpatta and Chitradurg in Maharashtra and GIM-2 in Karnataka for a period of 10 years
March 2007	Environment clearance for construction of proposed residential and commercial property at Chinchwadgaon, Pune, Maharashtra
June 2007	Received the commencement certificate from Pimpri Chinchwad Municipal Corporation (“PCMC”) for commencement of multiplex and commercial construction in Chinchwad
March 2009	Our Company received the commencement certificate from Pimpri Chinchwad Municipal Corporation for commencement of construction of residential complex in Chinchwad
January 2015	Our Company received de-listing order from Pune Stock Exchange for voluntary delisting



Calendar Year	Details of key events
June 2017	Our Company received the occupation certificate from Pimpri Chinchwad Municipal Corporation for construction of residential complex
September 2017	Our Company received environmental clearance certificate for residential and commercial development in Chinchwad, Pune

## SECTION VI -OUR MANAGEMENT

### Board of Directors

The composition of our Board is governed by the provisions of the Companies Act, 2013, the rules prescribed thereunder and the Listing Regulations. Under the provisions of the Articles of Association, our Company shall not have less than three (3) Directors and more than 15 Directors, unless otherwise determined by our Company in a general meeting.

As on the date of this DLoF, our Company has six (6) Directors out of which one (1) is a Chairman and Managing Director, three (3) are Non-Executive Independent Director, out of which one (1) is a woman director, and the other two (2) are Non-Executive Non-Independent Directors.

The following table sets forth details of the Board of Directors as of the date of this DLoF:

Name, Designation, Occupation, DIN, Address and Term	Nationality	Age (Years)	Other Directorships
<b>Deepak Kumar Siysharan Singh</b> <b>Designation:</b> Chairman and Managing Director <b>Occupation:</b> Service <b>DIN:</b> 07512769 <b>Address:</b> QR No 3322, Sector 6-A, Sector 6, Bokaro Steel City, Bokaro-827 007, Jharkhand, India <b>Term:</b> November 12, 2016 to November 11, 2019	Indian	40	Nil
<b>Sunil Kanwar Chand Khandelwal</b> <b>Designation:</b> Non-Executive Non-Independent <b>Occupation:</b> Service <b>DIN:</b> 02549090 <b>Address:</b> Flat No B-1104, Elysium Co-operative Housing Society, Off Dange Chowk, Kalewadi, Phata, Chinchwad, Pune-411 057, Maharashtra <b>Term:</b> Liable to retire by rotation	Indian	60	1. Elpro Estates Limited 2. Amarnath Education Trust Private Limited
<b>Surbhit Dabriwala</b> <b>Designation:</b> Non-Executive Director Non-Independent <b>Occupation:</b> Businessman <b>DIN:</b> 00083077 <b>Address:</b> 160, Robinson Road, #17-01, Spore Business Federation CTR, Singapore-068 914 <b>Term:</b> Liable to retire by rotation	Indian	42	1. PNB Metlife Insurance Company Limited 2. Dabri Properties & Trading Company Limited 3. First Apartments Private Limited 4. Faridabad Capital Holdings Private Limited 5. Zenox Trading and Manufacturing Private Limited
<b>Kalpana Unadkat</b> <b>Designation:</b> Independent Director <b>Occupation:</b> Solicitor <b>DIN:</b> 02490816 <b>Address:</b> B-3702, Lodha Bellissimo, Apollo Mills Compound, Mahalaxmi, Mumbai-400 011, Maharashtra <b>Term:</b> March 27, 2015 to March 26, 2020	United Kingdom	47	Essel Mining Industries Limited
<b>Narayan Tulsiram Atal</b> <b>Designation:</b> Non-Executive Independent Director <b>Occupation:</b> Practising chartered accountant <b>DIN:</b> 00237626 <b>Address:</b> 13, Shree Vishnu Bhavan, K.A. Subramaniam Road, Kings Circle, Matunga, Mumbai-400 019, Maharashtra, India <b>Term:</b> September 29, 2014 to March 31, 2019	Indian	61	1. Madhu Corporate Park Limited 2. Ajcoin Global Services Limited 3. Gama Leafin Private Limited 4. Ajcon Finance Limited 5. Jagjeevan Properties Private Limited

Name, Designation, Occupation, DIN, Address and Term	Nationality	Age (Years)	Other Directorships
			6. Dinbandhu Estates Private Limited 7. Elpro Estates Limited
<b>Ashok Kumar Jain</b> <b>Designation:</b> Non-Executive Independent Director <b>Occupation:</b> Practising company secretary <b>DIN:</b> 00392870 <b>Address:</b> C 2, Hill View Residency, Baner Road, Pune-411 045, Maharashtra, India <b>Term:</b> September 29, 2014 to March 31, 2019	Indian	51	First Policy Insurance Brokers Private Limited

### **Brief Profile of our Company's Directors**

#### ***Mr. Deepak Kumar Siysharan Singh***

Mr. Deepak Kumar Siysharan Singh, aged 40 years, is the Chairman and Director of our Company. Mr. Deepak Kumar Siysharan Singh holds a hotel management diploma from the National Council for Hotel Management and Catering Technology, New Delhi and has done his masters in business administration from Sikkim-Manipal University of Health, Medical and Technological Sciences. Mr. Deepak Kumar Siysharan Singh has in the past been a member of the board of Elpro Estates Limited.

#### ***Mr. Sunil Kanwar Chand Khandelwal***

Mr. Sunil Kanwar Chand Khandelwal, aged 60 years, is a Non-Executive Non-Independent Director of our Company. Mr. Sunil Kanwar Chand Khandelwal holds a bachelor's degree of science and a L.L.B degree from the University of Indore. Mr. Sunil Kanwar Chand Khandelwal was a member of the board of Elpro Packaging Limited and is currently acting as a general manager of IGE India.

#### ***Mr. Surbhit Dabriwala***

Mr. Surbhit Dabriwala, aged 42 years, is a Non-Executive Non-Independent Director of our Company. Mr. Surbhit Dabriwala holds a degree of bachelor of arts from the University of Pennsylvania and has been a member of the board of PNB MetLife India Insurance Company Limited.

#### ***Ms. Kalpana Unadkat***

Ms. Kalpana Unadkat, aged 47 years, is a Non-Executive Independent Director of our Company. Ms. Kalpana Unadkat is a member of the bar council of Maharashtra and Goa and a Solicitor of the Supreme Court of England and Wales. Ms. Kalpana Unadkat is a practising lawyer.

#### ***Mr. Narayan Tulsiram Atal***

Mr. Narayan Tulsiram Atal, aged 61 years, is a Non-Executive Independent Director of our Company. Mr. Narayan Tulsiram Atal passed from the Institute of Chartered Accountants of India in the year 1980. Mr. Narayan Tulsiram Atal has incorporated his own firm by the name of 'N.T. Atal & Company' in the year 1985 and has been practising as a chartered accountant in his firm.

#### ***Mr. Ashok Kumar Jain***

Mr. Ashok Kumar Jain, aged 51 years, is a Non-Executive Independent of our Company. Mr. Ashok Kumar Jain passed from the Institute of Company Secretaries of India in the year 1992. Mr. Ashok Kumar Jain has been a member of the board of First Policy Insurance Brokers Private Limited.

### **Relationship between Directors**

None of the Directors are related to each other.

**Past directorships in listed companies**

None of our Directors is or was a director of any listed company, whose shares have been or were suspended from being traded on any stock exchanges, during the last five (5) years prior to the date of this Draft Letter of Offer, during the term of her/his directorship in such company.

None of our Directors is or was, a director of any listed company, which has been or was delisted from any stock exchange, during the term of her/his directorship in such company.

**Other confirmations**

Our Company has not entered into any service contracts with our Directors which provide for benefits upon termination of their directorship.

We confirm that as on the date of this DLoF, there are no arrangements or understanding with the major shareholders, customers, suppliers or others, pursuant to which any of our Directors were appointed on the Board or as a member of the senior management.

**SECTION VII – FINANCIAL INFORMATION**

<b>Financial Statements</b>	<b>Page No.</b>
Limited reviewed unaudited standalone financial statement for the quarter ended June 30, 2017	68
Audited Financial Statements for the Fiscal 2017	74

**TODARWAL & TODARWAL LLP**  
CHARTERED ACCOUNTANTS

Phone : 22068264 / 22083115 / 43023300  
E-Mail : [todarwal@todarwal.com](mailto:todarwal@todarwal.com)  
URL : [www.todarwal.com](http://www.todarwal.com)  
12, Maker Bhavan No. 3., 1<sup>st</sup> Floor,  
21 New Marine Lines,  
MUMBAI - 400 020. India

To,  
The Board of Directors,  
Elpro International Limited  
17th Floor, Nirmal Building  
Nariman Point  
Mumbai – 400 021

Dear Sirs,

**Re: Limited review of the Unaudited Financial results for the quarter ended 30<sup>th</sup> June, 2017**

We have reviewed the accompanying statement of unaudited financial results of **Elpro International Limited** for the quarter ended 30<sup>th</sup> June 2017. This statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on these financial statements based on our review.

We conducted our review in accordance with the Standard on Review Engagement (SRE) 2400, Engagements to Review Financial Statements issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

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

For Todarwal & Todarwal LLP  
Chartered Accountants

*Mala Todarwal*

Mala Todarwal  
Partner

M.No.134571

Place : Mumbai

Date : 14<sup>th</sup> September 2017



	ELPRO INTERNATIONAL LIMITED		Tel.No:022-40299000
	REGD. OFFICE:- 17 FLOOR,NIRMAL BUILDING, NARIMAN POINT, MUMBAI- 400021		Fax No:022-22027995
	CIN No:L51505MH1962PLC012425	Website: www.elpro.co.in	E-mail: admin@elpro.co.in
<b>STATEMENT OF FINANCIAL RESULTS FOR THE QUARTER ENDED 30TH JUNE, 2017</b>			
(Currency: Indian rupees in lakhs)			
		For the period ended June 30, 2017	For the period ended June 30, 2016
I	Revenue from operations	939.04	1,560.65
II	Other Income	22.82	17.90
III	<b>Total income (I+II)</b>	<b>961.86</b>	<b>1,578.55</b>
IV	<b>Expenses:</b>		
	Cost of materials consumed	82.10	58.83
	Excise duty	14.26	12.17
	Project Cost	252.05	617.36
	Changes in inventories of finished goods work-in-progress and Stock-in-Trade	1.61	(4.12)
	Employee Benefits Expense	38.16	36.09
	Depreciation and Amortization Expense	24.83	13.87
	Finance Cost	786.43	745.43
	Other Expenses	80.17	145.74
	<b>TOTAL EXPENSES (IV)</b>	<b>1,279.60</b>	<b>1,625.38</b>
V	<b>(Loss) before exceptional and items and tax (III-IV)</b>	<b>(317.74)</b>	<b>(46.83)</b>
VI	<b>Exceptional Item</b>	-	-
VII	<b>(Loss) before tax</b>	<b>(317.74)</b>	<b>(46.83)</b>
VIII	<b>Tax Expenses:</b>		
	Current tax	-	-
	Deferred tax	-	-
IX	<b>Net (loss) (VII+VIII)</b>	<b>(317.74)</b>	<b>(46.83)</b>
X	<b>Other Comprehensive Income</b>		
A	<b>(i) Items that will not be reclassified to profit or loss</b>		
	Remeasurements of defined benefit liability (asset)	-	-
	Income tax relating to items that will not be reclassified to profit or loss	-	-
	<b>Total Comprehensive Income/(loss) (Comprising Profit/ (Loss) and Other Comprehensive Income ) (IX+X)</b>	<b>(317.74)</b>	<b>(46.83)</b>
XI			
XII	<b>Paid up equity share capital (face value of Rs 2 each)</b>	1,383.50	1,383.50
XIII	<b>Earnings per equity share for profit from continuing and discontinuing operation attributable to owners (not Annualised)</b>		
	(1) Basic	(0.46)	(0.07)
	(2) Diluted	(0.46)	(0.07)

For and on behalf of Board of Directors

*Sunil Khandelwal*  
Sunil Khandelwal  
Director



Place : Mumbai  
Date : 14th September, 2017

ELPRO INTERNATIONAL LIMITED		Tel.No:022-40299000
REGD. OFFICE:- 17 FLOOR,NIRMAL BUILDING, NARIMAN POINT, MUMBAI- 40		Fax No:022-22027995
CIN No:L51505MH1962PLC012425	Website: www.elpro.co.in	E-mail: admin@elpro.co.in
<b>SEGMENT -WISE REVENUE, RESULTS ASSETS AND LIABILITIES FOR THE QUARTER ENDED JUNE 30, 2017</b>		
(Currency: Indian rupees in lakhs)		
Quarter Ended		
<b>PARTICULARS</b>	<b>30.06.17</b>	<b>30.06.16</b>
	<b>Unaudited</b>	<b>Unaudited</b>
<b>1. Segment Revenue</b>		
a) Electrical Equipments	146.43	125.58
b) Real estate	784.22	1,415.00
c) Investment activity	-	-
d) Others *	8.39	20.07
<b>Total -</b>	<b>939.04</b>	<b>1,560.65</b>
Less: Inter segment revenue	-	-
<b>Net sales/Income from operations</b>	<b>939.04</b>	<b>1,560.65</b>
<b>2. Segment results: Profit/(loss)</b>		
a) Electrical Equipments	22.18	17.95
b) Real estate	513.12	772.94
c) Investment activity	0.04	0.34
d) Others	1.62	13.32
<b>Total -</b>	<b>536.97</b>	<b>804.54</b>
Less: Interest and redemption premium	774.48	733.86
Other unallocable income/(expenditure)-net	(80.22)	(117.51)
Exceptional items	-	-
<b>Total Profit/(Loss) before tax</b>	<b>(317.74)</b>	<b>(46.83)</b>
<b>3. Segment Assets</b>		
a) Electrical Equipments	409.26	451.38
b) Real estate	12,106.40	5,750.40
c) Investment activity	27,046.80	27,046.09
d) Others	164.64	191.33
e) Unallocated segment	549.72	5,031.40
<b>Total -</b>	<b>40,276.83</b>	<b>38,470.60</b>
<b>4. Segment Liabilities</b>		
a) Electrical Equipments	214.37	259.90
b) Real estate	7,932.78	6,840.78
c) Investment activity	5,000.00	5,000.00
d) Others	6.08	0.16
e) Unallocated segment	13,655.03	12,080.98
<b>Total -</b>	<b>26,808.25</b>	<b>24,181.83</b>

**Segment information:**

- (a) Electrical equipments segment includes manufacturing and sale of Lightning Arresters, Varistor, Secondary Surge Arresters, Discharge Counter ,accessories and services in respect thereof.
- (b) Real Estate segment includes development of property and lease of land & premises.
- (c) Investment activity represents investment of long term in nature
- (d) "Others" represent power generation from Windmill

For and on behalf of Board of Directors

*Sunil Khandelwal*

Sunil Khandelwal  
Director



Place : Mumbai  
Date : 14th September,2017



ELPRO INTERNATIONAL LIMITED		Tel.No:022-40299000	
REGD. OFFICE:- 17 FLOOR,NIRMAL BUILDING, NARIMAN POINT, MUMBAI- 400021		Fax No:022-22027995	
CIN No:L51505MH1962PLC012425		Website: www.elpro.co.in	
		E-mail: admin@elpro.co.in	
<b>EXTRACTS OF STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30,2017</b>			
Sr. No.	Particulars	Quarter ended	
		30.06.2017 Unaudited	30.06.2016 Unaudited
1	Total Income from Operations	939.04	1,560.65
2	Net Profit /(Loss) for the period (before tax and Exceptional items)	(317.74)	(46.83)
3	Net Profit /(Loss) for the period before tax (after Exceptional items)	(317.74)	(46.83)
4	Net Profit /(Loss) for the period after tax (after Exceptional items)	(317.74)	(46.83)
5	Total Comprehensive Income for the period [Comprising Profit / (Loss) for the period (after tax) and Other Comprehensive Income (after tax)]	(317.74)	(46.83)
6	Paid up equity share capital (face value of Rs 2 each)	1,383.50	1,383.50
7	Earnings Per Share (of @ 2/- each) (Not annualised)*		
	Basic :	(0.46)	(0.07)
	Diluted:	(0.46)	(0.07)
Notes			
1	The above is an extract of the detailed format of Quarterly Financial Results filed with the Stock Exchanges under Regulation 33 of the SEBI (Listing and Other Disclosure Requirements) Regulations, 2015. The full format of the Quarterly Financial Results are available on the Stock Exchanges websites ( <a href="http://www.bseindia.com">www.bseindia.com</a> )		
2	The Company adopted Indian Accounting Standards ("Ind AS") effective April 1, 2017 (transition date April 1, 2016) and accordingly, the financial results for quarter ended June 30, 2017 have been prepared in accordance with recognition and measurement principles laid down in the Ind AS 34 "Interim Financial Reporting" prescribed under section 133 of the Companies Act, 2013 read with the relevant rules issued thereunder and the other accounting principles generally accepted in India. The Ind AS compliant corresponding figures of the corresponding quarter of the previous year ended 30 June 2016 have not been subjected to a limited review or an audit. However, the Management has exercised necessary due diligence to ensure that such financial results provide a true and fair view.		

For and on behalf of Board of Directors

  
Sunil Khandelwal  
Director



Place : Mumbai  
Date : 14th September,2017

**Notes on financial results:**

- 1) The above financial results have been reviewed by the Audit Committee and approved by the Board of Directors at their meetings held on 14<sup>th</sup> September, 2017. The Limited Review under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 has been carried out by the Statutory Auditors. The limited review report does not contain any observation which would have an impact on the results for the quarter ended 30<sup>th</sup> June 2017.
- 2) The Company adopted Indian Accounting Standards (“Ind AS”) effective April 1, 2017 (transition date April 1, 2016) and accordingly, the financial results for quarter ended June 30, 2017 have been prepared in accordance with recognition and measurement principles laid down in the Ind AS 34 “Interim Financial Reporting” prescribed under section 133 of the Companies Act, 2013 read with the relevant rules issued thereunder and the other accounting principles generally accepted in India.
- 3) The Ind AS compliant figures for the quarter ended 30 June 2016 have not been subjected to a limited review or an audit. However, the Management has exercised necessary due diligence to ensure that such financial results provide a true and fair view.
- 4) Reconciliation between financial results previously reported (referred to as “Previous GAAP”) and Ind AS for quarter ended June 30, 2016 is as given below:

Particulars	In lakhs
	Quarter ended June 30, 2016
<b>Profit as per Indian GAAP</b>	<b>229.12</b>
Investments designated at FVTPL	0.34
Fair value of interest free lease security deposits	1.20
Accounting for joint development agreement	1.66
Preference shares recognised using effective interest method	(284.34)
Lease rents recognised on a straight line basis	5.19
<b>Loss as per Ind AS</b>	<b>(46.83)</b>

- 5) Figures of the previous quarter have been regrouped and reclassified to conform to the classification of current period, wherever considered necessary.



- 6) In the Annual General Meeting of the Company held on 8<sup>th</sup> September, 2017, the shareholders of the company has approved increase in Authorised Capital of the Company and further approved sub-division of shares from existing face value of Rs. 2/- per share to face value of Rs. 1/- per share, the Board has fixed record date for the purpose of Stock Split in the board meeting held on 14<sup>th</sup> September, 2017.

For and on behalf of Board of Directors

Place: Mumbai  
Date: 14 September, 2017

  
Sunil Khandelwal  
Director



## AUDITOR'S REPORT

### TO THE MEMBERS OF ELPRO INTERNATIONAL LIMITED

#### **Report on the Consolidated Financial Statements**

We have audited the attached consolidated financial statements of Elpro International Limited ('the Company') and its subsidiary (hereinafter referred to as the 'Group'), which comprise the Consolidated Balance Sheet as at March 31, 2017, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

#### **Management's Responsibility for the Consolidated Financial Statements**

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under section 133 of the Companies Act 2013 and Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.



An audit involves performing procedures to obtain audit evidence, on a test basis, about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We report that the Consolidated Financial Statements have been prepared by the Company's management in accordance with the requirements of Accounting Standard (AS) 21, Consolidated Financial Statements and Accounting Standard (AS) 23, Accounting for investments in Associates in Consolidated Financial Statements.

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, and based on consideration of the reports of the other auditors on the financial statements / consolidated financial statements of the subsidiaries and associates as noted below, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2017;
- (b) in the case of the Consolidated Statement of Profit and Loss, of the loss of the Group for the year ended on that date and
- (c) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.



## Other Matters

- (a) We did not audit the financial statements of the subsidiary company (Elpro Estates Limited) included in the consolidated financial statements, which constitute total assets of Rs. 8593.13 lacs and Net Worth of Rs. 2844.34 lacs as at March 31, 2017, total revenue 8.32 lakhs and Loss before deferred tax of Rs 14.44 lacs for the year then ended. This financial statement has been audited by other auditor whose report has been furnished to us, and our opinion on the consolidated financial statements to the extent they have been derived from such financial statements is based solely on the report of the other auditor.
- (b) We did not audit the financial statements of the associate company (Dabri Properties and Trading Company Limited) where in the Group share of profit for the year aggregate to Rs 1.78 lacs. The financial statement has been audited by other auditor whose report has been furnished to us, and our opinion on the consolidated financial statements to the extent they have been derived from such financial statements is based solely on the report of the auditor.

For and on behalf of  
Todarwal & Todarwal  
Firm registration no. 111009W

*Mala Todarwal*

**Mala** Todarwal

Partner

Membership No: **134571**

Place: Mumbai

Date: 29<sup>th</sup> May 2017



	Note No	As at March 31, 2017		As at March 31, 2016	
		(₹ In Lacs)	(₹ In Lacs)	(₹ In Lacs)	(₹ In Lacs)
<b>I. EQUITY &amp; LIABILITIES</b>					
<b>1 SHARE HOLDER'S FUND</b>					
(a) Share Capital	2	1,783.50		1,783.50	
(b) Reserves and Surplus	3	15,757.41		15,396.32	
			17,540.91		17,179.83
2 Minority Interest			417.14		417.29
3 Capital Reserve on consolidation			—		—
<b>2 NON-CURRENT LIABILITIES</b>					
(a) Long Term Borrowings	4	3,080.04		1,859.35	
(b) Other Long Term Liabilities	5	2,932.85		2,619.89	
(c) Long Term Provision	6	23.73		23.90	
			6,036.62		4,503.15
<b>3 CURRENT LIABILITIES</b>					
(a) Short Term Borrowings	7	11,381.58		12,830.46	
(b) Trade Payables	8	917.49		808.64	
(c) Other Current Liabilities	9	6,694.68		7,186.92	
(d) Short term Provisions	10	0.93		4.13	
			18,994.69		20,830.16
<b>TOTAL</b>			<b>42,989.36</b>		<b>42,930.41</b>
<b>II ASSETS</b>					
<b>1 NON-CURRENT ASSETS</b>					
<b>(a) Fixed Assets</b>					
(i) Tangible Assets	11	3,328.17		781.01	
(ii) Intangible Assets		10.68		8.43	
(iii) Capital Work In Progress		9,396.25		10,492.25	
		12,735.11		11,281.69	
(b) Goodwill on Consolidation		66.49		66.49	
(c) Non-current investments	12	26,921.07		26,920.50	
(d) Deferred Tax Asset (net)		118.82		105.43	
(e) Long-term loans and advances	13	743.52		750.98	
			40,585.00		39,125.09
<b>2 CURRENT ASSETS</b>					
(a) Inventories	14	1,250.43		1,997.64	
(b) Trade receivables	15	425.95		479.05	
(c) Cash and cash equivalents	16	254.67		510.70	
(d) Short-term loans and advances	17	473.30		817.91	
			2,404.36		3,805.31
<b>TOTAL</b>			<b>42,989.36</b>		<b>42,930.41</b>

**Summary of Significant Accounting Policies** 1

The accompanying notes are an integral part of the financial statements.

As per our Report of even date attached

For & on behalf of the Board of Directors

**Todarwal & Todarwal**  
Chartered Accountants  
ICAI Reg. No. : 111009W

**Mala Todarwal**  
Partner  
M.No. 134571

**Deepak Kumar Siysharan Singh**  
Chairman & Managing Director  
(DIN: 07512769)

**Narayan T Atal**  
Director  
(DIN: 00237626)

**Sambhaw Kumar Jain**  
Chief Financial Officer  
(PAN: AJGRP2859K)

**Binal Khosla**  
Company Secretary  
(M.No.A29802)

Place : Mumbai  
Date : 29th May, 2017

*Mala Todarwal*



**CONSOLIDATED STATEMENT FOR PROFIT AND LOSS  
FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2017**

	Note No	Year ended March 31, 2017		Year ended March 31, 2016	
		(₹ In Lacs)	(₹ In Lacs)	(₹ In Lacs)	(₹ In Lacs)
<b>I. INCOME</b>					
Revenue from Operations (gross)	18	4,865.92		4,523.14	
Less: Excise Duty		53.13		39.41	
Revenue from Operations (net)		4,812.79		4,483.73	
II. Other income	19	65.86		47.85	
III. Total Revenue (I + II)			4,878.64		4,531.58
<b>IV. EXPENSES</b>					
(a) Cost of materials consumed		250.83		198.36	
(b) Project Cost		1,839.86		2,230.06	
(c) Changes in inventories of finished goods, Work in Progress and Stock in Trade	20	0.94		7.51	
(d) Employee benefits expense	21	153.52		170.31	
(e) Finance costs	22	1,767.63		1,880.77	
(f) Depreciation and amortization expense		99.29		44.04	
(g) Other expenses	23	419.58		380.15	
<b>Total expenses</b>			<b>4,531.66</b>		<b>4,911.20</b>
V. Profit/(Loss) before exceptional and extraordinary items and Tax (III-IV)			346.99		(379.61)
VI. Exceptional Items ( Profit on sale of land)			—		—
VII. Profit/(Loss) before extraordinary items and Tax (V-VI)			346.99		(379.61)
<b>VIII. Tax Expense</b>					
Tax of earlier years		—		—	
Deferred tax		13.39		7.18	
			13.39		7.18
Share of (Loss)/profit of Minority			(0.15)		(2.65)
Pre acquisition (Loss)/Profit			—		—
Share of profit of Associate			0.57		1.22
IX. Profit/(Loss) for the period from continuing operations (VII-VIII)			361.09		(368.55)
<b>Earnings per equity share of ₹ 2/- each</b>					
(1) Basic Earning per Share (₹)			0.52		(0.53)
(2) Diluted Earning per Share (₹)			0.52		(0.53)

**Summary of Significant Accounting Policies 1**

The accompanying notes are an integral part of the financial statements.

As per our Report of even date attached

For & on behalf of the Board of Directors

**Todarwal & Todarwal**  
Chartered Accountants  
ICAI Reg. No. : 111009W

**Mala Todarwal**  
Partner  
M.No. 134571

**Deepak Kumar Siysharan Singh**  
Chairman & Managing Director  
(DIN: 07512769)

**Narayan T Atal**  
Director  
(DIN: 00237626)

**Sambhaw Kumar Jain**  
Chief Financial Officer  
(PAN: AJGPP2859K)

**Binal Khosla**  
Company Secretary  
(M.No.A29802)

Place : Mumbai  
Date : 29th May, 2017

*Mala Todarwal*





**CONSOLIDATED CASH FLOW STATEMENT FOR THE  
YEAR ENDED 31<sup>ST</sup> MARCH, 2017**

PARTICULARS	For the year ended March 31, 2017 (₹ In Lacs)	For the year ended March 31, 2016 (₹ In Lacs)
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>PROFIT BEFORE TAXATION AS PER STATEMENT OF PROFIT AND LOSS</b>	<b>346.99</b>	<b>(379.61)</b>
Adjustments for :		
Depreciation	99.29	44.04
Interest Expenses	1,767.63	1,880.77
Loss / (Profit) on sale of Fixed Assets (net)	(8.83)	(5.00)
Interest Income	(16.65)	(31.83)
Interest income on Income tax refund	(9.34)	—
Provision for Income Tax	50.65	—
Dividend Income	(0.12)	(0.30)
Sundry Balances no longer required written back	(11.67)	(1.24)
Sundry balances written off	21.75	2.85
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	<b>2,239.71</b>	<b>1,509.69</b>
Adjustments for :		
(Increase)/decrease in inventories	747.20	741.22
(Increase)/decrease in trade & other receivables	121.58	(380.95)
Increase/(decrease) in trade & other payables	229.45	134.16
<b>CASH GENERATED FROM / (USED IN) OPERATIONS</b>	<b>3,337.94</b>	<b>2,004.13</b>
Direct taxes (paid)/ refund	(50.65)	—
<b>NET CASH FLOW FROM/ (USED IN) OPERATING ACTIVITIES</b>	<b>(A) 3,287.29</b>	<b>2,004.13</b>
<b>CASH FLOW FROM / (USED IN) INVESTING ACTIVITIES</b>		
Purchase of fixed assets	(1,594.87)	(1,974.38)
Proceeds from sale of fixed assets	51.00	12.55
Loans and deposits placed with the companies	261.84	(257.50)
Dividend received	0.12	0.30
Interest received	16.65	31.83
Interest on Income Tax Refund received	9.34	—
<b>NET CASH FLOW FROM / (USED IN) INVESTING ACTIVITIES</b>	<b>(B) (1,255.93)</b>	<b>(2,187.20)</b>



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**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2017 (contd.)**

PARTICULARS	For the year ended March 31, 2017 (₹ In Lacs)	For the year ended March 31, 2016 (₹ In Lacs)
<b>CASH FLOW FROM / (USED IN) FINANCING ACTIVITIES</b>		
Proceeds from borrowings (Term Loan)	2,600.00	—
Repayment of borrowings (Term Loan)	(1,900.22)	(378.70)
Repayment of Cash Credit Loan	(28.80)	(5.96)
Inter corporate Deposits/loans received	11,642.34	13,870.08
Inter corporate Deposits/loans repaid	(12,833.08)	(10,938.92)
Interest Paid on Loans	(1,767.63)	(1,880.77)
<b>NET CASH FLOW FROM / (USED IN) FINANCING ACTIVITIES</b>	<b>(C) (2,287.39)</b>	<b>665.73</b>
<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A + B + C)</b>	<b>(256.03)</b>	<b>482.66</b>
<b>OPENING CASH AND CASH EQUIVALENTS</b>	<b>510.70</b>	<b>28.04</b>
<b>CLOSING CASH AND CASH EQUIVALENTS (Refer Note 1 below)</b>	<b>254.67</b>	<b>510.70</b>

**Notes to the Cash Flow Statement**

- Cash and cash equivalents consist of cash on hand and balances with banks. Cash and cash equivalents included in the cash flow statement comprise of the following Balance Sheet items.

Particulars	For the year ended March 31, 2017 (₹ In Lacs )	For the year ended March 31, 2016 (₹ In Lacs)
Cash in hand	1.39	0.78
Cheques in hand		
Balance with scheduled banks:		
In current accounts	140.55	500.64
In fixed and margin deposits	112.72	9.33
<b>Total</b>	<b>254.67</b>	<b>510.70</b>

- The above Cash Flow Statement has been prepared under indirect method as set out in Accounting Standard 3 (AS 3) 'Cash Flow Statements' as specified in Companies (Accounting Standard) Rules, 2006.
- Previous year's figures have been regrouped/ reclassified wherever necessary to conform to current years' classification.

As per our Report of even date attached

**Todarwal & Todarwal**  
Chartered Accountants  
ICAI Reg. No. : 111009W

**Mala Todarwal**  
Partner  
M.No. 134571

**Place :** Mumbai  
**Date :** 29th May, 2017

*Mala Todarwal*



For & on behalf of the Board of Directors

*Deepak Kumar Siyabaran Singh*  
**Deepak Kumar Siyabaran Singh**  
Chairman & Managing Director  
(DIN: 07512769)

*Narayan T Atal*  
**Narayan T Atal**  
Director  
(DIN: 00237626)

*Sambhaw Kumar Jain*  
**Sambhaw Kumar Jain**  
Chief Financial Officer  
(PAN: AJGPP2859K)

*Binal Khosla*  
**Binal Khosla**  
Company Secretary  
(M.No.A29802)



**CONSOLIDATED NOTES FORMING PART OF ACCOUNTS FOR  
THE YEAR ENDED 31<sup>ST</sup> MARCH, 2017**

**1. SIGNIFICANT ACCOUNTING POLICIES**

**a. Basis of Preparation of Financial Statements**

The financial statements of the company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP). The company has prepared these financial statements to in all material aspect with accounting principles generally accepted in India, including the accounting standards as prescribed under section 133 of the companies Act, 2013 ("the Act") read with rule 7 of the companies (Accounts) Rules, 2014 to the extent notified. The financial statements have been prepared on an accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

**b. Principles of consolidation**

The consolidated financial statements for the year ended **March 31, 2017** comprise of the audited financial statements of Elpro International Limited ("the Company"), its subsidiary **Elpro Estates Limited** (formerly known as "Trump Properties Limited") and audited financial statements of associate companies - **Dabri Properties & Trading Company Limited**. The consolidated financial statements have been prepared on the following basis.

- i) In respect of Subsidiary Company, the financial statements have been consolidated on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and unrealised profits / losses on intra-group transactions as per Accounting Standard (AS - 21) "Consolidated Financial Statements". The results of subsidiaries are included from the date of acquisition of a controlling interest.
- ii) The excess of cost to the Company of its investment in the Subsidiary Company is recognised in the financial statements as Goodwill, which is tested for impairment on every balance sheet date. The excess of Company's share of equity and reserves of the Subsidiary Company over the cost of acquisition is treated as Capital Reserve.
- iii) Minority interest in the net assets of consolidated subsidiary consists of the amount of equity attributable to the minority shareholders at the dates on which investments are made by the Company in the subsidiary companies and further movements in their share in the equity, subsequent to the dates of investments.
- iv) The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Company's separate financial statements, except in case of a subsidiary company, **Elpro Estates Limited** (Formerly known as 'Trump Properties Limited'), depreciation is provided on written down value basis instead of straight line basis as followed in Elpro International Limited. The total amount of net block of these items of fixed assets represents 0.42% (2.71%) of the total consolidated fixed assets of the Group as at the year end.
- v) The consolidated financial statements include the share of profit / loss of associate companies, which are accounted under the 'Equity method' as per which the share of profit of the associate company has been added to the cost of investment. An associate is an enterprise in which the investor has significant influence and which is neither a subsidiary nor a joint venture.
- vi) The difference between the cost of investment in the associate and the share of net assets at the time of acquisition of shares in the associate is identified in the financial statement as Goodwill or Capital Reserve as the case may be.
- vii) Investment other than in subsidiary and associates have been accounted as per Accounting Standard (AS) 13 "Accounting for Investments".

**c. Use of Estimates**

The preparation of the financial statements in conformity with GAAP requires Management to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosure relating to contingent liabilities as at the date of the financial statements and reported amounts of income and expenses during the period. Examples of such estimates include provision for doubtful debts, future obligations under employee retirement benefit plans, income taxes and the useful lives of fixed assets and intangible assets.

Management believes that the estimates used in the preparation of financial statements are prudent and reasonable. Future results could differ from these estimates.

**d. Tangible Fixed Assets**

Fixed assets are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises Purchase price, Borrowing Costs if capitalization criteria are met and any other directly attributable cost of bringing the asset to its working condition for the intended use, net off of any trade discounts & rebates. Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed asset, including day to day repair & maintenance expenditure & cost of replacing parts, are charged to the statement of profit & loss for the period during which such expenses are incurred. Gains or losses arising from derecognition of fixed assets are measured as the difference between the net disposal proceeds & the carrying amount of the asset & are recognized in the statement of Profit & Loss when the asset is derecognized. Capital assets under erection/installation are stated in the Balance sheet as "Capital-Work in Progress".



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## NOTES TO THE FINANCIAL STATEMENTS

### e. Intangible Assets

Intangible assets are recorded at the consideration paid for acquisition of such assets and are carried at cost less accumulated amortization and impairment. They are amortized on a straight line basis over their estimated useful lives.

### f. Depreciation

In respect of fixed assets (other than capital work-in-progress) acquired during the year, depreciation/amortization is charged on a straight line basis so as to write off the cost of the assets over the useful lives and for the assets acquired prior to April 1, 2014, the carrying amount as on April 1, 2014 is depreciated over the remaining useful life based on an evaluation. The useful life of the asset is determined as prescribed in schedule II to the Companies Act, 2013.

### g. Assets Taken and Given on Lease

#### Assets taken on lease:

- i) In respect of finance lease arrangements, the assets are capitalized and depreciated. Finance charges are charged off to the Statement of Profit and Loss of the year in which they are incurred.
- ii) Operating lease payments are recognized as expenditure in the Statement of Profit and Loss on straight line basis, representative of the time pattern of benefits received from the use of the assets taken on lease.

#### Asset given on lease:

Lease rentals are accounted on accrual basis in accordance with the respective lease agreements.

### h. Investments

All investments has been categorized as Long-term investments. Long-term investments are valued at cost. Provision for diminution, if any, in the value of investments is made to recognise a decline, other than temporary.

### i. Inventories

Inventories are stated at the lower of cost and net realizable value. In determining the cost of loose tools, stores and spares, raw materials and components, the weighted average method is used. Cost of manufactured components, work in progress and manufactured finished goods include cost of conversion and other costs incurred in bringing the inventories to their present location and condition which is determined on absorption cost basis.

### j. Inventories - Project in progress

Project in progress is valued at lower of cost or net realisable value. Cost includes cost of land, materials, construction, services, borrowing costs and other overheads relating to the particular projects.

### k. Foreign exchange transactions

Transactions in foreign currencies are recorded at the prevailing exchange rates on the transaction dates. Realised gains and losses on settlement of foreign currency transactions are recognized in the Statement of Profit and loss account.

Foreign currency monetary assets and liabilities at the year end are translated at the year end exchange rates and resultant exchange differences are recognised in the Statement of Profit and Loss.

### l. Revenue recognition

- i) Sale of goods is recognised on dispatch to customer and are recorded net of sale tax and excise duties and excludes export incentives such as duty drawbacks.
- ii) Rental income is recognised on accrual basis.
- iii) Income from Joint development of property will be recognized, when Sale Deed will be executed in favour of the third party.
- iv) Revenue from wind mill power project is recognised on the basis of actual power sold as per the terms of the power purchase agreements entered into with the respective parties.
- v) Income from projects is recognized on the transfer of all significant risks and rewards of ownership to the buyers and it is not unreasonable to expect ultimate collection and no significant uncertainty exists regarding the amount of consideration. However if, at the time of transfer, substantial acts are yet to be performed under the agreement, revenue is recognized on proportionate basis as the acts are performed, i.e. on the percentage of completion basis, subject to the actual cost incurred being at least 25% of the total estimated project cost involved and further subject to receipt of at least 20% of the total sales consideration. Determination of revenues under the percentage of completion method necessarily involves making estimates by the Company, some of which are of a technical nature, concerning, where relevant, the percentages of completion, costs to completion, the expected revenues from the project and the foreseeable losses to completion.

### m. Research and development expenditure

Research and development expenditure, other than capital expenditure is expensed out as and when incurred.



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## NOTES TO THE FINANCIAL STATEMENTS

### n. Retirement benefits

#### — Gratuity:

Liabilities with regard to the gratuity benefits payable in future are determined by actuarial valuation at each Balance Sheet date using the Projected Unit Credit Method and contributed to Employees Gratuity Fund managed by Life Insurance Corporation of India. Actuarial gains and losses arising from changes in actuarial assumptions are recognized in the Statement of Profit and Loss in the period in which they arise.

#### — Provident fund :

Provident fund contributions are made to a trust administered by the Company and are charged to the Statement of Profit and Loss. The Company has an obligation to make good the shortfall if any, between return of investment by the trust and government administered interest rate.

### o. Provisions

Provision is made when there is present obligation as a result of a past event that probably requires an outflow of economic resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made, when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Liquidated damages/penalties are provided for meeting the obligations arising from delay in contractual delivery schedules.

### p. Accounting for Taxes on Income

Provision for current tax is made, based on the tax payable under the Income Tax Act, 1961. Minimum Alternative Tax (MAT) credit, which is equal to the excess of MAT (calculated in accordance with provisions of section 115JB of the Income tax Act, 1961) over normal income-tax is recognized as an asset by crediting the Statement of Profit and Loss only when and to the extent there is convincing evidence that the Company will be able to avail the said credit against normal tax payable during the specified period.

Deferred tax on timing differences between taxable income and accounting income is accounted for, using the tax rates and the tax laws enacted or substantially enacted as on the balance sheet date. Deferred tax assets on unabsorbed tax losses and unabsorbed tax depreciation are recognised only when there is a virtual certainty of their realisation. Other deferred tax assets are recognised only when there is a reasonable certainty of their realisation.

### q. Impairment

The Company reviews the carrying value of tangible and intangible assets for any possible impairment at each balance sheet date. An impairment loss is recognized when the carrying amount of an asset exceeds its recoverable amount. In assessing the recoverable amount, the estimated future cash flows are discounted to their present value at appropriate discount rates.

### r. Contingent liabilities

Contingent liabilities are disclosed in respect of possible obligations that arise from past events but their existence will be confirmed by the occurrence or non -occurrence of one or more uncertain future events not wholly within control of the Company. A provision is made based on a reliable estimate when it is probable that an outflow of resources embodying economic benefits will be required to settle an obligation at the year-end date. Contingent assets are not recognized or disclosed in the financial statements.

### s. Segment Reporting

Segments have been identified having regard to the dominant source and nature of risks and returns and the internal organisation and management structure. Inter-segment revenue is accounted on the basis of market price. Unallocated corporate expenses include revenue and expenses which relate to the enterprise as a whole and are not attributable to segments.

### t. Borrowing Costs

Borrowing Costs that are attributable to the acquisition, construction or production of a qualifying asset is capitalized as part of the cost of that asset. Other borrowing costs are recognized as expense in the period in which they are incurred.

### u. Capital Work in Progress

Capital Work in Progress Includes ₹ 8,303.69/- Lacs towards construction of Retail Mall which is being undertaken by **Elpro Estates Limited** under Joint Development Agreement with the Company.



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NOTES TO THE FINANCIAL STATEMENTS

As at March 31, 2017 (₹ In Lacs) As at March 31, 2016 (₹ In Lacs)

Note 2

1. SHARE CAPITAL

**AUTHORISED**

**Equity Shares :**

80,000,000 Equity Shares of ₹ 2/- each 1,600.00 1,600.00  
(Previous Year 80,000,000 Equity Shares of ₹ 2/- each )

40,00,000 Cumulative Redeemable Preference Shares of ₹ 10/- each. 400.00 400.00  
(Previous year :40,00,000 Cumulative Redeemable Preference Shares of ₹10/- each.)

**2,000.00 2,000.00**

**Issued**

69,176,770 Equity shares of ₹ 2/- each 1,383.54 1,383.54  
(Previous. Year. 69,176,770 Equity shares of ₹ 2/- each)

40,00,000 Cumulative Redeemable Preference Shares of ₹ 10/- each. 400.00 400.00  
(Previous year :40,00,000 Cumulative Redeemable Preference Shares of ₹ 10/- each.)

**1,783.54 1,783.54**

**SUBSCRIBED & FULLY PAID UP**

**Subscribed**

69,175,155 Equity shares of ₹ 2/- each fully paid up 1,383.50 1,383.50  
(Previous. Year. 69,175,155 Equity shares of ₹ 2/- each fully paid up)

40,00,000 Cumulative Redeemable Preference Shares of ₹ 10/- each.\* 400.00 400.00  
(Previous year :40,00,000 Cumulative Redeemable Preference Shares of ₹ 10/- each.)

**1,783.50 1,783.50**

Notes:

1 The Company has two class of shares i.e Equity Share and Preference Shares have a par value of ₹ 2/- per share & ₹10/- per share respectively. Each Equity shareholder are eligible for one vote per share.

2 Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

	As at 31-03-2017		As at 31-03-2016	
	In Nos.	(₹ in Lacs)	In Nos.	(₹ in Lacs)
<b>Equity Shares</b>				
At the beginning of the period	69175155	138,350,310	23058385	46,116,770
Add: Bonus Share issued during the year	—	—	46116770	92,233,540
<b>Outstanding at the end of the period</b>	<b>69175155</b>	<b>138,350,310</b>	<b>69175155</b>	<b>138,350,310</b>
<b>Cumulative Redeemable Preference Shares</b>				
At the beginning of the period	4000000	40,000,000.00	4000000	40,000,000.00
Add : Issued during the year	—	—	—	—
<b>Outstanding at the end of the period</b>	<b>4000000</b>	<b>40,000,000.00</b>	<b>4000000</b>	<b>40,000,000.00</b>

3 Details of Shareholders holding more than 5 % shares in the company

	As at 31-03-2017		As at 31-03-2016	
	In Nos.	% holding in the class	In Nos.	% holding in the class
<b>Equity shares of ₹ 2/- each fully paid up</b>				
I.G.E. (India) Private Limited	28273200	40.87%	28273200	40.87%
International Conveyors Limited	10094580	14.59%	10094580	14.59%
RCA Limited	4493580	6.50%	4493580	6.50%
Cresta Fund Ltd	5490000	7.94%	5490000	7.94%
Elara India Opportunites Fund Limited	6075000	8.78%	6075000	8.78%
<b>Total</b>	<b>54426360</b>	<b>78.68%</b>	<b>54426360</b>	<b>78.68%</b>
<b>Cumulative Redeemable Preference Shares of ₹10/- each</b>				
I.G.E (India) Private Limited	2500000	62.50%	2500000	62.50%
International Conveyors Limited	1500000	37.50%	1500000	37.50%
<b>Total</b>	<b>4000000</b>	<b>100.00%</b>	<b>4000000</b>	<b>100.00%</b>



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**NOTES TO THE FINANCIAL STATEMENTS**

	<b>As at March 31, 2017</b>		<b>As at March 31, 2016</b>	
	<u>(₹ in Lacs)</u>	<u>(₹ in Lacs)</u>	<u>(₹ in Lacs)</u>	<u>(₹ in Lacs)</u>
<b>Note 3</b>				
<b>RESERVES &amp; SURPLUS</b>				
<b>Capital Reserves</b>				
Balance as per the last financial statements	27.50		27.50	
Add : Addition during the period	—		—	
	<u>27.50</u>		<u>27.50</u>	
Less : Transferred to Profit & Loss Account	—	27.50	—	27.50
<b>Securities Premium</b>				
Balance as per the last financial statements	15,676.29		16,598.62	
Less : Premium Utilised	—	15,676.29	922.34	15,676.29
<b>Amalgamation Reserve</b>				
Balance as per the last financial statements	177.96		177.96	
Less : Transferred to Profit & Loss Account	—	177.96	—	177.96
<b>Surplus/(Deficit) in the statement of profit &amp; loss</b>				
Balance as per the last financial statements	(485.42)		(116.87)	
Adjustment of Depreciation as per Companies Act' 2013	—		—	
Profit/(Loss) for the year	<u>361.09</u>		<u>(368.55)</u>	
		<u>(124.34)</u>		<u>(485.42)</u>
<b>Total</b>		<u>15,757.41</u>		<u>15,396.32</u>
		<b>As at March 31, 2017</b>	<b>As at March 31, 2016</b>	
		<b>(₹ in Lacs)</b>	<b>(₹ in Lacs)</b>	

**Note 4**

**LONG TERM BORROWINGS**

**SECURED**

**i) Term Loans**

Indian Rupees Loan from Bank

2,403.55

1,412.21

**Total (A)**

2,403.55

1,412.21

**UNSECURED**

**ii) Other Loans and Advances**

From Others

676.48

447.14

**Total (B)**

676.48

447.14

**Net Long Term Borrowings (A+B)**

3,080.04

1,859.35

**4.1 Additional Information to Secured / Unsecured Long Term Borrowings:**

The Long Term Portion of Term Loans are shown under Long Term Borrowings and the current maturities of the long term borrowing are shown under the current liabilities as per the disclosure requirements of the Revised Schedule VI

**4.2 Details of Securities and Terms of Repayment :**

**A. Term Loans from Banks**

**1) Indusind Bank Ltd - Rental Discounting**

Loan of ₹26.00 Cr. has been availed during the FY-2016-17 which is secured by assignment of lease rental receivables of 1st floor to 5th floor of building "Elpro Metropolis" at village chinchwadgaon, Taluka Haveli, Pune-411033, comprising of premises with 76 car parking, owned by the company. Collateral Security: Exclusive mortgage of all floors (1st floor to 5th floor) of building "Elpro Metropolis" at village chinchwadgaon, Taluka Haveli, Pune-411033, comprising of premises with 76 car parking, owned by the company. The Loan is repayable in 120



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## NOTES TO THE FINANCIAL STATEMENTS

monthly installment starting from the month of October, 2016 and the last installment is due on August, 2025. Rate of Interest-10% p.a. at ROI is linked to 1 year MCLR.

### 2) State Bank of India - Rental Discounting

Initial Loan Amount was ₹17.39 Cr. Secured by first charge on Future receivables (from Lease, Licence, Amenities, Facilities fees etc.) of the company from various clients Collateral Security: Equitable mortgage of land & building on survey no. 181 (part), 182 (part), 184 and 185 part of CTS no. 4270, Chinchwad Road, near Railway station, Pune -411 033. (Total Land area - 299674.18 Sq.ft.). The Loan is repayable in 84 monthly installment of ₹30.70 Lacs starting from the month of April, 2011 and the last installment is due on March, 2018 Floating interest at 0.25% above State Bank Advance Rate (Benchmark PLR). Entire loan has been repaid during the financial year.

### 3) State Bank of India - Rental Discounting

Initial Loan Amount was ₹14.00 Cr Secured by first charge on Future receivables (Licence fees, Amenities Charges, Rent etc) of the company from various clients . Collateral Security: Extension of Equitable mortgage of land & building on part of survey no. 185, part of CTS no. 4270, Chinchwad Road, near Railway station, Pune -411 033. (Total Land area - 299674.18 Sq.ft.). The Loan is repayable in 96 monthly installments of ₹ 24.00 Lacs starting from the month of October, 2013 the last installment is due on October, 2021 Floating interest at 0.25% above State Bank Advance Rate (Benchmark PLR). Entire loan has been repaid during the financial year.

## B. Term Loans from other parties

### 1) Kotak Mahindra Prime Limited - Car Loan for Toyota Innova

Initial loan Amount was ₹10.00 Lacs Secured by hypothecation of Car purchased the Loan is Payable with EMI of ₹ 21755/- Repayable in 60 monthly installments starting from 28/06/11 last installment due on 10/06/2016. Loan has been repaid during the financial year.

### 2) Kotak Mahindra Prime Limited - Car Loan for Hyundai Xcent VTVT

Initial Loan amount was ₹ 4.91 Lacs. Secured by hypothecation of Car Purchased The Loan is Payable with EMI of ₹ 15,820/- Repayable in 36 monthly installments starting from 14/07/14 last installment due on 01/06/2017.

	As at March 31, 2017 (₹ in Lacs)	As at March 31, 2016 (₹ in Lacs)
<b>Note 5</b>		
<b>OTHER LONG TERM LIABILITIES</b>		
Lease /Security Deposit	2914.07	2,599.94
Advance from customers	18.78	19.96
<b>Total</b>	<b>2,932.85</b>	<b>2,619.89</b>
<b>Note 6</b>		
<b>LONG TERM PROVISIONS</b>		
Provisions for Leave Encashment & Gratuity for Employees	23.73	23.90
<b>Total</b>	<b>23.73</b>	<b>23.90</b>
<b>Note 7</b>		
<b>SHORT TERM BORROWINGS</b>		
<b>SECURED</b>		
<b>i) Working Capital Finance</b>		
From Banks (See Note below)	164.55	193.35
<b>Unsecured</b>		
<b>ii) Inter-corporate Deposits - Short terms</b>		
From related Parties	7,567.03	10,144.11
From Others	3,650.00	2,493.00
<b>Total</b>	<b>11,381.58</b>	<b>12,830.46</b>

**Note :-**

### Working Capital Finance from Banks

Bank of India Cash Credit Limit

Secured by Hypothecation of Stocks and Book Debts & Collateral Hypothecation of Plant and Machinery excluding Machinery of 100% EOU unit. Equitable Mortgage of Land and Building at Chinchwad, Pune (Portion of Factory shed & Open land). The limit of ₹ 200 Lacs for Cash Credit is repayable on demand and has a Floating interest at 3.75 % above bank rate.



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**NOTES TO THE FINANCIAL STATEMENTS**

	As at March 31, 2017 (₹ in Lacs)	As at March 31, 2016 (₹ in Lacs)
<b>Note 8</b>		
<b>TRADE PAYABLES</b>		
Sundry Creditors-Goods & Services	567.54	449.47
Provision for Expenses	349.94	359.17
<b>Total</b>	<b>917.49</b>	<b>808.64</b>
<b>Note 9</b>		
<b>OTHER CURRENT LIABILITIES</b>		
Current maturities of Long Term Borrowings	130.95	403.13
Advance against Flat / Commercial property sale agreements	—	332.16
Advance received for Sale of Land	150.00	11.00
Society/Condominium Maintenance Reserve	(20.47)	(8.64)
Interest Accrued but not due on Loans	1,268.52	1,025.26
Interest Accrued and due on borrowings	—	21.30
Advance from Customers	4,972.09	5,028.05
<b>Other Payables :</b>		
Duties and taxes	158.99	151.67
Director Sitting Fees Payable	0.28	0.38
Salary Payable	11.15	10.52
Other Liabilities	23.17	212.09
<b>Total</b>	<b>6,694.68</b>	<b>7,186.92</b>
<b>Note 10</b>		
<b>SHORT TERM PROVISIONS</b>		
Provision for Employee Benefits		
-- Leave Encashment & Gratuity	0.93	4.13
<b>Total</b>	<b>0.93</b>	<b>4.13</b>



NOTES TO THE FINANCIAL STATEMENTS

Note 11  
FIXED ASSET

Particulars	Gross Block				Depreciation				Net Block		
	Cost as on 01.04.2016	Additions & Adjustments during the year	Deletions & Adjustments during the year	Cost as on 31.03.2017	As on 01.04.2016	For the year	Deletions	Adjustment recorded against surplus balance in Statement of P & L	Total as on 31.03.2017	As on 31.03.2017	As on 31.03.2016
<b>Tangible Assets</b>											
Land - freehold	258.42	—	—	258.42	—	—	—	—	—	258.42	258.42
Buildings Roads and Structures	507.27	2,408.43	—	2,915.70	260.68	37.99	—	—	298.67	2,617.02	246.59
Plant and machinery (including office equipments)	1,068.43	100.73	647.53	521.63	985.80	16.07	605.36	—	396.52	125.12	82.63
Furniture and fixtures	162.99	179.07	—	342.06	123.49	32.45	—	—	155.94	186.12	39.50
Vehicles	102.57	—	—	102.57	85.56	4.44	—	—	90.00	12.57	17.01
Windmill	768.02	—	—	768.02	631.15	7.94	—	—	639.09	128.93	136.87
	<b>2,867.70</b>	<b>2,688.23</b>	<b>647.53</b>	<b>4,908.40</b>	<b>2,086.68</b>	<b>98.90</b>	<b>605.36</b>	<b>—</b>	<b>1,580.23</b>	<b>3,328.17</b>	<b>781.01</b>
<b>Intangible Assets</b>											
Specialised Software	187.13	2.64	—	189.77	178.70	0.39	—	—	179.09	10.68	8.43
Technical Knowhow	39.61	—	—	39.61	39.61	—	—	—	39.61	—	—
<b>Total (A):</b>	<b>3,094.43</b>	<b>2,690.87</b>	<b>647.53</b>	<b>5,137.77</b>	<b>2,304.99</b>	<b>99.29</b>	<b>605.36</b>	<b>—</b>	<b>1,798.91</b>	<b>3,338.86</b>	<b>789.44</b>
Capital Work in Progress	10,492.25	1,597.45	2,693.45	9,396.25	—	—	—	—	—	9,396.25	10,492.25
Less: Provision for doubtful advances	—	—	—	—	—	—	—	—	—	—	—
<b>Total (B):</b>	<b>10,492.25</b>	<b>1,597.45</b>	<b>2,693.45</b>	<b>9,396.25</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>9,396.25</b>	<b>10,492.25</b>
<b>Total (A + B):</b>	<b>13,586.68</b>	<b>4,288.32</b>	<b>3,340.98</b>	<b>14,534.02</b>	<b>2,304.99</b>	<b>99.29</b>	<b>605.36</b>	<b>—</b>	<b>1,798.91</b>	<b>12,735.11</b>	<b>11,281.69</b>
<b>Previous year</b>	11,698.71	1,977.04	89.07	13,586.68	2,339.81	44.04	78.86	—	2,304.99	11,281.69	9,358.91



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**NOTES TO THE FINANCIAL STATEMENTS**

	As at March 31, 2017 (₹ in Lacs)	As at March 31, 2016 (₹ in Lacs)
<b>Note 12</b>		
<b>NON-CURRENT INVESTMENTS</b>		
<b>At Cost</b>		
<b>Equity Shares - Unquoted</b>		
— Atlas Copco (India) Limited-50 (50) fully paid equity shares of ₹ 10/- each	0.44	0.44
— Accurate Transformers Limited-50 (50) fully paid equity shares of ₹ 10/- each	0.04	0.04
	<u>0.49</u>	<u>0.49</u>
<b>Investment in associates</b>		
Dabri Properties & Trading Company Limited (Associate)-226,977 (226,977) fully paid equity shares of ₹10 each	43.30	42.73
<b>Investment in Other Unquoted Equity Shares</b>		
PNB Metlife India Insurance Company Limited - 255,633,397 (255,633,397) fully paid equity shares of ₹10 each	26,864.77	26,864.77
The Saraswat Co-op Bank Limited-2,500 (2,500) fully paid equity shares of ₹ 10/- each	0.25	0.25
<b>Total-Investment in Equity Shares Unquoted</b>	<u>26,908.32</u>	<u>26,907.75</u>
<b>Equity Shares - Quoted</b>		
— Financial Technologies Limited-440 (440) fully paid equity shares of ₹ 2/- each	7.01	7.01
— ABB India Limited- 50 (50) fully paid equity shares of ₹ 2/- each	0.42	0.42
— Hubtown Limited-50 (50) fully paid equity shares of ₹ 10/- each	0.26	0.26
— Adani Power Limited-200 (200) fully paid equity shares of ₹ 10/- each	0.21	0.21
— Ansal Properties and Infrastructure Limited-50 (50) fully paid equity shares of ₹ 5/- each	0.04	0.04
— GE T & D Limited - 100 (100) Fully paid equity shares of ₹ 2/- each	0.27	0.27
— BGR Energy Systems Limited-50 (50) fully paid equity shares of ₹ 10/- each	0.26	0.26
— Bil Power Limited-100 (100) fully paid equity shares of ₹ 10/- each	0.09	0.09
— Brigade Enterprises Limited-50 (50) fully paid equity shares of ₹ 10/- each	0.07	0.07
— Crompton Greaves limited - 50(50) fully paid equity shares of ₹ 2/- each	0.12	0.12
— DLF limited - 50(50) fully paid equity shares of ₹ 2/- each	0.16	0.16
— Eclerx Services limited - 100(100) fully paid equity shares of ₹10/- each	0.25	0.25
— Elgi Equipments Limited-100 (100) fully paid equity shares of ₹1/- each	0.04	0.04
— Emco Limited-50 (50) fully paid equity shares of ₹ 2/- each	0.04	0.04
— IMP Powers Limited-50 (50) fully paid equity shares of ₹ 10/- each	0.05	0.05
— Indo Tech Transformers Limited-50 (50) fully paid equity shares of ₹ 10/- each	0.16	0.16
— Ingersoll Rand ( India) Limited-50 (50) fully paid equity shares of ₹ 10/- each	0.18	0.18
— Lanco Holdings Limited-100 (100) fully paid equity shares of ₹ 2/- each	0.05	0.05
— Marico Limited-400 (400) fully paid equity shares of ₹ 1/- each	0.21	0.21
— Mazda Limited-50 (50) fully paid equity shares of ₹ 10/- each	0.05	0.05
— Omaxe Limited-62 (62) fully paid equity shares of ₹ 10/- each	0.05	0.05
— Puravankara Projects Limited-50 (50) fully paid equity shares of ₹ 5/- each	0.05	0.05
— Shree Renuka Sugars Limited-400 (400) fully paid equity shares of ₹ 1/- each	0.34	0.34
— Sunteck Realty Limited-50 (50) fully paid equity shares of ₹ 2/- each	0.29	0.29
— Torrent Power Limited-100 (100) fully paid equity shares of ₹ 10/- each	0.30	0.30
— Voltamp Transformers Limited-50 (50) fully paid equity shares of ₹ 10/- each	0.44	0.44
— Future Retail Limited-50 (50) fully paid equity shares of ₹ 2/- each	0.19	0.19
— Crompton Greaves Consumer Electricals Limited - 50(50) fully paid equity shares of ₹ 2/- each *	—	—
— Schneider Electric Infrastructure Limited-100 (100) fully paid equity shares of ₹ 2/- each*	—	—
— Bil Energy Systems Limited - 500 (500) full paid equity Share of ₹ 1/- each*	—	—
— Future Lifestyle Fashions Limited - 16(16) fully paid equity share of ₹ 2/- each*	—	—
— Kaya Limited - 4 (4) fully paid equity share of ₹ 10/- each*	—	—
— Aditya Birla Fashion & Retail Limited - 10(10) fully paid equity share ₹ 10/- each*	—	—
— Future Enterprises Limited - 50 (NIL) fully paid equity share of ₹ 2/- each*	—	—
— Future Market Networks Limited - 2 (NIL) fully paid equity share of ₹ 10/- each*	—	—
<b>Total-Investment in Equity Shares Quoted</b>	<u>11.63</u>	<u>11.63</u>



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**NOTES TO THE FINANCIAL STATEMENTS**

	As at March 31, 2017 (₹ in Lacs)	As at March 31, 2016 (₹ in Lacs)
<b>Investment in Other Securities</b>		
<b>Government Securities</b>		
— 6/7 year National Savings Certificate	0.10	0.10
— Kisan Vikas Patra	0.11	0.11
<b>Mutual Funds</b>		
— Kotak Gilt Saving Growth Fund-2,107.89 (2,107.89) units	0.43	0.43
<b>Total Investment in Other Securities</b>	<u>0.64</u>	<u>0.64</u>
<b>Total Investment</b>	<u>26,921.07</u>	<u>26,920.50</u>
<b>Book Value</b>		
Aggregate of Quoted Investments	12.11	12.11
Aggregate of Unquoted Investments	26,908.96	26,908.39
<b>Total</b>	<u>26,921.07</u>	<u>26,920.50</u>

\* The value has been taken as NIL as these shares were allotted pursuant to Demerger of companies in which equity investment has been made.

**Note 13**

**LONG TERM LOANS AND ADVANCES**

**(Unsecured, considered good unless otherwise stated)**

Security Deposits	45.91	46.16
Escrow Depsoit	95.83	89.76
Capital Advances	76.42	77.33
Other Advances	95.93	149.22
Advance Tax/TDS/Refund due from Income Tax Department	415.32	374.40
MAT Credit Entitlement	14.10	14.10
<b>Total</b>	<u>743.52</u>	<u>750.98</u>

**Note 14**

**INVENTORIES**

(at lower of the cost and reliazable value)

Raw Materials	62.77	52.61
Work-in Progress- Manufacturing	6.78	7.72
Work-in Progress- Housing Project	1,178.32	1,933.89
Land held as stock in trade	0.95	0.95
Stores, Spare Parts	1.61	2.46
<b>Total</b>	<u>1,250.43</u>	<u>1,997.64</u>

**Note 15**

**TRADE RECEIVABLE**

**Outstanding for a period less than six months**

Unsecured considered good (A) 385.94 435.79

**Outstanding for a period exceeding six months**

Considered Good 40.02 43.27

Considered Doubtful 100.54 97.29

140.56 140.56

Less: Provision for Doubtful debts (100.54) (97.29)

(B) 40.02 43.27

**Total (A+B)** 425.95 479.05



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NOTES TO THE FINANCIAL STATEMENTS

	As at March 31, 2017 (₹ in Lacs)	As at March 31, 2016 (₹ in Lacs)
<b>Note 16</b>		
<b>CASH AND CASH EQUIVALENTS</b>		
Balances with Banks in :		
In Current Accounts	140.55	222.34
In Fixed Deposit Account	112.72	9.28
Cheques, Drafts in hand	—	278.30
Cash in hand	1.39	0.78
<b>Total</b>	<b>254.67</b>	<b>510.70</b>
<b>Note 17</b>		
<b>LOANS AND ADVANCES TO RELATED PARTIES/ SUBSIDIARY/ASSOCIATE</b>		
(i) International Conveyors Limited	—	261.84
	—	261.84
<b>Short Term Loans and Advances (Unsecured and Considered Good)</b>		
Other Advances	21.81	19.95
Advance to Suppliers	380.79	440.41
Balance with Customs ,Excise, Vat and other authorities	26.16	44.85
Claims Receivable	9.92	19.44
Advance to Gratuity Trust	12.64	13.18
Prepaid Expenses	21.98	18.23
<b>Total</b>	<b>473.30</b>	<b>817.91</b>
	<b>Year ended March 31, 2017 (₹ in Lacs)</b>	<b>Year ended March 31, 2016 (₹ in Lacs)</b>
<b>Note 18</b>		
<b>REVENUE FROM OPERATIONS</b>		
<b>Sale of Products</b>		
Finished Goods & Services	3420.80	3159.05
Income from Windmills	51.91	106.19
Income from Real Estate Services	1,336.27	1132.40
	<b>4,808.98</b>	<b>4,397.64</b>
<b>Export Turnover</b>		
Finished Goods	55.25	123.80
	<b>4,864.22</b>	<b>4,521.43</b>
<b>Other Operating Revenue</b>		
Sale of Scrap	1.69	1.70
<b>Gross Revenue</b>	<b>4,865.92</b>	<b>4,523.14</b>
<b>Less : Excise Duty</b>	<b>53.13</b>	<b>39.41</b>
<b>Net Revenue</b>	<b>4,812.79</b>	<b>4,483.73</b>
<b>Finished Goods &amp; Services</b>		
Lightning Arresters	334.84	290.68
Varistors	92.46	110.20
Accessories & Others	66.00	38.16
Scrap Sales	1.69	1.70
Sale- Residential Flats	2,929.61	2,804.40
Sale of Wind Power	51.91	106.19
<b>Income from Real Estate Services</b>		
Rentals & Fees Received	1,336.27	1,132.40
<b>Total</b>	<b>4,812.79</b>	<b>4,483.73</b>



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## NOTES TO THE FINANCIAL STATEMENTS

	Year ended March 31, 2017 (₹ in Lacs)	Year ended March 31, 2016 (₹ in Lacs)
<b>Note 19</b>		
<b>OTHER INCOME</b>		
Interest Received	25.98	31.83
Miscellaneous Income	15.88	5.33
Net Gain / Loss on Foreign currency transaction	2.30	0.24
Dividend from Investments	0.12	0.30
Duty drawback	1.08	2.15
Sundry balances no longer required written back	11.67	1.24
Profit on Sale of Fixed Asset	8.83	6.78
<b>Total</b>	<b>65.86</b>	<b>47.85</b>
<b>Note 20</b>		
<b>CHANGE IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK IN TRADE</b>		
<b>OPENING STOCKS</b>		
Work - in - progress	7.72	15.24
	<u>7.72</u>	<u>15.24</u>
<b>LESS: CLOSING STOCKS</b>		
Work - in - progress	6.78	7.72
	<u>6.78</u>	<u>7.72</u>
<b>Net Change in Inventory</b>	<b>0.94</b>	<b>7.51</b>
<b>Note 21</b>		
<b>EMPLOYEE BENEFITS EXPENSE</b>		
Salaries, Wages and Allowances	148.64	155.88
Employer's Contribution to Provident Fund and other Fund	1.57	2.36
Gratuity & Leave Encashment Expenses	(1.74)	5.65
Staff Welfare	5.05	6.41
<b>Total</b>	<b>153.52</b>	<b>170.31</b>
<b>Note 22</b>		
<b>FINANCE COSTS</b>		
<b>Interest Expenses :</b>		
Fixed Loans	251.84	300.62
Others	1,491.33	1536.93
<b>Finance Charges :</b>		
Bank Charges & Commission	24.46	43.22
<b>Total</b>	<b>1,767.63</b>	<b>1,880.77</b>
<b>Note 23</b>		
<b>OTHER EXPENSES</b>		
<b>Manufacturing, Selling &amp; Distribution and Administrative Expenses</b>		
Power and fuel (Net of recoveries)	7.90	21.89
Travelling and Conveyance	18.12	24.53
Foreign Travelling Expenses	17.30	11.78
Repairs to machinery	0.44	8.55
Repairs to Building	17.50	—
Other Repairs and Maintenance	20.89	24.99
Insurance	2.96	3.31
Rent	16.55	16.40
Rates and Taxes	21.96	14.05



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NOTES TO THE FINANCIAL STATEMENTS

	Year ended March 31, 2017 (₹ in Lacs)	Year ended March 31, 2016 (₹ in Lacs)
Director's Fees	2.28	3.01
Penalty Charges/Interest	15.95	3.93
Telephone, Telegram & Telex	10.99	11.64
Bad Debt Written off	21.75	2.85
Loss on sale of assets	—	1.77
Legal and Professional charges	45.07	64.37
Freight outward (Net of recoveries)	7.25	7.26
Audit Fees	7.25	6.25
Commission & Brokerage Charges	6.64	—
Income Tax - (FY-2012-13 / AY-2013-14)	50.65	—
Miscellaneous Expenses	128.12	153.56
<b>Total</b>	<b>419.58</b>	<b>380.15</b>

24. Particulars of a subsidiary and associates

Name of the Company	Country of Incorporation	Percentage of ownership interest as at March 31, 2017	Percentage of ownership interest as at March 31, 2016
<b>Susidiary (Direct)</b>			
(a) Elpro Estates Limited (Formerly known as 'Trump Properties Limited')	India	86.21%	86.21%
<b>Associates</b>			
(a) Dabri Properties & Trading Company Limited	India	31.77%	31.77%

	2016-17 (₹ in Lacs)	2015-16 (₹ in Lacs)
25. i. <b>Estimated amount of contracts remaining to be executed on capital account and not provided for</b>	<b>488.52</b>	<b>421.54</b>
ii. <b>Contingent liabilities not provided for:</b>		
a. Excise duty	—	2.23
b. Employee related matters	Amount not ascertainable	Amount not ascertainable
c. Sales tax matters	—	25.44
d. Bank guarantees (secured by hypothecation of current assets)	14.22	20.17
e. Corporate guarantee to Bank (Secured by mortgage of land)	<b>3,491.00</b>	<b>3,650.00</b>
26. There are no Micro and Small Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days as at March 31, 2017. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.		
27. <b>Break up of Deferred Tax Asset / Liability (net)</b>	<b>2016-17</b>	<b>2015-16</b>
<b>Break-up of deferred tax liability as at March 31, 2017</b>	<b>(₹ in Lacs)</b>	<b>(₹ in Lacs)</b>
Additional depreciation on fixed assets for tax purposes due to higher tax depreciation rates.	176.79	124.19
<b>Total deferred tax liability</b>	<b>176.79</b>	<b>124.19</b>
<b>Break-up of deferred tax asset as at March 31, 2017</b>		
Provision for doubtful debts/advances that are deducted for tax purposes when written off.		
Reduction in depreciation on fixed asset for tax purpose due to lower tax depreciation rates.	57.15	61.61
On provision for employee benefits / voluntary retirement scheme compensation	5.85	7.55
Provision for Audit Fees		
On unabsorbed depreciation allowance and brought forward business loss	232.62	160.38
<b>Deferred tax asset</b>	<b>295.61</b>	<b>229.62</b>
<b>Net Deferred Tax Liability/ (asset) (Net)</b>	<b>118.82</b>	<b>(105.43)</b>



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**NOTES TO THE FINANCIAL STATEMENTS**

	2016-17 (₹ in Lacs)	2015-16 (₹ in Lacs)
<b>28. Project cost includes</b>		
Materials and Labour cost	1284.60	1584.16
Consultant and Professional expenses	159.53	181.52
Other Direct Development expenses	395.73	464.38
<b>Total</b>	<b>1839.86</b>	<b>2,230.06</b>

**29. Derivative transactions**

The Company has not entered into any derivative contracts to hedge its foreign currency risk. The net unhedged foreign currency exposure as at the year-end amounted to **USD (0.35) Lacs** (Previous year USD 0.16 lacs)

**30. Investments made in PNB MetLife India Insurance Company Limited** are long term in nature. In the Opinion of the management the realisable value of these investments is more than the book value as at March 31, 2017.

**31. Related Party Disclosures Related party transactions**

**Details of related parties:**

Description of relationship	Names of related parties
Promoter Company	<b>IGE (India) Pvt. Ltd.</b>
Promoter Company	<b>International Conveyors Ltd.</b>
Promoter Company	<b>RCA Limited</b>
Subsidiaries	<b>Elpro Estates Limited</b>
Associates	<b>Dabri Properties &amp; Trading Co. Ltd.</b>
Entities in which Promoter/Company can exercise significant influence	<b>International Belting Ltd.</b>
Entities in which Promoter/Company can exercise significant influence	<b>Faridabad Capital Holdings Pvt. Ltd.</b>
Entities in which Promoter/Company can exercise significant influence	<b>Zenox Trading &amp; Manufacturing Pvt. Ltd.</b>
Entities in which Promoter/Company can exercise significant influence	<b>Amaranth Education Pvt. Ltd.</b>
Entities in which Promoter/Company can exercise significant influence	<b>Nexstep Activity LLP</b>
Promoter Director	<b>Surbhit Dabriwala</b>
Relative of Promoter Director	<b>Rajendra Kumar Dabriwala</b>
Relative of Promoter Director	<b>Indu Dabriwala</b>

Note: Related parties have been identified by the Management.



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NOTES TO THE FINANCIAL STATEMENTS

Details of related party transactions during the year ended 31 March, 2017 and balances outstanding as at 31 March, 2017:

Particulars	Promoter Company		Subsidiaries		Asso- ciates		Entities in which Promoter / Company can exercise significant influence					Promoter Director		Relative of Promoter Director		Total
	IGE (India) Pvt Ltd	International Conveyors Ltd	RCA Limited	Eipro Estates Limited	Dabri Properties & Trading Co Ltd	International Belting Ltd	Faridabad Capital Holdings Pvt Ltd	Zenox Trading & Manufacturing Pvt Ltd	Anarath Education Pvt Ltd	Nexstep Activity LLP	Surbhit Dabriwala	Rajendra Kumar Dabriwala	Indu Dabriwala	Relative of Promoter Director		
<b>Inter-Corporate Deposits</b>																
Received	2,088.00 (6,544.00)	3,613.16 (620.61)	245.00 (2,942.00)	-	-	-	-	177.50	-	-	-	-	-	-	-	6,123.66 (10,310.11)
Given	-	(250.00)	-	-	-	-	-	-	-	-	-	-	-	-	-	(250.00)
Repayments made on ICD's received	3,807.08 (4,042.88)	3,613.16 (871.19)	1,103.00 (1,039.50)	-	-	(490.03)	-	-	-	-	-	-	-	-	-	6,523.24 (6,463.10)
Repayments received on ICD's given	-	250.00	-	-	-	-	-	-	-	-	-	-	-	-	-	250.00
<b>Rent, Leasing or hire purchase arrangements</b>																
Expense (Net of TDS)	15.11 (14.98)	-	-	-	-	-	-	19.93 (19.84)	-	-	-	-	-	-	-	35.04 (34.81)
Income (Net of TDS)	-	-	-	-	-	-	-	-	-	3.38	-	-	-	-	-	3.38
<b>Interest</b>																
Interest Expense (Net of TDS)	1,054.70 (996.10)	17.15 (26.01)	171.79 (26.01)	-	1.50 (1.16)	-	-	0.80	-	-	-	-	-	-	-	1,245.95 (1,035.01)
Interest Income (Net of TDS)	-	(14.56)	-	-	-	-	-	-	-	-	-	-	-	-	-	(14.56)
<b>Advances</b>																
Interest free advance paid as per JDA agreement	-	-	-	508.79 (2,390.62)	-	-	-	-	-	-	-	-	-	-	-	508.79 (2,390.62)
Advance received for sale of commercial property	-	-	-	-	-	-	-	-	-	-	-	-	(999.00)	(20.00)	-	(1,019.00)
Security Deposit	-	-	-	-	-	-	-	-	-	72.14	-	-	-	-	-	72.14
Refund of Advance received for sale of commercial property	-	-	-	-	-	-	1.35 (0.80)	-	-	-	-	-	-	-	-	1.35 (1,666.85)
<b>Remuneration</b>																
Directors Sitting Fees (Net of TDS)	-	-	-	-	-	-	-	-	-	-	-	-	0.23 (0.18)	-	-	0.23 (0.18)
Reimbursement of Expenses	8.92 (50.99)	0.07 (0.37)	-	-	-	-	-	-	-	-	(0.09)	-	-	-	-	8.99 (54.44)
Accrued Interest payable paid during the year	937.61 (774.62)	(39.39)	(30.38)	-	-	(77.90)	-	-	-	-	-	-	-	-	-	963.62 (922.29)
Interest receivable received during the year	-	11.84 (2.72)	-	-	-	-	-	-	-	-	-	-	-	-	-	11.84 (2.72)
Outstanding liabilities for reimbursement of expenses/ remuneration paid/received during the year	42.56 (50.95)	0.36 (0.08)	-	-	-	-	-	14.37 (29.78)	-	-	-	-	-	0.21 (0.09)	-	57.49 (80.90)



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NOTES TO THE FINANCIAL STATEMENTS

Details of related party transactions during the year ended 31 March, 2017 and balances outstanding as at 31 March, 2017: (Continued)

Particulars	Entities in which Promoter / Company can exercise significant influence										Promoter Director	Relative of Promoter Director	Relative of Promoter Director	Total	
	IGE (India) Pvt Ltd	Promoter Company	Subsidiaries	Associates	International Belling Ltd	Faridabad Capital Holdings Pvt Ltd	Zenox Trading & Manufacturing Pvt Ltd	Amravnath Education Pvt Ltd	Nexstep Activity LLP	Surbhil Dabhiwala					
<b>Balances outstanding at the end of the year</b>															
<b>Receivables</b>			4793.83												4,797.20
1) Interest free Deposits/Advances			4793.83												4,793.83
2) Rent, Leasing or hire purchase arrangements (Income)														3.38	3.38
<b>Payables</b>															(4,546.87)
1) Inter-Corporate Deposits	(261.84)		(4,285.03)												(250.00)
2) Interest free Deposits/Advances	(250.00)		(4,285.03)												(4,285.03)
3) Interest Income (Net of TDS)	(11.84)														(11.84)
<b>Payables</b>	7,830.54	17.15	1,458.79	23.24	190.00	183.86	72.14	0.12							9,775.84
1) Inter-Corporate Deposits	6,771.77		1,287.00	13.89		177.50									8,250.16
2) Interest free Deposits/Advances					190.00		72.14								282.14
3) Interest Expense (Net of TDS)	1,054.70	17.15	171.79	1.50		0.80									1,245.95
4) Rent, Leasing or hire purchase arrangements (Expense)	2.05					5.57									7.61
5) Remuneration								0.12							0.12
6) Reimbursement of Expenses	2.01			7.85											9.86
<b>Payables</b>	(9,451.06)	(0.29)	(2,171.01)	(21.74)	(191.35)	(1)	(1)	(0.09)							(11,835.53)
1) Inter-Corporate Deposits	(8,432.36)		(2,145.00)	(12.73)											(10,590.10)
2) Interest free Deposits/Advances					(191.35)										(191.35)
3) Interest Expense (Net of TDS)	(986.10)		(26.01)	(1.16)											(1,023.27)
4) Rent, Leasing or hire purchase arrangements (Expense)	(1.25)														(1.25)
5) Remuneration								(0.09)							(0.09)
6) Reimbursement of Expenses	(21.34)	(0.29)		(7.85)											(29.47)
<b>Maximum amount outstanding during the year ended 31 March, 2017</b>															
<b>Payables</b>	10,072.62	778.19	2171.01	23.24	190.00	183.86	85.00	0.12							
<b>Receivables</b>			4958.17				3.38								
<b>Maximum amount outstanding during the year ended 31 March, 2016</b>															
<b>Payables</b>	(9,745.07)	(0.29)	(2,171.01)	(21.74)	(556.18)	(21.24)	(0.16)	(0.09)							(1,093.05)
<b>Receivables</b>		(560.61)													(1)

Note: Figures in bracket relates to the previous year



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**NOTES TO THE FINANCIAL STATEMENTS**

**32. Details of Specified Bank Notes (SBN) held and transacted during the period from 08th November, 2016 to 30<sup>th</sup> December, 2016**

Particulars	SBNs	Other Denomination Notes	Total (₹ in Lacs)
Closing Cash in hand as on 08-11-2016	0.23	1.15	1.38
(+) Withdrawal from Bank	—	4.34	4.34
(+) Permitted Receipts	—	—	—
(-) Permitted Payments	—	3.59	3.59
(-) Amount Deposited in Banks	0.23	—	0.23
<b>Closing Cash in hand as on 30-12-2016</b>	<b>—</b>	<b>1.90</b>	<b>1.90</b>

**33. Earning per share**

Particulars	2016-17	2015-16
Profit / (Loss) after tax and exceptional items (in Lacs)	361.09	(368.55)
Weighted average number of equity shares used for calculating basic earnings per share	69175155	69175155
Weighted average number of equity shares used for calculating diluted earnings per share	69175155	69175155
Face value of Equity Shares (in)	2.00	2.00
Earning per share- Basic & Diluted (in)	0.52	(0.53)

**34. Segment information**

**a) Primary Business Information (Business Segments)**

These business segments represent primary basis of information set out in the financial statements. In accordance with the Accounting Standard 17, 'Segment Reporting', the Segment Information for the year ended March 31, 2017 is given as follows:

	Electrical Equipments	Real Estate	Investment Activity	Others	Elimination	Total in (₹ In Lacs)
<b>SEGMENT REVENUE</b>						
External Sales	495.00 (440.75)	4,265.88 (3,936.80)	— (—)	51.91 (106.19)	— (—)	4,812.79 (4,483.73)
Inter - segment Sales	— (—)	— (—)	— (—)	— (—)	— (—)	— (—)
Revenue						4,812.79 (4,483.73)
<b>RESULT</b>						
Segment result	74.82 (2.40)	2,346.30 (1,697.07)	— (—)	27.34 (84.16)	— (—)	2,448.46 (1,783.63)
Unallocated corporate income (Net of unallocable expenses)						(333.84)
Operating Profit/(Loss) before Finance Cost & Exceptional item						2,114.62 (1,501.16)
Exceptional Item						— (—)
Operating Profit/(Loss) after Exceptional item						2,114.62 (1,501.16)
Finance Cost						1,767.63 (1,880.77)
Profit/(Loss) before Tax & Prior period expense						346.99 (-379.61)
Prior Period Expenses						— (—)



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NOTES TO THE FINANCIAL STATEMENTS

Particulars						(₹ In Lacs)
	Electrical Equipments	Real Estate	Investment Activity	Others	Elimination	Total in ₹
Profit/(Loss) before Tax & after Prior Period expense						346.99 (-379.61)
Income taxes / Deferred tax Reversal						13.39 (7.18)
Net Profit/ (Loss) after tax						360.37 (-372.43)
<b>Other information</b>						
Segment Assets	325.74 (389.63)	10,138.05 (10,071.63)	27,051.20 (27,051.20)	159.60 (205.91)	— (—)	37,674.59 (37,718.37)
Unallocated corporate Assets						5,314.77 (5,212.04)
Total Assets						42,989.36 (42,930.41)
Segment liabilities	209.22 (238.90)	12,427.37 (11,694.65)	5,000.00 (5,000.00)	4.05 (0.04)	— (—)	17,640.64 (16,933.59)
Unallocated corporate liabilities						7,807.80 (8,817.00)
Total liabilities						25,448.44 (25,750.59)
Capital Expenditure	(—) (-1.88)	1,592.10 (1,962.88)	— (—)	— (—)	— (—)	1,592.10 (1,961.00)
Unallocated capital Expenditure						2.77 (13.38)
Total capital expenditure						1,594.87 (1,974.38)
Depreciation	8.44 (6.53)	70.16 (18.45)	— (—)	7.94 (7.94)	— (—)	86.54 (32.92)
Unallocated Depreciation						12.74 (11.12)
Total Depreciation						99.29 (44.04)
Non cash expenses other than depreciation	27.24 (9.94)	— (—)	— (—)	— (—)	— (—)	27.24 (9.94)
Unallocated Non cash expenses other than depreciation						— (—)
<b>Segment revenue by geographical area</b>				<b>Domestic</b>	<b>Export</b>	<b>Total in ₹</b>
Based on geographical location of customers (Including net sales, services etc.)				4,757.54 (4,359.93)	55.25 (123.80)	4,812.79 (4,483.73)
<b>Segment Assets by geographical area</b>				<b>42,982.40</b> (42,919.57)	<b>6.96</b> (10.84)	<b>42,989.36</b> (42,930.41)
<b>Capital Expenditure</b>				<b>1,594.87</b> (1,974.38)	<b>—</b> (—)	<b>1,594.87</b> (1,974.38)

Note:

- Corresponding figures in bracket pertains to previous year.
- Segment assets include all operating assets used by the segment and consist primarily of debtors, current assets and fixed assets net of provisions and allowances. Segment liabilities include all operating liabilities and consist principally of creditors and other payables. Items that relate to the enterprise as a whole or at the corporate level not attributable to a particular segment are included under "unallocated".
- The Real Estate segment includes real estate services income and Development of Real Estate Housing Project-Residential.
- Electrical equipments segment includes manufacturing and sales of lightning arrester, varistor, Secondary surge arresters, Discharge Counter. "Others" represents income generated from windmill.



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## NOTES TO THE FINANCIAL STATEMENTS

### 35. CORPORATE SOCIAL RESPONSIBILITY

As mandated by section 135 of the Companies Act, 2013, the company has constituted as CSR Committee. Since the average net profit of the company is in negative, there is no expenditure on CSR activities during the year.

### 36. Operating leases

The Company's significant leasing arrangements are in respect of operating leases for premises (sheds Land and offices etc.). These leasing arrangements, which are non-cancelable range between 11 months and 39 years generally and are usually renewable by mutual consent on mutually agreeable terms. Aggregate lease rentals receivable are recognised as Rent in Schedule XV.

i) Other disclosures in respect of Building assets given on operating lease

<b>Buildings</b> (Including Furniture & Fixtures)	<b>2016-17</b>	<b>2015-16</b>
	(₹ In Lacs)	(₹ In Lacs)
Gross block	2,984.64	294.81
Accumulated depreciation	146.44	127.78
Depreciation recognized during the year	70.16	18.45
Lease Rental Receipt for the year	1,336.27	1,132.40
Future minimum lease rentals Receipts not later than one year	1,932.56	1,253.64
Later than one year but not later than five years	8,221.67	4,560.13

ii) Other disclosures in respect of assets taken on operating lease.

The Company has entered into Operating Lease arrangements towards use of office facilities. The minimum future payments during non-cancelable period under the foregoing arrangements in the aggregate for each of the following period are as follows:

<b>Particulars</b>	<b>2016-17</b>	<b>2015-16</b>
	(₹ In Lacs)	(₹ In Lacs)
Lease rental payments for the year	23.36	23.05
<b>Future minimum lease rentals payments payable -</b>		
– Not later than one year	22.67	20.98
– Later than one year but not later than five Years	NIL	NIL

iii) There are no dues payable to the Investor Education and Protection Fund as at March 31, 2017.

37. The Company has its own Provident fund trust covering the employees of Elpro International Limited and as the fund would have to meet any interest shortfall, it is to be construed as a defined benefit plan in terms of recent Accounting Standards Board (ASB) guidance on implementing AS 15 (Revised 2005) issued by the ICAI. However, in the absence of guidance note from the Actuarial Society of India, the Company's actuary has expressed his inability to reliably measure the provident fund liability. Accordingly, the Company has accounted for the same as a defined contribution plan.
38. The Company has entered into a 'Joint development Agreement' on June 3<sup>rd</sup> 2008 (JDA) with 'Elpro Estates Limited' (Formerly known as 'Trump Properties Limited'), a Subsidiary Company for the Joint Development of the Commercial project for development/construction of Commercial Mall admeasuring 7,29,641.90 sq. ft. built up area.
39. Previous year's figures have been shown in brackets and have been regrouped wherever necessary to conform to current year's classification.

As per our Report of even date attached

**Todarwal & Todarwal**  
Chartered Accountants  
ICAI Reg. No. : 111009W

**Mala Todarwal**  
Partner  
M.No. 134571

Place : Mumbai  
Date : 29th May, 2017

*Mala Todarwal*



For & on behalf of the Board of Directors

*Deepak Kumar Siysharan Singh*  
**Deepak Kumar Siysharan Singh**  
Chairman & Managing Director  
(DIN: 07512769)

*Narayan T Atal*  
**Narayan T Atal**  
Director  
(DIN: 00237626)

*Sambhaw Kumar Jain*  
**Sambhaw Kumar Jain**  
Chief Financial Officer  
(PAN: AJGPP2859K)

*Binal Khosla*  
**Binal Khosla**  
Company Secretary  
(M.No.A29802)



**AUDITOR'S REPORT**

**TO THE MEMBERS OF ELPRO INTERNATIONAL LIMITED**

**Report on the Financial Statements**

We have audited the accompanying financial statements of Elpro International Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2017, Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under section 133 of the Companies Act 2013 and Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence, on a test basis, about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



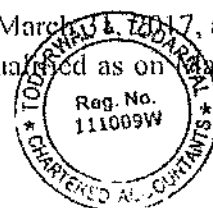
### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2017;
- (b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act 2013, we give in the Annexure I a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. We have inquired into the matters specified under section 143(1) and based on the information and explanations given to us, there is no matter to be reported under this section.
3. As required by section 143(3) of the Act, we report that:
  - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - c) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d) In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards notified under section 133 of the Companies Act 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - e) In our opinion and based on the information and explanations given to us, there are no financial transactions or matters which have any adverse effect on the functioning of the company.
  - f) On the basis of written representations received from the directors as on March 31, 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017, from being appointed as directors of the Company.



**TODARWAL & TODARWAL**  
Chartered Accountants  
Mumbai

31, 2017, from being appointed as a director in terms of subsection (2) of Section 164 of the Companies Act, 2013.

- g) There is no qualification, reservation or adverse remark relating to the maintenance of accounts and other matters connected therewith.
- h) The company has adequate internal financial controls system in place and there is an operating effectiveness of such controls. A report in Annexure II giving our responsibilities and opinion has been annexed herewith.
- i) Such other matters as are prescribed by the Companies (Audit and Auditors) Rules, 2014 namely:-
- i. The company has disclosed the impact, if any, of pending litigations on its financial position in its financial statements.
- ii. The company has made provision, as required under any law or accounting standards, for material foreseeable losses, if any, on long term contracts including derivative contracts.
- iii. There has been no any delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the company.
- iv. The company has provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 and these are in accordance with the books of accounts maintained by the company.

For and on behalf of  
Todarwal & Todarwal  
Chartered Accountants  
ICAI Reg No : 111009W

*Mala Todarwal*  
Mala Todarwal  
Partner  
M. No. : 134571

Dated: 29th May, 2017  
Place: Mumbai





**ANNEXURE I TO AUDITORS' REPORT**

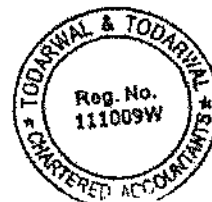
**[Referred to in above the Auditor's Report of even date to the Elpro International Limited  
on the Financial Statements for the year ended 31<sup>st</sup> March 2017]**

- 1 (a) The Company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) As per the information and explanation given to us, fixed assets are physically verified by the management according to a phased programme designed to cover all the locations which in our opinion, is reasonable having regard to the size of the company and the nature of its assets. Pursuant to the programme, the management during the year physically verified the fixed assets at certain locations and no material discrepancies were noticed on such verification.
- (c) According to the information and explanation given to us and on verification, the title deeds of all immovable properties are held in the name of the company.
2. In our opinion, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business. The discrepancies noticed on verification between the physical stocks and the book records were not material and have been properly dealt with in the books of accounts.
3. According to information and explanation given to us, the Company has not granted any unsecured loan to a company covered in the register maintained under Section 189 of the Act.
4. In our opinion and according to information and explanation given to us, the company has, in respect of loans, investments, guarantees, and security provisions, complied with section 185 and 186 of the Companies Act, 2013.
5. According to the information and explanation given to us, the company has not accepted any deposits, whether the directives issued by the Reserve Bank of India, and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013. Hence the provisions of clause 3(v) are not applicable to the company.
6. Pursuant to the rules made by the Central Government, the maintenance of Cost Records have been prescribed u/s. 148(1) of the Companies Act, 2013. We are of the view that prima facie the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.



**TODARWAL & TODARWAL**  
Chartered Accountants  
Mumbai

7. (a) According to the books and records as produced and examined by us in accordance with generally accepted auditing practices in India and also management representations, undisputed statutory dues in respect of Provident fund, employees' state insurance, Income Tax, Sales Tax, Service tax, Custom duty, Excise duty, Value added tax, Cess and other statutory dues, if any, applicable to it, has been regularly deposited with the appropriate authorities.
- (b) As per the information and explanation given to us, the disputed amounts payable in case of Sales tax and Excise Duty as at 31st March 2017 is NIL (previous year Rs 27.67 Lacs).
8. In our opinion and according to the information and explanation given to us and the books of accounts verified by us, the company has not defaulted in repayment of dues to a financial institution, bank, Government or dues to debenture holders.
9. As per information given to us, no money was raised by way of initial public offer or further public offer (including debt instruments). Further, based on the information and explanation given to us, the fresh term loans taken by the Company during the year were applied for the purposes for which the same were taken.
10. During the course of our examination of the books of account carried in accordance with the generally accepted auditing standards in India, we have neither come across any instance of fraud on or by the Company, either noticed or reported during the year, nor have we been informed of such case by the Management.
11. According to the information and explanation given to us and the books of accounts verified by us, the Managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act during the year.
12. The Company is not a Nidhi Company, hence the provision of clause 3(xii) are not applicable to the company.
13. According to the information and explanation given to us and the books of accounts verified by us, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards.
14. According to information and explanation given to us, the Company during the year, has not made any preferential allotment or private placement of shares or fully or partly convertible debentures, hence the provision of clause 3(xiv) are not applicable to the company.



**TODARWAL & TODARWAL**  
Chartered Accountants  
Mumbai

15. According to the information and explanation given to us and the books of accounts verified by us, the company has not entered into any non-cash transactions with directors or persons connected with him.
16. The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For and on behalf of  
Todarwal & Todarwal  
Chartered Accountants  
ICAI Reg No : 111009W

*Mala Todarwal*

Mala Todarwal  
Partner  
M. No. : 134571



Dated : 29<sup>th</sup> May, 2017  
Place: Mumbai

**ANNEXURE II TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON  
THE FINANCIAL STATEMENTS OF ELPRO INTERNATIONAL LIMITED AS ON 31<sup>ST</sup>  
MARCH 2017**

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

To the Members of Elpro International Limited

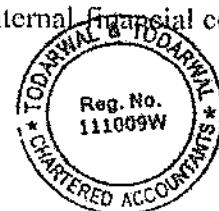
We have audited the internal financial controls over financial reporting of Elpro International Limited ("the Company") as of March 31, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

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

**Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls



over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

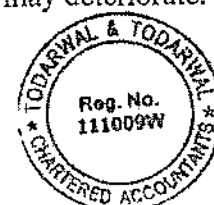
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting.

### **Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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



**TODARWAL & TODARWAL**  
Chartered Accountants  
Mumbai

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For and on behalf of  
Todarwal & Todarwal  
Chartered Accountants  
ICAI Reg No : 111009W

*Mala Todarwal*

Mala Todarwal

Partner

M. No. : 134571

Dated : 29<sup>th</sup> May, 2017

Place: Mumbai



**STANDALONE BALANCE SHEET  
AS AT 31<sup>ST</sup> MARCH, 2017**

	Note No	As at March 31, 2017 (₹ In Lacs)	As at March 31, 2016 (₹ In Lacs)
<b>I. EQUITY &amp; LIABILITIES</b>			
<b>1 SHARE HOLDER'S FUND</b>			
(a) Share Capital	3	1,783.50	1,783.50
(b) Reserves and Surplus	4	13,393.83	13,032.40
			15,177.33
			14,815.90
<b>2 NON-CURRENT LIABILITIES</b>			
(a) Long Term Borrowings	5	2,403.55	1,411.74
(b) Other Long Term Liabilities	6	2,914.07	2,599.94
(c) Long Term Provision	7	23.73	23.90
			5,341.36
			4,035.58
<b>3 CURRENT LIABILITIES</b>			
(a) Short Term Borrowings	8	11,381.58	12,830.46
(b) Trade Payables	9	745.13	659.19
(c) Other Current Liabilities	10	6,607.34	6,913.27
(d) Short term Provisions	11	0.93	4.13
			18,734.98
			20,407.05
<b>TOTAL</b>		<b>39,253.67</b>	<b>39,258.54</b>
<b>II ASSETS</b>			
<b>1 NON-CURRENT ASSETS</b>			
<b>(a) Fixed Assets</b>			
(i) Tangible Assets	12	3,322.40	773.76
(ii) Intangible Assets		3.54	1.29
(iii) Capital Work In Progress		1,157.77	2,863.46
		4,483.71	3,638.51
(b) Non-Current Investments	13	27,051.20	27,051.20
(c) Long-Term Loans and Advances	14	547.85	501.11
			32,082.76
			31,190.81
<b>2 CURRENT ASSETS</b>			
(a) Inventories	15	1,250.43	1,997.64
(b) Trade Receivables	16	407.07	460.17
(c) Cash and Cash Equivalents	17	248.00	508.27
(d) Short-Term Loans and Advances	18	5,265.41	5,101.64
			7,170.92
			8,067.72
<b>TOTAL</b>		<b>39,253.67</b>	<b>39,258.54</b>

**Summary of Significant Accounting Policies 2**

The accompanying notes are an integral part of the financial statements.

As per our Report of even date attached

For & on behalf of the Board of Directors

**Todarwal & Todarwal**  
Chartered Accountants  
ICAI Reg. No. : 111009W

**Mala Todarwal**  
Partner  
M.No. 134571

**Deepak Kumar Siysharan Singh**  
Chairman & Managing Director  
(DIN: 07512769)

**Narayan T Atal**  
Director  
(DIN: 00237626)

**Sambhaw Kumar Jain**  
Chief Financial Officer  
(PAN: AJGP22859K)

**Binal Khosla**  
Company Secretary  
(M.No.A29802)

Place : Mumbai  
Date : 29th May, 2017

*Mala Todarwal*



**STANDALONE STATEMENT FOR PROFIT AND LOSS  
FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2017**

	Note No	Year ended March 31, 2017		Year ended March 31, 2016	
		(₹ In Lacs)	(₹ In Lacs)	(₹ In Lacs)	(₹ In Lacs)
<b>I. INCOME</b>					
Revenue from Operations (Gross)	19	4,865.92		4,523.14	
Less: Excise Duty		53.13		39.41	
Revenue from Operations (Net)		<u>4,812.79</u>		<u>4,483.73</u>	
II. Other Income	20	57.54		47.85	
III. Total Revenue (I + II)			<b>4,870.33</b>		<b>4,531.58</b>
<b>IV. EXPENSES</b>					
(a) Cost of Materials Consumed		250.83		198.36	
(b) Project Cost		1,839.86		2,230.06	
(c) Changes in inventories of finished goods, Work in Progress and Stock in Trade	21	0.94		7.51	
(d) Employee Benefits Expense	22	137.15		153.28	
(e) Finance Costs	23	1,767.48		1,880.44	
(f) Depreciation and Amortization Expense		97.68		42.64	
(g) Other Expenses	24	414.96		372.53	
<b>Total expenses</b>			<b>4,508.90</b>		<b>4,884.81</b>
V Profit/(Loss) before exceptional and extraordinary items and Tax (III-IV)			361.43		(353.23)
VI Exceptional Items (Profit on sale of land)			—		—
VII Profit/(Loss) before extraordinary items and Tax (V-VI)			361.43		(353.23)
VIII Tax Expense			—		—
IX Profit/(Loss) for the period from continuing operations (VII-VIII)			<u>361.43</u>		<u>(353.23)</u>
<b>Earnings per equity share of ₹ 2/- each</b>					
(1) Basic Earning per Share (₹)			0.52		(0.51)
(2) Diluted Earning per Share (₹)			0.52		(0.51)

**Summary of Significant Accounting Policies** 2

The accompanying notes are an integral part of the financial statements.

As per our Report of even date attached

**Todarwal & Todarwal**  
Chartered Accountants  
ICAI Reg. No. : 111009W

**Mala Todarwal**  
Partner  
M.No. 134571

Place : Mumbai  
Date : 29th May, 2017

*Mala Todarwal*

*Deepak Kumar*  
**Deepak Kumar Siysharan Singh**  
Chairman & Managing Director  
(DIN: 07512769)

For & on behalf of the Board of Directors

*N. Aial*  
**Narayan T Aial**  
Director  
(DIN: 00237626)

*Sambhaw Kumar Jain*  
**Sambhaw Kumar Jain**  
Chief Financial Officer  
(PAN: AJCPP2359K)

*Binal*  
**Binal Khosla**  
Company Secretary  
(M.No.A29802)





**STANDALONE CASH FLOW STATEMENT FOR THE  
YEAR ENDED 31<sup>ST</sup> MARCH, 2017**

PARTICULARS	For the year ended March 31, 2017 (₹ In Lacs)	For the year ended March 31, 2016 (₹ In Lacs)
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>PROFIT BEFORE TAXATION AS PER STATEMENT OF PROFIT AND LOSS</b>	<b>361.43</b>	<b>(353.23)</b>
Adjustments for :		
Depreciation	97.68	42.64
Interest Expenses	1,767.48	1,880.44
Loss / (Profit) on Sale of Fixed Assets (net)	(8.83)	(5.00)
Interest Income	(16.65)	(31.83)
Interest income on Income tax refund	(9.34)	—
Provision for Income Tax	50.65	—
Dividend income	(0.12)	(0.30)
Sundry Balances no longer required written back	(3.35)	(1.24)
Sundry balances written off	21.75	2.85
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	<b>2,260.71</b>	<b>1,534.34</b>
Adjustments for :		
(Increase)/decrease in inventories	747.20	741.22
(Increase)/decrease in trade & other receivables	67.80	(281.89)
Increase/(decrease) in trade & other payables	385.69	682.07
<b>CASH GENERATED FROM / (USED IN) OPERATIONS</b>	<b>3,461.41</b>	<b>2,675.73</b>
Direct taxes (paid)/ refund	(50.65)	—
<b>NET CASH FLOW FROM/ (USED IN) OPERATING ACTIVITIES</b>	<b>(A) 3,410.76</b>	<b>2,675.73</b>
<b>CASH FLOW FROM / (USED IN) INVESTING ACTIVITIES</b>		
Purchase of fixed assets	(985.05)	(253.18)
Proceeds from sale of fixed assets	51.00	12.55
Loans and deposits placed with the companies	(246.95)	(2,648.12)
Dividend received	0.12	0.30
Interest received	16.65	31.83
Interest on Income Tax Refund received	9.34	—
<b>NET CASH FLOW FROM / (USED IN) INVESTING ACTIVITIES</b>	<b>(B) (1,154.91)</b>	<b>(2,856.63)</b>

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**STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2017 (contd.)**

PARTICULARS	For the year ended March 31, 2017 (₹ In Lacs)	For the year ended March 31, 2016 (₹ In Lacs)
<b>CASH FLOW FROM / (USED IN) FINANCING ACTIVITIES</b>		
Proceeds from borrowings (Term Loan)	2,600.00	—
Repayment of borrowings (Term Loan)	(1,899.76)	(377.60)
Repayment of Cash Credit Loan	(28.80)	(5.96)
Inter corporate Deposits/loans received	11,413.00	13,865.43
Inter corporate Deposits/loans repaid	(12,833.08)	(10,938.92)
Interest Paid on Loans	(1,767.48)	(1,880.44)
<b>NET CASH FLOW FROM / (USED IN) FINANCING ACTIVITIES</b>	<b>(C)</b>	<b>662.50</b>
<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(A + B + C)</b>	<b>481.61</b>
<b>OPENING CASH AND CASH EQUIVALENTS</b>	<b>508.26</b>	<b>26.65</b>
<b>CLOSING CASH AND CASH EQUIVALENTS (Refer Note 1 below)</b>	<b>248.00</b>	<b>508.26</b>

**Notes to the Cash Flow Statement**

- Cash and cash equivalents consist of cash in hand and balances with banks. Cash and cash equivalents included in the cash flow statement comprise of the following Balance Sheet items.

Particulars	For the year ended March 31, 2017 (₹ In Lacs )	For the year ended March 31, 2016 (₹ In Lacs)
Cash in hand	1.03	0.78
Cheques in hand		
Balance with scheduled banks:		
In current accounts	134.25	498.20
In fixed and margin deposits	112.72	9.28
<b>Total</b>	<b>248.00</b>	<b>508.26</b>

- The above Cash Flow Statement has been prepared under indirect method as set out in Accounting Standard 3 (AS 3) 'Cash Flow Statements' as specified in Companies (Accounting Standard) Rules, 2006.
- Previous year's figures have been regrouped/ reclassified wherever necessary to conform to current years' classification.

As per our Report of even date attached

**Todarwal & Todarwal**  
Chartered Accountants  
ICAI Reg. No. : 111009W

**Mala Todarwal**  
Partner  
M.No. 134571

**Place :** Mumbai  
**Date :** 29th May, 2017

*Mala Todarwal*

For & on behalf of the Board of Directors

*Deepak Kumar*  
**Deepak Kumar Siysharan Singh**  
Chairman & Managing Director  
(DIN: 07512769)

*N. Atal*  
**Narayan T Atal**  
Director  
(DIN: 00237626)

*Sambhaw Kumar Jain*  
**Sambhaw Kumar Jain**  
Chief Financial Officer  
(PAN: AJGPF2859K)

*Binal*  
**Binal Khosla**  
Company Secretary  
(M.No.A29802)



## NOTES TO THE FINANCIAL STATEMENTS

### 1. COMPANY OVERVIEW-

**Elpro International Limited** is engaged in the business of manufacturing of Other Electrical Equipments like Lighting Arresters, Varistors, Surge Arrestor & also engaged in Real Estate development Services. The Company has manufacturing plant located at Chinchwad, Pune, Maharashtra.

### 2. SIGNIFICANT ACCOUNTING POLICIES

#### a. Basis of Preparation of Financial Statements

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP). The company has prepared these financial statements to in all material aspect with accounting principles generally accepted in India, including the accounting standards as prescribed under section 133 of the companies Act, 2013 ('the Act') read with rule 7 of the companies (Accounts) Rules, 2014 to the extent notified. The financial statements have been prepared on an accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

#### b. Use of Estimates

The preparation of the financial statements in conformity with GAAP requires Management to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosure relating to contingent liabilities as at the date of the financial statements and reported amounts of income and expenses during the period. Examples of such estimates include provision for doubtful debts, future obligations under employee retirement benefit plans, income taxes and the useful lives of fixed assets and intangible assets.

Management believes that the estimates used in the preparation of financial statements are prudent and reasonable. Future results could differ from these estimates.

#### c. Tangible Fixed Assets

Fixed assets are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises Purchase price, Borrowing Costs if capitalization criteria are met and any other directly attributable cost of bringing the asset to its working condition for the intended use, net off of any trade discounts & rebates. Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed asset, including day to day repair & maintenance expenditure & cost of replacing parts, are charged to the statement of profit & loss for the period during which such expenses are incurred. Gains or losses arising from derecognition of fixed assets are measured as the difference between the net disposal proceeds & the carrying amount of the asset & are recognized in the statement of Profit & Loss when the asset is derecognized. Capital assets under erection/installation are stated in the Balance sheet as "Capital- Work in Progress"

#### d. Intangible Assets

Intangible assets are recorded at the consideration paid for acquisition of such assets and are carried at cost less accumulated amortization and impairment. They are amortized on a straight line basis over their estimated useful lives.

#### e. Depreciation and Amortisation

In respect of fixed assets (other than capital work-in-progress) acquired during the year, depreciation/amortization is charged on a straight line basis so as to write off the cost of the assets over the useful lives and for the assets acquired prior to April 1, 2014, the carrying amount as on April 1, 2014 is depreciated over the remaining useful life based on an evaluation. The useful life of the asset is determined as prescribed in schedule II to the Companies Act, 2013.

#### f. Assets Taken and Given on Lease

##### Assets taken on lease:

- i In respect of finance lease arrangements, the assets are capitalized and depreciated. Finance charges are charged off to the Statement of Profit and Loss of the year in which they are incurred.
- ii Operating lease payments are recognized as expenditure in the Statement of Profit and Loss on straight line basis, representative of the time pattern of benefits received from the use of the assets taken on lease.

##### Asset given on lease:

Lease rentals are accounted on accrual basis in accordance with the respective lease agreements.

#### g. Investments

All Investments has been categorized as Long-term investments. Long-term investments are valued at cost. Provision for diminution, if any, in the value of investments is made to recognise a decline, other than temporary.

#### h. Inventories

Inventories are stated at the lower of cost and net realizable value. In determining the cost of loose tools, stores and spares, raw materials and components, the weighted average method is used. Cost of manufactured components, work in progress and manufactured finished goods include cost of conversion and other costs incurred in bringing the inventories to their present location and condition which is determined on absorption cost basis.



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## NOTES TO THE FINANCIAL STATEMENTS

### i. Inventories - Project in progress

Project in progress is valued at lower of cost or net realisable value. Cost includes cost of land, materials, construction, services, borrowing costs and other overheads relating to the particular projects.

### j. Foreign Exchange Transactions

Transactions in foreign currencies are recorded at the prevailing exchange rates on the transaction dates. Realised gains and losses on settlement of foreign currency transactions are recognized in the Statement of Profit and loss account.

Foreign currency monetary assets and liabilities at the year end are translated at the year end exchange rates and resultant exchange differences are recognised in the Statement of Profit and Loss.

### k. Revenue recognition

- i) Sale of goods is recognised on dispatch to customer and are recorded net of sale tax and excise duties and excludes export incentives such as duty drawbacks.
- ii) Rental income is recognised on accrual basis.
- iii) Income from Joint development of property will be recognized, when Sale Deed will be executed in favour of the third party.
- iv) Revenue from wind mill power project is recognised on the basis of actual power sold as per the terms of the power purchase agreements entered into with the respective parties.
- v) Income from Real Estate project is recognized on the transfer of all significant risks and rewards of ownership to the buyers and it is not unreasonable to expect ultimate collection and no significant uncertainty exists regarding the amount of consideration. However if, at the time of transfer, substantial acts are yet to be performed under the agreement, revenue is recognized on proportionate basis as the acts are performed, i.e. on the percentage of completion basis, subject to the actual cost incurred being at least 25% of the total estimated project cost involved and further subject to receipt of at least 20% of the total sales consideration. Determination of revenues under the percentage of completion method necessarily involves making estimates by the Company, some of which are of a technical nature, concerning, where relevant, the percentages of completion, costs to completion, the expected revenues from the project and the foreseeable losses to completion.

### l. Research and development expenditure

Research and development expenditure, other than capital expenditure is expense out as and when incurred.

### m. Retirement Benefits

#### – Gratuity :

Liabilities with regard to the gratuity benefits payable in future are determined by actuarial valuation at each Balance Sheet date using the Projected Unit Credit Method and contributed to Employees Gratuity Fund managed by Life Insurance Corporation of India. Actuarial gains and losses arising from changes in actuarial assumptions are recognized in the Statement of Profit and Loss in the period in which they arise.

#### – Provident fund:

Provident fund contributions are made to a trust administered by the Company and are charged to the Statement of Profit and Loss. The Company has an obligation to make good the shortfall if any, between return of investment by the trust and government administered interest rate.

### n. Provisions

Provision is made when there is present obligation as a result of a past event that probably requires an outflow of economic resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made, when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Liquidated damages/penalties are provided for meeting the obligations arising from delay in contractual delivery schedules.

### o. Accounting for Taxes on Income

Provision for current tax is made, based on the tax payable under the Income Tax Act, 1961. Minimum Alternative Tax (MAT) credit, which is equal to the excess of MAT (calculated in accordance with provisions of section 115JB of the Income tax Act, 1961) over normal income-tax is recognized as an asset by crediting the Statement of Profit and Loss only when and to the extent there is convincing evidence that the Company will be able to avail the said credit against normal tax payable during the Specified period.

Deferred tax on timing differences between taxable income and accounting income is accounted for, using the tax rates and the tax laws enacted or substantially enacted as on the balance sheet date. Deferred tax assets on unabsorbed tax



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## NOTES TO THE FINANCIAL STATEMENTS

losses and unabsorbed tax depreciation are recognised only when there is a virtual certainty of their realisation. Other deferred tax assets are recognised only when there is a reasonable certainty of their realisation.

**p. Impairment**

The Company reviews the carrying value of tangible and intangible assets for any possible impairment at each balance sheet date. An impairment loss is recognized when the carrying amount of an asset exceeds its recoverable amount. In assessing the recoverable amount, the estimated future cash flows are discounted to their present value at appropriate discount rates.

**q. Contingent Liabilities**

Contingent liabilities are disclosed in respect of possible obligations that arise from past events but their existence will be confirmed by the occurrence or non -occurrence of one or more uncertain future events not wholly within control of the Company. A provision is made based on a reliable estimate when it is probable that an outflow of resources embodying economic benefits will be required to settle an obligation at the year end date. Contingent assets are not recognized or disclosed in the financial statements.

**r. Segment Reporting**

Segments have been identified having regard to the dominant source and nature of risks and returns and the internal organisation and management structure. Inter-segment revenue is accounted on the basis of market price. Unallocated corporate expenses include revenue and expenses which relate to the enterprise as a whole and are not attributable to segments.

**s. Borrowing Costs**

Borrowing Costs that are attributable to the acquisition, construction or production of a qualifying asset is capitalized as part of the cost of that asset. Other borrowing costs are recognized as expense in the period in which they are incurred.

	As at March 31, 2017 (₹ In Lacs)	As at March 31, 2016 (₹ In Lacs)
<b>Note 3</b>		
<b>1. SHARE CAPITAL</b>		
<b><u>AUTHORISED</u></b>		
80,000,000 Equity Shares of ₹ 2/- each (Previous Year 80,000,000 Equity Shares of ₹ 2/- each )	1,600.00	1,600.00
40,00,000 Cumulative Redeemable Preference Shares of ₹ 10/- each. (Previous year :40,00,000 Cumulative Redeemable Preference Shares of ₹10/- each.)	400.00	400.00
	<b>2,000.00</b>	<b>2,000.00</b>
<b><u>Issued</u></b>		
69176770 Equity shares of ₹ 2/- each (Previous Year: 69176770 Equity shares of ₹ 2/- each)	1,383.54	1,383.54
40,00,000 Cumulative Redeemable Preference Shares of ₹ 10/- each. (Previous year :40,00,000 Cumulative Redeemable Preference Shares of ₹ 10/- each.)	400.00	400.00
	<b>1,783.54</b>	<b>1,783.54</b>
<b><u>SUBSCRIBED &amp; FULLY PAID UP</u></b>		
69,175,155 Equity shares of ₹ 2/- each fully paid up (Previous Year. 69,175,155 Equity shares of ₹ 2/- each fully paid up)	1,383.50	1,383.50
40,00,000 Cumulative Redeemable Preference Shares of ₹ 10/- each. (Previous year :40,00,000 Cumulative Redeemable Preference Shares of ₹ 10/- each.)	400.00	400.00
	<b>1,783.50</b>	<b>1,783.50</b>

**Note:-**

- 1 The Company has two class of shares i.e Equity Share and Preference Shares have a par value of ₹ 2/- each & ₹ 10/- each respectively. Each Equity shareholder are eligible for one vote per share.



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## NOTES TO THE FINANCIAL STATEMENTS

### 2 Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Equity Shares	As at March 31, 2017		As at March 31, 2016	
	In Nos.	Amount (In ₹)	In Nos.	Amount (In ₹)
At the beginning of the period	69175155	138,350,310	23058385	46,116,770
Add: Bonus Share issued during the year	—	—	46116770	92,233,540
<b>Outstanding at the end of the period</b>	<b>69175155</b>	<b>138,350,310</b>	<b>69175155</b>	<b>138,350,310</b>
<b>Cumulative Redeemable Preference Shares</b>				
At the beginning of the period	4000000	40,000,000	4000000	40,000,000.00
Add : Issued during the year	—	—	—	—
<b>Outstanding at the end of the period</b>	<b>4000000</b>	<b>40,000,000</b>	<b>4000000</b>	<b>40,000,000.00</b>

### 3 Details of Shareholders holding more than 5% shares in the company

	In Nos.	% holding in the class	In Nos.	% holding in the class
<b>Equity shares of ₹ 2/- each fully paid up</b>				
I.G.E (India) Private Limited	28273200	40.87%	28273200	40.87%
International Conveyors Limited	10094580	14.59%	10094580	14.59%
RCA Limited	4493580	6.50%	4493580	6.50%
Cresta Fund Limited	5490000	7.94%	5490000	7.94%
Elara India Opportunites Fund Limited	6075000	8.78%	6075000	8.78%
<b>Total</b>	<b>54426360</b>	<b>78.68%</b>	<b>54426360</b>	<b>78.68%</b>
<b>Cumulative Redeemable Preference Shares of ₹10/- each</b>				
I.G.E (India) Private Limited	2500000	62.50%	2500000	62.50%
Internaional Conveyors Limited	1500000	37.50%	1500000	37.50%
<b>Total</b>	<b>4000000</b>	<b>100.00%</b>	<b>4000000</b>	<b>100.00%</b>

### Note 4

#### RESERVES & SURPLUS

##### Capital Reserves

	As at March 31, 2017 (₹ in Lacs)	As at March 31, 2016 (₹ in Lacs)
Balance as per the last financial statements	27.50	27.50
Add : Addition during the period	—	—
	<b>27.50</b>	<b>27.50</b>
Less : Transferred to Profit & Loss Account	—	27.50
<b>Securities Premium</b>		
Balance as per the last financial statements	13,089.61	14,011.95
Less : Premium Utilised for issuing bonus shares	—	922.34
	<b>13,089.61</b>	<b>13,089.61</b>
<b>Amalgamation Reserve</b>		
Balance as per the last financial statements	177.96	177.96
Less : Transferred to Profit & Loss Account	—	177.96
<b>Surplus/(Deficit) in the statement of profit &amp; loss</b>		
Balance as per the last financial statements	(262.67)	90.56
Adjustment of Depreciation as per Companies Act' 2013	—	—
Profit/(Loss) for the year	361.43	(353.23)
<b>Total</b>	<b>13,393.83</b>	<b>13,032.40</b>



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**NOTES TO THE FINANCIAL STATEMENTS**

	As at March 31, 2017 (₹ in Lacs)	As at March 31, 2016 (₹ in Lacs)
<b>Note 5</b>		
<b>LONG TERM BORROWINGS</b>		
<b>SECURED</b>		
<b>i) Term Loans</b>		
Indian Rupees Loan from Bank (See Note below)	2,403.55	1,411.74
<b>Net Long Term Borrowings</b>	<u>2,403.55</u>	<u>1,411.74</u>

**5.1 Additional Information to Secured / Unsecured Long Term Borrowings:**

The Long Term Portion of Term Loans are shown under Long Term Borrowings and the current maturities of the long term borrowing are shown under the current liabilities as per the disclosure requirements of the Revised Schedule VI

**5.2 Details of Securities and Terms of Repayment :**

**A. Term Loans from Banks**

**1) Indusind Bank Ltd - Rental Discounting**

Loan of ₹ 26.00 Cr. has been availed during the FY-2016-17 which is secured by assignment of lease rental receivables of 1st floor to 5th floor of building "Elpro Metropolis" at village chinchwadgaon, Taluka Haveli, Pune-411033, comprising of premises with 76 car parking, owned by the company. Collateral Security: Exclusive mortgage of all floors (1st floor to 5th floor) of building "Elpro Metropolis" at village chinchwadgaon, Taluka Haveli, Pune-411033, comprising of premises with 76 car parking, owned by the company. The Loan is repayable in 120 monthly installment starting from the month of October, 2016 and the last installment is due on August, 2025. Rate of Interest-10% p.a. at ROI is linked to 1 year MCLR.

**2) State Bank of India - Rental Discounting**

Initial Loan Amount was ₹17.39 Cr. Secured by first charge on Future receivables (from Lease, Licence, Amenities, Facilities fees etc.) of the company from various clients Collateral Security: Equitable mortgage of land & building on survey no. 181 (part), 182 (part), 184 and 185 part of CTS no. 4270, Chinchwad Road, near Railway station, Pune -411 033. (Total Land area - 299674.18 Sq.ft.). The Loan is repayable in 84 monthly installment of ₹30.70 Lacs starting from the month of April, 2011 and the last installment is due on March, 2018 Floating interest at 0.25% above State Bank Advance Rate (Benchmark PLR). Entire loan has been repaid during the financial year.

**3) State Bank of India - Rental Discounting**

Initial Loan Amount was ₹14.00 Cr Secured by first charge on Future receivables (Licence fees, Amenities Charges, Rent etc) of the company from various clients. Collateral Security: Extension of Equitable mortgage of land & building on part of survey no. 185, part of CTS no. 4270, Chinchwad Road, near Railway station, Pune -411 033. (Total Land area - 299674.18 Sq.ft.). The Loan is repayable in 96 monthly installments of ₹ 24.00 Lacs starting from the month of October, 2013 the last installment is due on October, 2021 Floating interest at 0.25% above State Bank Advance Rate (Benchmark PLR). Entire loan has been repaid during the financial year.

**B. Term Loans from other parties**

**1) Kotak Mahindra Prime Limited - Car Loan for Toyota Innova**

Initial loan Amount was ₹10.00 Lacs Secured by hypothecation of Car purchased the Loan is Payable with EMI of ₹ 21755/- Repayable in 60 monthly installments starting from 28/06/11 last installment due on 10/06/2016. Loan has been repaid during the financial year.

	As at March 31, 2017 (₹ in Lacs)	As at March 31, 2016 (₹ in Lacs)
<b>Note 6</b>		
<b>OTHER LONG TERM LIABILITIES</b>		
Security Deposits	2,914.07	2,599.94
<b>Note 7</b>		
<b>LONG TERM PROVISIONS</b>		
Provisions for Leave Encashment & Gratuity for Employees	23.73	23.90
<b>Total</b>	<u>23.73</u>	<u>23.90</u>



**NOTES TO THE FINANCIAL STATEMENTS**

As at March 31, 2017      As at March 31, 2016  
(₹ in Lacs)                      (₹ in Lacs)

**Note 8**

**SHORT TERM BORROWINGS**

**SECURED**

i) **Working Capital Finance**

From Banks (See note below)

164.55                      193.35

**UNSECURED**

ii) **Inter-corporate Deposits - Short terms**

From Related Parties

7,567.03                      10,144.11

From Others

3,650.00                      2,493.00

**Total**

11,381.58                      12,830.46

**Note :-**

**Working Capital Finance from Banks**

Bank of India Cash Credit Limit

Secured by Hypothecation of Stocks and Book Debts & Collateral Hypothecation of Plant and Machinery excluding Machinery of 100% EOU unit. Equitable Mortgage of Land and Building at Chinchwad, Pune (Portion of Factory shed & Open land). The limit of ₹ 200 Lacs for Cash Credit is repayable on demand and has Floating interest at 3.75 % above bank rate.

**Note 9**

**TRADE PAYABLES**

Sundry Creditors-Goods & Services

395.18                      300.01

Provision for expenses

349.94                      359.17

**Total**

745.13                      659.19

**Note 10**

**OTHER CURRENT LIABILITIES**

Current maturities of Long Term Borrowings

130.48                      401.39

Advance against Flat / Commercial property sale agreements

—                              332.16

Advance received from Sale of Land

150.00                      11.00

Society/Condominium Maintenance Reserve

(20.47)                      (8.64)

Interest Accrued but not due on Loans

1,202.04                      966.77

Interest Accrued but due on Loans

—                              21.30

Advance from Customers

4,972.09                      5,028.05

**Other Payables :**

Duties and Taxes

149.98                      139.76

Salary Payable

11.15                      10.52

Other Liabilities

12.06                      10.96

**Total**

6,607.34                      6,913.27

**Note 11**

**SHORT TERM PROVISIONS**

Provision for Employee Benefits

— Leave Encashment & Gratuity

0.93                      4.13

**Total**

0.93                      4.13



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Note 12  
FIXED ASSET

(₹ in Lacs)

Particulars	Gross Block			Depreciation			Net Block				
	Cost as on 01.04.2016	Additions & Adjustments during the year	Deletions & Adjustments during the year	Cost as on 31.03.2017	As on 01.04.2016	For the year	Deletions	Adjustment recorded against surplus balance in Statement of P & L	Total as on 31.03.2017	As on 31.03.2017	As on 31.03.2016
<b>Tangible Assets</b>											
Land - freehold	258.42	—	—	258.42	—	—	—	—	—	258.42	258.42
Buildings roads and Structures	507.27	2,408.43	—	2,915.70	260.68	37.99	—	—	298.67	2,617.02	246.59
Plant and Machinery (including office equipments)	1,060.05	100.60	647.53	513.12	977.87	15.86	605.36	—	388.37	124.75	82.18
Furniture and Fixtures	157.05	179.07	—	336.12	118.19	31.83	—	—	150.02	186.11	38.86
Vehicles	48.51	—	—	48.51	37.65	3.68	—	—	41.34	7.17	10.86
Windmill	768.02	—	—	768.02	631.15	7.94	—	—	639.09	128.93	136.87
	<b>2,799.32</b>	<b>2,688.10</b>	<b>647.53</b>	<b>4,839.89</b>	<b>2,025.55</b>	<b>97.30</b>	<b>605.36</b>	<b>—</b>	<b>1,517.49</b>	<b>3,322.40</b>	<b>773.76</b>
<b>Intangible Assets</b>											
Specialised Software	43.71	2.64	—	46.35	42.43	0.39	—	—	42.81	3.54	1.29
Technical Knowhow	39.61	—	—	39.61	39.61	—	—	—	39.61	—	—
<b>Total (A):</b>	<b>2,882.64</b>	<b>2,690.74</b>	<b>647.53</b>	<b>4,925.85</b>	<b>2,107.58</b>	<b>97.68</b>	<b>605.36</b>	<b>—</b>	<b>1,599.91</b>	<b>3,325.94</b>	<b>775.05</b>
Capital Work in Progress	2,863.46	987.76	2,693.45	1,157.77	—	—	—	—	—	1,157.77	2,863.46
Less: Provision for doubtful advances	—	—	—	—	—	—	—	—	—	—	—
<b>Total (B):</b>	<b>2,863.46</b>	<b>987.76</b>	<b>2,693.45</b>	<b>1,157.77</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>1,157.77</b>	<b>2,863.46</b>
<b>Total (A + B):</b>	<b>5,746.10</b>	<b>3,678.50</b>	<b>3,340.98</b>	<b>6,083.62</b>	<b>2,107.58</b>	<b>97.68</b>	<b>605.36</b>	<b>—</b>	<b>1,599.91</b>	<b>4,483.71</b>	<b>3,638.51</b>
<b>Previous year</b>	5,579.32	255.85	89.07	5,746.10	2,143.79	42.64	78.86	—	2,107.58	3,638.51	3,435.52



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NOTES TO THE FINANCIAL STATEMENTS

	As at March 31, 2017 (₹ in Lacs)	As at March 31, 2016 (₹ in Lacs)
<b>Note 13</b>		
<b>NON-CURRENT INVESTMENTS</b>		
<b>At Cost</b>		
<b>Equity Shares - Unquoted</b>		
— Atlas Copco (India) Limited-50 (50) fully paid equity shares of ₹ 10/- each	0.44	0.44
— Accurate Transformers Limited-50 (50) fully paid equity shares of ₹ 10/- each	0.04	0.04
	<u>0.49</u>	<u>0.49</u>
<b>Investment in Associates</b>		
Dabri Properties & Trading Company Limited (Associate) - 226,977 (226,977) fully paid equity shares of ₹10 each	22.50	22.50
<b>Investment in Subsidiary Company</b>		
Elpro Estates Limited	150.93	150.93
1,499,800 (1,499,800) Equity shares of ₹10/- each fully paid (Formerly known as Trump Properties Limited )		
<b>Investment in Other Unquoted Equity Shares</b>		
PNB Metlife India Insurance Company Limited - 255,633,397 (255,633,397) fully paid equity shares of ₹10 each	26,864.77	26,864.77
The Saraswat Co-op Bank Limited - 2,500 (2,500) fully paid equity shares of ₹ 10/- each	0.25	0.25
<b>Total-Investment in Equity Shares Unquoted</b>	<u>27,038.45</u>	<u>27,038.45</u>
<b>Equity Shares - Quoted</b>		
— Financial Technologies Limited - 440 (440) fully paid equity shares of ₹ 2/- each	7.01	7.01
— ABB India Limited - 50 (50) fully paid equity shares of ₹ 2/- each	0.42	0.42
— Hubtown Limited - 50 (50) fully paid equity shares of ₹ 10/- each	0.26	0.26
— Adani Power Limited - 200 (200) fully paid equity shares of ₹ 10/- each	0.21	0.21
— Ansal Properties and Infrastructure Limited - 50 (50) fully paid equity shares of ₹ 5/- each	0.04	0.04
— GE T & D Limited - 100 (100) Fully paid equity shares of ₹ 2/- each	0.27	0.27
— BGR Energy Systems Limited - 50 (50) fully paid equity shares of ₹ 10/- each	0.26	0.26
— Bil Power Limited - 100 (100) fully paid equity shares of ₹ 10/- each	0.09	0.09
— Brigade Enterprises Limited - 50 (50) fully paid equity shares of ₹ 10/- each	0.07	0.07
— Crompton Greaves limited - 50(50) fully paid equity shares of ₹ 2/- each	0.12	0.12
— DLF limited - 50(50) fully paid equity shares of ₹ 2/- each	0.16	0.16
— Eclerx Services limited - 100(100) fully paid equity shares of ₹10/- each	0.25	0.25
— Elgi Equipments Limited - 100 (100) fully paid equity shares of ₹1/- each	0.04	0.04
— Emco Limited - 50 (50) fully paid equity shares of ₹ 2/- each	0.04	0.04
— IMP Powers Limited - 50 (50) fully paid equity shares of ₹ 10/- each	0.05	0.05
— Indo Tech Transformers Limited - 50 (50) fully paid equity shares of ₹ 10/- each	0.16	0.16
— Ingersoll Rand (India) Limited - 50 (50) fully paid equity shares of ₹ 10/- each	0.18	0.18
— Lancor Holdings Limited - 100 (100) fully paid equity shares of ₹ 2/- each	0.05	0.05
— Marico Limited - 400 (400) fully paid equity shares of ₹ 1/- each	0.21	0.21
— Mazda Limited - 50 (50) fully paid equity shares of ₹ 10/- each	0.05	0.05
— Omaxe Limited - 62 (62) fully paid equity shares of ₹ 10/- each	0.05	0.05
— Puravankara Projects Limited - 50 (50) fully paid equity shares of ₹ 5/- each	0.05	0.05
— Shree Renuka Sugars Limited - 400 (400) fully paid equity shares of ₹ 1/- each	0.34	0.34
— Sunteck Realty Limited - 50 (50) fully paid equity shares of ₹ 2/- each	0.29	0.29
— Torrent Power Limited - 100 (100) fully paid equity shares of ₹ 10/- each	0.30	0.30
— Voltamp Transformers Limited - 50 (50) fully paid equity shares of ₹ 10/- each	0.44	0.44
— Future Retail Limited - 50 (50) fully paid equity shares of ₹ 2/- each	0.19	0.19
— Crompton Greaves Consumer Electricals Limited - 50 (50) fully paid equity shares of ₹ 2/- each *	—	—
— Schneider Electric Infrastructure Limited - 100 (100) fully paid equity shares of ₹ 2/- each*	—	—
— Bil Energy Systems Limited - 500 (500) full paid equity Share of ₹ 1/- each*	—	—
— Future Lifestyle Fashions Limited - 16(16) fully paid equity share of ₹ 2/- each*	—	—
— Kaya Limited - 4 (4) fully paid equity share of ₹ 10/- each*	—	—
— Aditya Birla Fashion & Retail Limited - 10(10) fully paid equity share ₹ 10/- each*	—	—
— Future Enterprises Limited - 50 (NIL) fully paid equity share of ₹ 2/- each*	—	—
— Future Market Networks Limited - 2 (NIL) fully paid equity share of ₹ 10/- each*	—	—
<b>Total-Investment in Equity Shares Quoted</b>	<u>11.63</u>	<u>11.63</u>



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**NOTES TO THE FINANCIAL STATEMENTS**

	As at March 31, 2017 (₹ in Lacs)	As at March 31, 2016 (₹ in Lacs)
<b>Investment in Other Securities</b>		
<b>Government Securities</b>		
— 6/7 year National Savings Certificate	0.10	0.10
— Kisan Vikas Patra	0.11	0.11
<b>Mutual Funds</b>		
— Kotak Gilt Saving Growth Fund - 2,107.89 (2,107.89) units	0.43	0.43
<b>Total - Investment in Other Securities</b>	<b>0.64</b>	<b>0.64</b>
<b>Total Investment</b>	<b>27,051.20</b>	<b>27,051.20</b>
<b>Book Value</b>		
Aggregate of Quoted Investments	12.11	12.11
Aggregate of Unquoted Investments	27,039.09	27,039.09
<b>Total</b>	<b>27,051.20</b>	<b>27,051.20</b>
<b>Market Value</b>		
Aggregate of Quoted Investments	6.91	6.02
<b>Total</b>	<b>6.91</b>	<b>6.02</b>

\* The value has been taken as NIL as these shares were allotted pursuant to Demerger of companies in which equity investment has been made.

**Note 14**

**LONG TERM LOANS AND ADVANCES**

**(Unsecured, considered good unless otherwise stated)**

Security Deposits	22.59	22.84
Escrow Deposit	95.83	89.76
Advance Tax/TDS/Refund due from Income Tax Department	415.32	374.40
MAT Credit Entitlement	14.10	14.10
<b>Total</b>	<b>547.85</b>	<b>501.11</b>

**Note 15**

**INVENTORIES**

(at lower of the cost and reliazable value)

Raw Materials	62.77	52.61
Work-in Process	6.78	7.72
Work-in Progress-Housing Project	1178.32	1933.89
Land held as stock in trade	0.95	0.95
Stores, Spare Parts	1.61	2.46
<b>Total</b>	<b>1,250.43</b>	<b>1,997.64</b>

**Note 16**

**TRADE RECEIVABLE**

**Outstanding for a period less than six months**

Unsecured considered good	(A)	385.94	435.79
---------------------------	-----	--------	--------

**Outstanding for a period exceeding six months**

Considered Good	21.14	24.39
Considered Doubtful	100.54	97.29

	121.68	121.68
Less: Provision for Doubtful debts	(100.54)	(97.29)

<b>Total</b>	(B)	21.14	24.39
	(A+B)	407.07	460.17



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**NOTES TO THE FINANCIAL STATEMENTS**

	As at March 31, 2017 (₹ in Lacs)	As at March 31, 2016 (₹ in Lacs)
<b>Note 17</b>		
<b>CASH AND CASH EQUIVALENTS</b>		
<b>Balances with Banks in :</b>		
In Current Accounts	134.25	219.90
In Fixed Deposit Account	112.72	9.28
Cheques, drafts in hand	0.00	278.30
Cash in hand	1.03	0.78
<b>Total</b>	<b>248.00</b>	<b>508.27</b>
<b>Note 18</b>		
<b>SHORT-TERM LOANS AND ADVANCES (Unsecured and Considered Good)</b>		
Loans & Advances to Subsidiary /Related Parties	4,793.83	4,546.87
Other Advances	21.74	19.88
Advance to Suppliers	380.79	440.41
Balance with Customs ,Excise, Vat and other authorities	26.16	44.39
Claims Receivable	9.92	19.44
Advance to Gratuity Trust	12.64	13.18
Prepaid Expenses	20.34	17.46
<b>Total</b>	<b>5,265.41</b>	<b>5,101.64</b>
	<b>Year ended March 31, 2017 (₹ in Lacs)</b>	<b>Year ended March 31, 2016 (₹ in Lacs)</b>
<b>Note 19</b>		
<b>REVENUE FROM OPERATIONS</b>		
<b>Sale of Products</b>		
Finished Goods & Services	3,420.80	3,159.05
Income from Windmills	51.91	106.19
Income from Real Estate Services	1,336.27	1,132.40
	<b>4,808.98</b>	<b>4,397.64</b>
<b>Export Turnover</b>		
Finished Goods	55.25	123.80
	<b>4,864.22</b>	<b>4,521.43</b>
<b>Other Operating Revenue</b>		
Sale of Scrap	1.69	1.70
<b>Gross Revenue</b>	<b>4,865.92</b>	<b>4,523.14</b>
<b>Less : Excise Duty</b>	<b>53.13</b>	<b>39.41</b>
<b>Net Revenue</b>	<b>4,812.79</b>	<b>4,483.73</b>
<b>Finished Goods &amp; Services</b>		
Lightning Arresters	334.84	290.68
Varistors	92.46	110.20
Accessories & Others	66.00	38.16
Scrap Sales	1.69	1.70
Sale - Residential Flats	2,929.61	2,804.40
Sale of Wind Power	51.91	106.19
<b>Income from Real Estate Services</b>		
Rentals & Fees Received	1,336.27	1,132.40
<b>Total</b>	<b>4,812.79</b>	<b>4,483.73</b>



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**NOTES TO THE FINANCIAL STATEMENTS**

	Year ended March 31, 2017 (₹ in Lacs)	Year ended March 31, 2016 (₹ in Lacs)
<b>Note 20</b>		
<b>OTHER INCOME</b>		
Interest Received	25.98	31.83
Miscellaneous Income	15.88	5.33
Net Gain / Loss on Foreign Currency Transactions	2.30	0.24
Dividend from Investments	0.12	0.30
Duty Drawback	1.08	2.15
Sundry balances no longer required written back	3.35	1.24
Profit on Sale of Fixed Asset	8.83	6.78
<b>Total</b>	<u>57.54</u>	<u>47.85</u>
<b>Note 21</b>		
<b>CHANGE IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK IN TRADE</b>		
<b>OPENING STOCKS</b>		
Work - in - progress	7.72	15.24
<b>LESS: CLOSING STOCKS</b>		
Work - in - progress	6.78	7.72
<b>Net Change in Inventory</b>	<u>0.94</u>	<u>7.51</u>
<b>Note 22</b>		
<b>EMPLOYEE BENEFITS EXPENSE</b>		
Salaries, Wages and Allowances	135.49	142.92
Employer's Contribution to Provident Fund and other Fund	1.57	2.35
Gratuity & Leave Encashment Expenses	(1.74)	5.65
Staff Welfare	1.83	2.34
<b>Total</b>	<u>137.15</u>	<u>153.28</u>
<b>Note 23</b>		
<b>FINANCE COSTS</b>		
<b>Interest Expenses :</b>		
Fixed Loans	251.69	300.29
Others	1491.33	1536.93
<b>Finance Charges :</b>		
Bank Charges & Commission	24.46	43.22
<b>Total</b>	<u>1,767.48</u>	<u>1,880.44</u>
<b>Note 24</b>		
<b>OTHER EXPENSES</b>		
<b>Manufacturing, Selling, Distribution &amp; Administrative Expenses</b>		
Power and Fuel (Net of recoveries)	7.90	21.89
Travelling and Conveyance	17.14	22.41
Foreign Travelling Expenses	17.30	11.78
Repairs to Machinery	0.44	8.55
Repairs to Building	17.50	—
Other Repairs and Maintenance	20.89	24.88
Insurance	2.96	3.11
Rent	14.48	14.35
Rates and Taxes	21.72	12.80
Director's Fees	2.28	3.01
Penal Charges/Interest	15.95	3.93



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NOTES TO THE FINANCIAL STATEMENTS

	Year ended March 31, 2017 (₹ in Lacs)	Year ended March 31, 2016 (₹ in Lacs)
Telephone, Telegram & Telex	10.81	11.29
Bad Debt Written off	21.75	2.85
Loss on sale of assets	—	1.77
Legal and Professional charges	44.73	64.14
Freight outward (Net of recoveries)	7.25	7.26
Audit Fees	6.50	5.50
Commission & Brokerage Charges	6.64	—
Income Tax - (FY-2012-13/AY-2013-14)	50.65	—
Miscellaneous Expenses	128.07	153.01
<b>Total</b>	<b>414.96</b>	<b>372.53</b>
<b>25. i. Estimated amount of contracts remaining to be executed on capital account and not provided for</b>	<b>488.52</b>	<b>421.54</b>
<b>ii. Contingent liabilities not provided for:</b>		
a. Excise Duty	—	2.23
b. Employee related matters	<b>Amount not ascertainable</b>	Amount not ascertainable
c. Sales Tax Matters	—	25.44
d. Bank Guarantees (secured by hypothecation of current assets)	14.22	20.17
e. Corporate Guarantee to Bank (Secured by mortgage of land)	<b>3,491.00</b>	<b>3,650.00</b>
<b>26. Miscellaneous expenses include Auditors' remuneration:</b>		
a. Audit fees	6.50	5.50
<b>27. Earning in foreign currency on account of:</b>		
a. Exports of F.O.B basis	55.44	123.80
<b>28. Value of Import of Raw material on C.I.F Basis</b>		
a. Raw Materials	110.56	17.00
<b>29. Expenditure in Foreign Currency (On Accrual Basis)</b>		
a. Travelling Expenses	0.33	2.06
b. Professional & Consultancy Charges	—	8.60
c. Discounts	0.83	1.21
d. Other Expenses	—	1.30
e. Bank Charges	0.29	0.47
<b>30. Value of imported and indigenous raw materials and components consumed</b>		
<b>Particulars</b>	<b>2016-17</b>	<b>2015-16</b>
	(₹ in Lacs)	(₹ in Lacs)
	%	%
Imported	103.63	15.58
Indigenously procured	147.21	182.78
<b>Total</b>	<b>250.83</b>	<b>198.36</b>
	<b>100.00</b>	<b>100.00</b>
<b>31.</b> There are no Micro and Small Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days as at March 31, 2017. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.		



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NOTES TO THE FINANCIAL STATEMENTS

	Year ended March 31, 2017 (₹ in Lacs)	Year ended March 31, 2016 (₹ in Lacs)
<b>32. Break up of Deferred Tax Asset / Liability (net)</b>		
<b>i. Break-up of deferred tax liability as at March 31, 2017</b>		
Additional depreciation on fixed assets for tax purposes due to higher tax depreciation rates.	176.62	123.84
<b>Total deferred tax liability</b>	<b>176.62</b>	<b>123.84</b>
<b>ii. Break-up of deferred tax asset as at March 31, 2017</b>		
Provision for doubtful debts/advances that are deducted for tax purposes when written off.	57.15	61.61
On provision for employee benefits / voluntary retirement scheme compensation	5.85	7.75
On other items	—	
On unabsorbed depreciation allowance and brought forward business loss (to the extent of residual deferred tax liabilities)	113.63	54.68
<b>Deferred tax asset</b>	<b>176.62</b>	<b>123.84</b>
<b>Net deferred tax liability /(asset) (Net)</b>	<b>NIL</b>	<b>NIL</b>

**Note:**

As at March 31, 2017, the Company has carried forward losses and unabsorbed depreciation under the Tax Laws. As a matter of prudence the Company has recognized deferred tax assets only to the extent of deferred tax liabilities as at March 31, 2017.

<b>33. Project cost includes</b>		
Materials and Labour cost	1,284.60	1,584.16
Consultant and Professional expenses	159.53	181.52
Other Direct Development expenses	395.73	464.38
<b>Totals</b>	<b>1,839.86</b>	<b>2,230.06</b>

- 34. Derivative Transactions**  
The Company has not entered into any derivative contracts to hedge its foreign currency risk. The net unhedged foreign currency exposure as at the year-end amounted to **USD (0.35) Lacs** (Previous year USD 0.16 lacs).
- 35. Investments made in PNB MetLife India Insurance Company Limited** are long term in nature. In the Opinion of the management the realisable value of these investments is more than the book value as at March 31, 2017.

**36. Related Party Disclosures**

**Details of related parties:**

Description of relationship	Names of Related Parties
Promoter Company	IGE (India) Pvt. Ltd.
Promoter Company	International Conveyors Ltd.
Promoter Company	RCA Limited
Subsidiaries	Elpro Estates Limited
Entities in which Promoter / Company can exercise significant influence	International Belting Ltd.
Entities in which Promoter / Company can exercise significant influence	Faridabad Capital Holdings Pvt. Ltd.
Entities in which Promoter / Company can exercise significant influence	Zenox Trading & Manufacturing Pvt. Ltd.
Entities in which Promoter / Company can exercise significant influence	Amaranth Education Pvt. Ltd.
Entities in which Promoter / Company can exercise significant influence	Nexstep Activity LLP
Promoter Director	Surbhit Dabriwala
Relatives of Promoter Director	Rajendra Kumar Dabriwala

**Note:** Related parties have been identified by the Management.



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**NOTES TO THE FINANCIAL STATEMENTS**

**Details of related party transactions during the year ended 31 March, 2017 and balances outstanding as at 31 March, 2017:**

₹ in lacs

Particulars	Promoter Company			Subsidiaries	Entities in which Promoter / Company can exercise significant Influence						Promoter Director	Relative of Promoter Director	Total
	IGE (India) Pvt Ltd	International Conveyors Ltd	RCA Limited		Elpro Estates Limited	International Belting Ltd	Faridabad Capital Holdings Pvt Ltd	Zenox Trading & Manufacturing Pvt Ltd	Amaranth Education Pvt Ltd	Nexstep Activily LLP			
<b>Inter-Corporate Deposits</b>													
Received	2,088.00 (6,544.00)	3,613.16 (820.61)	245.00 (2,942.00)	— (—)	— (—)	— (—)	— (—)	— (—)	— (—)	— (—)	— (—)	— (—)	5946.16 (10,306.61)
Given	— (—)	— (250.00)	— (—)	— (—)	— (—)	— (—)	— (—)	— (—)	— (—)	— (—)	— (—)	— (—)	— (250.00)
Repayments made on ICD's received	3,807.08 (4,042.38)	3,613.16 (871.19)	1,103.00 (1,059.50)	— (—)	— (490.03)	— (—)	— (—)	— (—)	— (—)	— (—)	— (—)	— (—)	8523.24 (6,463.10)
Repayments received on ICD's given	— (—)	250.00 (—)	— (—)	— (—)	— (—)	— (—)	— (—)	— (—)	— (—)	— (—)	— (—)	— (—)	250.00 (—)
<b>Rent, Leasing or hire purchase arrangements</b>													
Expense (Net of TDS)	13.22 (13.09)	— (—)	— (—)	— (—)	— (—)	— (—)	9.97 (9.92)	— (—)	— (—)	— (—)	— (—)	— (—)	23.19 (23.01)
Income (Net of TDS)	— (—)	— (—)	— (—)	— (—)	— (—)	— (—)	— (—)	— (—)	3.38 (—)	— (—)	— (—)	— (—)	3.38 (—)
<b>Interest</b>													
Interest Expense (Net of TDS)	997.17 (937.61)	17.15 (—)	171.79 (26.01)	— (—)	— (11.75)	— (—)	— (—)	— (—)	— (—)	— (—)	— (—)	— (—)	1,186.12 (975.37)
Interest Income (Net of TDS)	— (—)	— (14.56)	— (—)	— (—)	— (—)	— (—)	— (—)	— (—)	— (—)	3.38 (—)	— (—)	— (—)	— (14.56)
<b>Advances</b>													
Interest free advance paid as per JDA agreement	— (—)	— (—)	— (—)	508.79 (2,390.62)	— (—)	— (—)	— (—)	— (—)	— (—)	— (—)	— (—)	— (—)	508.79 (2,390.62)
Security Deposit	— (—)	— (—)	— (—)	— (—)	— (—)	— (—)	— (—)	— (—)	72.14 (—)	— (—)	— (—)	— (—)	72.14 (—)
Refund of Advance received for sale of commercial property	— (—)	— (—)	— (—)	— (—)	— (—)	1.35 (0.80)	— (—)	— (—)	— (—)	— (—)	— (—)	— (10.05)	1.35 (10.05)
<b>Remuneration</b>													
Directors Sitting Fees (Net of TDS)	— (—)	— (—)	— (—)	— (—)	— (—)	— (—)	— (—)	— (—)	— (—)	0.23 (0.18)	— (—)	— (—)	0.23 (0.18)
<b>Reimbursement of Expenses</b>													
	8.31 (51.65)	0.07 (0.37)	— (—)	— (—)	— (—)	— (—)	— (—)	— (0.09)	— (—)	— (—)	— (—)	— (—)	8.39 (52.10)
Accrued Interest payable paid during the year	937.61 (723.12)	— (39.39)	26.01 (30.38)	— (—)	— (77.90)	— (—)	— (—)	— (—)	— (—)	— (—)	— (—)	— (—)	963.62 (870.79)
Interest receivable received during the year	— (—)	11.84 (2.72)	— (—)	— (—)	— (—)	— (—)	— (—)	— (—)	— (—)	— (—)	— (—)	— (—)	11.84 (2.72)
Outstanding liabilities for reimbursement of expenses/ remuneration paid/received during the year	42.56 (47.52)	0.36 (0.08)	— (—)	— (—)	— (—)	— (—)	7.23 (9.92)	— (-0.16)	— (—)	0.21 (0.09)	— (—)	— (—)	50.36 (57.61)
<b>Balances outstanding at the end of the year</b>													
<b>Receivables</b>	—	—	—	4793.83	—	—	—	—	3.38	—	—	—	4797.20
1) Interest free Deposits/Advances	—	—	—	4793.83	—	—	—	—	—	—	—	—	4793.83
2) Rent, Leasing or hire purchase arrangements (Income)	—	—	—	—	—	—	—	—	3.38	—	—	—	3.38
<b>Payables</b>	(—)	(261.84)	(—)	(4285.03)	(—)	(—)	(—)	(—)	(—)	(—)	(—)	(—)	(4546.87)
1) Inter-Corporate Deposits	(—)	(250.00)	(—)	(—)	(—)	(—)	(—)	(—)	(—)	(—)	(—)	(—)	(250.00)
2) Interest free Deposits/Advances	(—)	(—)	(—)	(4285.03)	(—)	(—)	(—)	(—)	(—)	(—)	(—)	(—)	(4285.03)
3) Interest Income (Net of TDS)	(—)	(11.84)	(—)	(—)	(—)	(—)	(—)	(—)	(—)	(—)	(—)	(—)	(11.84)



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**NOTES TO THE FINANCIAL STATEMENTS**

₹ in lacs

Particulars	Promoter Company			Subsidiaries	Entities in which Promoter / Company can exercise significant Influence						Promoter Director	Relative of Promoter Director	Total
	IGE (India) Pvt Ltd	International Conveyors Ltd	RCA Limited		Elpro Estates Limited	International Belling Ltd	Faridabad Capital Holdings Pvt Ltd	Zenox Trading & Manufacturing Pvt Ltd	Amaranth Education Pvt Ltd	Nexstep Activity LLP			
<b>Payables</b>	<b>7,277.98</b>	<b>17.15</b>	<b>1,458.79</b>	<b>0.00</b>	<b>0.00</b>	<b>190.00</b>	<b>2.73</b>	<b>0.00</b>	<b>72.14</b>	<b>0.12</b>	<b>0.00</b>	<b>9,018.92</b>	
1) Inter-Corporate Deposits	6,280.03	—	1,287.00	—	—	—	—	—	—	—	—	7,567.03	
2) Interest free Deposits/Advances	—	—	—	—	—	190.00	—	—	72.14	—	—	262.14	
3) Interest Expense (Net of TDS)	997.17	17.15	171.79	—	—	—	—	—	—	—	—	1,186.12	
4) Rent, Leasing or hire purchase arrangements (Expense)	—	—	—	—	—	—	2.73	—	—	—	—	2.73	
5) Remuneration	—	—	—	—	—	—	—	—	—	0.12	—	0.12	
6) Reimbursement of Expenses	0.78	—	—	—	—	—	—	—	—	—	—	0.78	
<b>Payables</b>	<b>(8,958.53)</b>	<b>(0.29)</b>	<b>(2,171.01)</b>	<b>(—)</b>	<b>(—)</b>	<b>(191.35)</b>	<b>(—)</b>	<b>(—)</b>	<b>(—)</b>	<b>(0.09)</b>	<b>(—)</b>	<b>(11,321.27)</b>	
1) Inter-Corporate Deposits	(7,999.11)	(—)	(2,145.00)	(—)	(—)	(—)	(—)	(—)	(—)	(—)	(—)	(10,144.11)	
2) Interest free Deposits/Advances	(—)	(—)	(—)	(—)	(—)	(191.35)	(—)	(—)	(—)	(—)	(—)	(191.35)	
3) Interest Expense (Net of TDS)	(937.61)	(—)	(26.01)	(—)	(—)	(—)	(—)	(—)	(—)	(—)	(—)	(963.62)	
4) Rent, Leasing or hire purchase arrangements (Expense)	(1.10)	(—)	(—)	(—)	(—)	(—)	(—)	(—)	(—)	(—)	(—)	(1.10)	
5) Remuneration	(—)	(—)	(—)	(—)	(—)	(—)	(—)	(—)	(—)	(0.09)	(—)	(0.09)	
6) Reimbursement of Expenses	(20.71)	(0.29)	(—)	(—)	(—)	(—)	(—)	(—)	(—)	(—)	(—)	(21.00)	
<b>Maximum amount outstanding during the year ended 31 March, 2017</b>													
<b>Payables</b>	<b>9,579.39</b>	<b>778.19</b>	<b>2171.01</b>	<b>—</b>	<b>—</b>	<b>190.00</b>	<b>2.73</b>	<b>—</b>	<b>85.00</b>	<b>0.12</b>	<b>—</b>	<b>—</b>	
<b>Receivables</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>4,958.17</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>3.38</b>	<b>—</b>	<b>—</b>	<b>—</b>	
<b>Maximum amount outstanding during the year ended 31 March, 2016</b>													
<b>Payables</b>	<b>(9,283.49)</b>	<b>(0.29)</b>	<b>(2,171.01)</b>	<b>(—)</b>	<b>(556.18)</b>	<b>(191.35)</b>	<b>(7.26)</b>	<b>(—)</b>	<b>(—)</b>	<b>(0.09)</b>	<b>(10.05)</b>	<b>—</b>	
<b>Receivables</b>	<b>(—)</b>	<b>(560.61)</b>	<b>(—)</b>	<b>(4,285.03)</b>	<b>(—)</b>	<b>(—)</b>	<b>(—)</b>	<b>(0.16)</b>	<b>(—)</b>	<b>(—)</b>	<b>(—)</b>	<b>—</b>	

Note: Corresponding figures in bracket pertains to previous year

**37. Details of Specified Bank Notes (SBN) held and transacted during the period from 08th November, 2016 to 30th December, 2016**

Particulars	SBNs	Other Denomination Notes	Total (₹ in Lacs)
<b>Closing Cash in hand as on 08-11-2016</b>	<b>0.23</b>	<b>1.15</b>	<b>1.38</b>
(+) Withdrawal from Bank	—	3.88	3.88
(+) Permitted Receipts	—	—	—
(-) Permitted Payments	—	3.53	3.53
(-) Amount Deposited in Banks	0.23	—	0.23
<b>Closing Cash in hand as on 30-12-2016</b>	<b>—</b>	<b>1.50</b>	<b>1.50</b>

**38. Earning Per Share**

Particulars	2016-17	2015-16
Profit / (Loss) after tax and exceptional items (₹ in Lacs)	<b>361.43</b>	<b>(353.23)</b>
Weighted average number of equity shares used for calculating basic earnings per share	<b>69175155</b>	<b>69175155</b>
Weighted average number of equity shares used for calculating diluted earnings per share	<b>69175155</b>	<b>69175155</b>
Face value of Equity Shares (in ₹)	<b>2.00</b>	<b>2.00</b>
Earning per share - Basic & Diluted (in ₹)	<b>0.52</b>	<b>(0.51)</b>

**39. Segment information**

**a) Primary Business Information (Business Segments)**

These business segments represent primary basis of information set out in the financial statements. In accordance with the Accounting Standard 17, 'Segment Reporting', the Segment Information for the year ended March 31, 2017 is given as follows:



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NOTES TO THE FINANCIAL STATEMENTS

Particulars	(₹ In Lacs)					Total in ₹
	Electrical Equipments	Real Estate	Investment Activity	Others	Elimination	
<b>SEGMENT REVENUE</b>						
External Sales	495.00 (440.75)	4,265.88 (3,936.80)	— (—)	51.91 (106.19)	— (—)	4,812.79 (4,483.73)
Inter - segment Sales	— (—)	— (—)	— (—)	— (—)	— (—)	— (—)
Revenue						4,812.79 (4,483.73)
<b>RESULT</b>						
Segment result	74.82 (2.40)	2,346.30 (1,697.07)	— (—)	27.34 (84.16)	— (—)	2,448.46 (1,783.63)
Unallocated corporate income (net of unallocable expenses)						(319.55) (256.42)
Operating Profit/(Loss) before Finance Cost & Exceptional item						2,128.91 (1,527.21)
Exceptional item						— (—)
Operating Profit/(Loss) after Exceptional item						2,128.91 (1,527.21)
Finance Cost						1,767.48 (1,880.44)
Profit/(Loss) before Tax & Prior period expense						361.43 (-353.23)
Prior Period Expenses						— (—)
Profit/(Loss) before Tax & after Prior Period expense						361.43 (-353.23)
Income taxes / Deferred tax Reversal						— (—)
Net Profit/ (Loss) after tax						361.43 (-353.23)
<b>Other information</b>						
Segment Assets	325.74 (389.63)	6,402.35 (6,399.76)	27,051.20 (27,051.20)	159.60 (205.91)	— (—)	33,938.89 (34,046.50)
Unallocated corporate Assets						5,314.78 (5,212.04)
Total Assets						39,253.67 (39,258.54)
Segment liabilities	209.22 (238.90)	11,055.26 (10,386.70)	5,000.00 (5,000.00)	4.05 (0.04)	— (—)	16,268.53 (15,625.64)
Unallocated corporate liabilities						7,807.81 (8,817.00)
Total liabilities						24,076.34 (24,442.64)
Capital Expenditure	— (1.88)	982.41 (241.96)	— (—)	— (—)	— (—)	982.41 (240.08)
Unallocated capital Expenditure						2.64 (13.10)
Total capital expenditure						985.05 (253.18)
Depreciation	8.44 (6.53)	70.16 (18.45)	— (—)	7.94 (7.94)	— (—)	86.54 (32.92)



**NOTES TO THE FINANCIAL STATEMENTS**

(₹ In Lacs)

Particulars	Electrical Equipments	Real Estate	Investment Activity	Others	Elimination	Total in ₹
Unallocated Depreciation						11.14 (9.72)
Total Depreciation						97.68 (42.64)
Non cash expenses other than depreciation	27.24 (9.94)	— (—)	— (—)	— (—)	— (—)	27.24 (9.94)
Unallocated Non cash expenses other than depreciation						— (—)

**b) Secondary Segment – Geographical Segments**

Particulars	Domestic	Export	Total in
<b>Segment revenue by geographical area</b>			
Based on geographical location of customers (Including net sales, services etc.)	4,757.54 (4,359.93)	55.25 (123.80)	4,812.79 (4,483.73)
<b>Segment Assets by geographical area</b>			
	39,246.71 (39,247.70)	6.96 (10.84)	39,253.67 (39,258.54)
<b>Capital Expenditure</b>			
	985.05 (253.18)	— (—)	985.05 (253.18)

**Notes:-**

- Corresponding figures in bracket pertains to previous year.
- Segment assets include all operating assets used by the segment and consist primarily of debtors, current assets and fixed assets net of provisions and allowances. Segment liabilities include all operating liabilities and consist principally of creditors and other payables. Items that relate to the enterprise as a whole or at the corporate level not attributable to a particular segment are included under "unallocated".
- The Real Estate segment includes Real Estate Services & Development of Housing Residential Project
- Electrical equipments segment includes manufacturing and sales of lightning arrester, varistor, Secondary surge arresters, Discharge Counter. "Others" represents income generated from windmill.

**40. CORPORATE SOCIAL RESPONSIBILITY**

As mandated by section 135 of the Companies Act, 2013, the company has constituted as CSR Committee. Since the average net profit of the company is in negative, there is no expenditure on CSR activities during the year.

**41. OPERATING LEASES**

- i) The Company's significant leasing arrangements are in respect of operating leases for premises (sheds land and offices etc.). These leasing arrangements, which are non-cancelable range between 11 months and 39 years generally and are usually renewable by mutual consent on mutually agreeable terms. Aggregate lease rentals receivable are recognised as Rent in Schedule XV.

- ii) Other disclosures in respect of Building assets given on operating lease

<b>Buildings</b> (Including Furniture & Fixtures)	<b>2016-17</b> (₹ In Lacs)	<b>2015-16</b> (₹ In Lacs)
Gross block	2,984.64	294.81
Accumulated depreciation	146.44	127.78
Depreciation recognized during the year	70.16	18.45
Lease Rental Receipt for the year	1,336.27	1,132.40
Future minimum lease rentals Receipts not later than one year	1,932.56	1,253.64
Later than one year but not later than five years	8,221.67	4,560.13



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## NOTES TO THE FINANCIAL STATEMENTS

- iii) Other disclosures in respect of assets taken on operating lease.

The Company has entered into Operating Lease arrangements towards use of office facilities. The minimum future payments during non-cancelable period under the foregoing arrangements in the aggregate for each of the following period is as follows:

Particulars	2016-17 (₹ In Lacs)	2015-16 (₹ In Lacs)
Lease rental payments for the year	21.29	21.00
<b>Future minimum lease rentals payments payable</b>		
– Not later than one year	20.60	18.92
– Later than one year but not later than five Years	NIL	NIL

- iv) There are no dues payable to the Investor Education and Protection Fund as at March 31, 2017.

42. The Company has its own Provident fund trust covering the employees of **Elpro International Limited** and as the fund would have to meet any interest shortfall, it is to be construed as a defined benefit plan in terms of recent Accounting Standards Board (ASB) guidance on implementing AS 15 (Revised 2005) issued by the ICAI. However, in the absence of guidance note from the Actuarial Society of India, the Company's actuary has expressed his inability to reliably measure the provident fund liability. Accordingly, the Company has accounted for the same as a defined contribution plan.

43. The following table sets forth the funded status of the plan assets and the amounts relating to Gratuity and Leave encashment recognized in the Company's Financial as at **March 31, 2017**.

### A. Gratuity Benefits:

<b>1. Assumptions</b>	<b>As on 31.03.17</b>	<b>As on 31.03.16</b>
Discount (p.a)	7.50%	8.00%
Salary Escalation (p.a)	5.00%	5.00%
<b>2. Table showing changes in present value of Obligation</b>	<b>₹ In Lacs</b>	<b>₹ In Lacs</b>
	<b>As on 31.03.17</b>	<b>As on 31.03.16</b>
Present value of obligations at the beginning of year	19.20	21.53
Interest cost	1.47	1.72
Current service cost	1.05	3.44
Benefits paid	(1.56)	(4.89)
Actuarial (gain)/loss of obligations	(2.60)	(2.60)
Present value of obligations as at end of year	14.00	19.20
<b>3. Table showing changes in the fair value of plan Assets</b>		
Fair value of plan assets at beginning of year	13.18	16.74
Expected return on plan assets	0.93	1.29
Contributions	(0.10)	0.04
Benefits paid	(1.56)	(4.89)
Actuarial Gain/(Loss) on plan assets	(0.01)	—
Fair value of plan assets at the end of year	12.64	13.18
<b>4. Table showing fair value of plan assets at the beginning</b>		
Fair value of plan assets at beginning of year	13.18	16.74
Actual return on plan assets	0.92	1.29
Contributions	(0.10)	0.04
Benefits paid	(1.56)	(4.89)
Fair value of plan assets at the end of year	12.64	13.18
Funded status	(1.36)	(6.02)
Excess of actual over estimated return on plan assets	—	—
(Actual rate of return = Estimated return as ARD falls on 31 <sup>st</sup> March 2017)		
<b>5. Actuarial Gain/Loss recognized</b>		
Actuarial (Gain)/Loss for the year – obligations	(6.16)	(2.60)
Actuarial (Gain)/Loss for the year – plan assets	(0.01)	—
Total (Gain)/Loss for the year	(6.15)	(2.60)
Actuarial (Gain)/Loss recognized in the year	(6.15)	(2.60)



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NOTES TO THE FINANCIAL STATEMENTS

6. The amounts to be recognized in the Balance Sheet and Statements of Profit & Loss Account

Present Value of obligations as at the end of year	14.00	19.20
Fair value of plan assets as at the end of the year	12.64	13.18
Funded status	(1.36)	(6.02)
Net assets/ (Liability) recognized in the year	(1.36)	(6.02)

7. Expenses recognized in statement of Profit & Loss Account

Current service cost	1.05	3.44
Interest cost	1.47	1.72
Expected return on plan assets	0.93	1.29
Net Actuarial (gain) / loss recognized in the year	(6.15)	(2.60)
Expenses recognized in statement of Profit & Loss Account	(4.55)	1.27

B Leave encashment:

1. Actuarial Assumptions

	As on 31.03.17	As on 31.03.16
Discount (p.a)	7.50%	8.00%
Salary Escalation (p.a)	5.00%	5.00%

2. Table showing changes in present value of Obligation

	₹ In Lacs As on 31.03.17	₹ In Lacs As on 31.03.16
Present value of obligations at the beginning of year	8.83	9.25
Interest cost	0.67	0.74
Current service cost	3.21	2.34
Benefits paid	(0.99)	—
Actuarial (gain)/loss of obligations	(1.06)	7.80
Present value of obligations as at end of year	10.66	8.83

3. Amount recognized in the Balance Sheet

Liability at the end of the year	10.66	8.83
Fair value of plan assets at the end of the year	—	—
Difference	10.66	8.83
Unrecognised past service cost	—	—
Amount recognized in the Balance Sheet	10.66	8.83

4. Expenses recognized in the Income Statement

Current service cost	3.21	2.34
Interest cost	0.67	0.74
Expected return on plan assets	—	—
Net actuarial (gain) / loss to be recognized	(1.06)	(3.49)
Expenses recognized in Statement of Profit and Loss	2.81	(0.42)

44. Previous year's figures have been shown in brackets and have been regrouped wherever necessary to conform to current year's classification.

As per our Report of even date attached

**Todarwal & Todarwal**  
Chartered Accountants  
ICAI Reg. No. : 111009W

**Mala Todarwal**  
Partner  
M.No. 134571

Place : Mumbai  
Date : 29th May, 2017

*Mala Todarwal*

For & on behalf of the Board of Directors

*Deepak Kumar*

**Deepak Kumar Sisharan Singh**  
Chairman & Managing Director  
(DIN: 07512769)

*N. Atal*

**Narayan T Atal**  
Director  
(DIN: 00237626)

*Sambhaw Kumar Jain*

**Sambhaw Kumar Jain**  
Chief Financial Officer  
(PAN: AJGFB2859K)

*Binal Khosla*

**Binal Khosla**  
Company Secretary  
(M.No.A29802)



## ACCOUNTING RATIOS AND CAPITALISATION STATEMENT

The following table presents certain accounting and other ratios derived from our Audited Financial Statements included in the chapter titled “**Financial Information**” beginning on page 67 of this Draft Letter of Offer.

This table should be read in conjunction with the chapters titled “**Financial Information**” and “**Risk Factors**” appearing on pages 67 and 11, respectively of this Draft Letter of Offer.

Particulars	Year ended March 31, 2017	Year Ended March 31, 2016
<b>EPS</b>		
(a) Basic EPS (Profit After tax/Number of Equity Shares)	0.52	(0.51)
(b) Diluted EPS (Profit After tax/Number of Equity Shares)	0.52	(0.51)
Return on Net Worth (Profit After tax / Net Worth i.e. (Share Capital+ Reserves & Surplus excluding revaluation reserve))	0.02	(0.02)
Net Asset Value per share i.e. (Share Capital + Reserves & Surplus excluding revaluation reserve) / Number of equity shares outstanding at the end of the year	21.94	21.42

The following tables present the capitalisation statement as per the Audited Financial Statements of our Company as regards the pre-Issue numbers:

*(in ₹ lakhs)*

Particulars	Pre-Issue as at March 31, 2017	Post-Issue** as adjusted for Issue Price
<b>Borrowings</b>		
Long term borrowings (including current maturities of long term borrowings)	2,534.04	[•]
Short Term Borrowings	12,568.56	[•]
<b>Total Borrowings</b>	15,102.59	[•]
<b>Shareholder's Fund</b>		
Equity Share Capital	1,783.50	[•]
Securities premium	13,089.61	[•]
Reserves & Surplus*	304.22	[•]
<b>Total Shareholders' Fund</b>	15,177.33	[•]
<b>Total Borrowings / Shareholder's Fund</b>	1.00	[•]
<b>Long Term Borrowings (including current maturities of long term borrowings) / Shareholder's Fund</b>	0.17	[•]

\*Reserves & Surplus excludes revaluation reserves and securities premium.

\*\* The post issue figures will be determined upon finalisation of issue price.

Figures have been rounded off.

## STOCK MARKET DATA FOR EQUITY SHARES

The equity shares of our Company are listed on BSE. The stock price information on BSE is as under:

For the purpose of this section:

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

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

BSE							
Fiscal Year	Date of High	High (₹)	Volume on date of High (No. of Equity Shares)	Date of Low	Low (₹)	Volume on date of Low (No. of Equity Shares)	Average (₹)
2017	February 6, 2017	63.45	44,877	May 6, 2016	24.05	21,436	44.50
2016*	June 3, 2015	950.00	2,411	March 8, 2016	27.00	4,121	205.45
2015	March 16, 2015	799.00	5,830	April 23, 2014	300.00	408	550.55

\*1) Company had fixed June 5, 2015 as the record date for sub-division of face value from ₹10 to ₹2 each. EX date fixed for the said stock split was June 4, 2015

2) Company had fixed book closure date of September 10, 2015 for the issue of bonus Equity Shares in the ratio of 2:1. EX date fixed for the said bonus issue was September 8, 2015

Source: [www.bseindia.com](http://www.bseindia.com)

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

BSE							
Month	Date of High	High (₹)	Volume on date of High (No. of Equity Shares)	Date of Low	Low (₹)	Volume on date of Low (No. of Equity Shares)	Average (₹)
August 2017	August 17, 2017	88.00	7,070	August 11, 2017	77.05	5,412	83.63
July 2017	July 25, 2017	104.90	46,337	July 4, 2017	62.10	1,012	83.60
June 2017	June 9, 2017	77.10	14,736	June 30, 2017	60.10	5,410	69.88
May 2017	May 17, 2017	75.85	65,753	May 12, 2017	59.00	25,087	67.97
April 2017	April 10, 2017	75.00	82,225	April 3, 2017	55.00	25,190	66.60
March 2017	March 8, 2017	59.00	7,351	March 28, 2017	48.05	45,275	53.38

Source: [www.bseindia.com](http://www.bseindia.com)

**Week end closing prices of the Equity Shares for the last four weeks on BSE are as below:**

BSE						
For the week ended on	Closing Price (₹)	Date of High	High (₹)	Date of Low	Low (₹)	
September 1, 2017	85.30	August 31, 2017	87.00	August 28, 2017		81.90
September 8,	97.50	September 6,	103.40	September 4,		82.50

BSE					
For the week ended on	Closing Price (₹)	Date of High	High (₹)	Date of Low	Low (₹)
2017		2017		2017	
September 15, 2017	98.75	September 13, 2017	101.50	September 12, 2017	93.50
September 22, 2017	94.05	September 20, 2017	91.35	September 22, 2017	91.35

Source: [www.bseindia.com](http://www.bseindia.com)

The closing market price of the Equity Shares of our Company as on September 27, 2017 was ₹ 47.00 on the BSE.

The Issue Price of ₹ [•] per Rights Equity Share has been decided by the Board / Rights Issue Committee in consultation with the Lead Manager.



## MATERIAL DEVELOPMENTS

### Working results of our Company

In accordance with circular no.F.2/5/SE/76 dated February 5, 1977 issued by the Ministry of Finance, Government of India, as amended by Ministry of Finance, Government of India through its circular dated March 8, 1977 and the provisions of the SEBI ICDR Regulations, our working results, on a standalone basis, for the period from April 1, 2017 to July 31, 2017 are set out in the table below:

<i>(₹ in lakhs)</i>	
<b>Particulars</b>	<b>Amount</b>
Sales/Income from Operations	1,233.04
Other Income	30.43
Estimated Gross Profit excluding Depreciation & Taxes	1,106.83
Provision for Depreciation	33.10
Provision for Taxation	-
Estimated Net Profit/(loss)	(423.65)

### Material changes and commitments, if any, affecting our financial position

There are no material changes and commitments, which are likely to affect our financial position since March 31, 2017 till date of this Draft Letter of Offer.

In compliance with the Listing Regulations, we have approved and filed the limited review financial results for the quarter ended June 30, 2017 with the Stock Exchange. For the limited review financial results for the quarter ended June 30, 2017, please see the section "**Financial Information**" on page 67.

## SECTION VIII – LEGAL AND OTHER INFORMATION

### OUTSTANDING LITIGATIONS AND DEFAULTS

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

- (i) *In determining whether any outstanding litigation against our Company and our Subsidiary, other than (a) litigation involving issues of moral turpitude, or criminal liability on the part of our Company and our Subsidiary, (b) material violations of statutory regulations by our Company and our Subsidiary, or (c) proceedings relating to economic offences against our Company and our Subsidiary, would have a material adverse effect on the operations or financial position or impact the future revenue of our Company, the materiality threshold has been determined as per Clause XII (C) in Part E of Schedule VIII of the SEBI ICDR Regulations, which stipulates that disclosure of outstanding litigation is required where (a) the aggregate amount involved in an individual litigation which may have an impact on our future revenue is likely to exceed ₹ 48.70 lakhs, being 1% of the total revenue of our Company, or the aggregate amount involved in an individual litigation which may not have an impact on our future revenue is likely to exceed ₹ 151.77 lakhs, being 1% of the net worth of our Company, as per the last completed financial year i.e. Fiscal 2017; (b) the decision in one case is likely to affect the decision in similar cases, even though the amount involved in a single case individually may not exceed ₹ 48.70 lakhs, being 1% of the total revenue of our Company or ₹ 151.77 lakhs, being 1% of the net worth of our Company, as per the last completed financial year i.e. Fiscal 2017, if similar cases put together collectively exceed such threshold; and*
- (ii) *Except as disclosed, our Company is not aware of any litigation involving issues of moral turpitude or criminal liability on the part of our Company and our Subsidiary, material violations of statutory regulations by our Company and our Subsidiary or proceedings relating to economic offences against our Company and our Subsidiary, which are currently pending or have arisen in the last ten (10) years.*

*Our Company and our Subsidiary, from time to time, have been and continues to be involved in legal proceedings, arising in the ordinary course of its businesses. These legal proceedings are in the nature of civil as well as tax proceedings and our Company believes that the number of proceedings in which it is involved is not unusual for a company of its size doing business in India.*

*All terms defined in a particular litigation are for that particular litigation only.*

There are no litigations and defaults involving our Company, except as disclosed below.

#### A. CIVIL LITIGATIONS

1. On December 20, 2012, Mr. Sanjay Kaledhonkar (“**Petitioner**”) filed a consumer complaint (bearing no. CC/13/22) against our Company before the State Consumer Disputes Redressal Commission of Maharashtra alleging that our Company has committed unfair trade practice and has been deficient in providing services to him under the Consumer Protection Act, 1986. The Petitioner alleged that there was an inordinate delay in handing the possession of a flat constructed by our Company in the ‘Metropolitan’ project at Chinchwad, Pune to him under an Agreement of Sale dated January 29, 2010 entered into between our Company and the Petitioner (“**Agreement**”). The Petitioner prayed for, *inter alia*, possession of the flat along with completion/occupancy certificate, non-charge of any interest/penalty on the Petitioner for non-payment of the balance instalments to our Company, compensation of ₹ 10,000 per day from March 31, 2011 till date from our Company for causing deficiency in services and indulging in unfair trade practice. Our Company denied the allegations in its written statement on August 19, 2013, submitting, *inter alia*, that there was a delay in providing the possession due to reasons beyond the control of our Company, as set forth in the Agreement. The matter is currently pending.

**B. MATERIAL VIOLATIONS OF STATUTORY REGULATIONS BY OUR COMPANY**

1. Our Company filed a petition for compounding of violation of Section 383A of the Companies Act, 1956 for non-appointment of a company secretary for the period commencing from April 1, 2005 to January 5, 2009. The Company Law Board, Mumbai *vide* its order dated April 28, 2016 compounded the petition against our Company with a payment of ₹ 50,000 and ₹ 25,000 upon our Company and each of our Directors, respectively, for such a violation on non-appointment of a company secretary.

Further, there are no litigations filed by or against our Subsidiary.

## GOVERNMENT AND OTHER APPROVALS

Our Company is required to obtain approvals, registrations, permits and licenses under the provisions of various laws and regulations for conducting its business which include license to operate factories, registration under several tax regulations in India, environmental licenses and other approvals. Further, our obligation to obtain and renew such approvals arises periodically and applications for such approvals are made at the appropriate stage.

Our Company has obtained necessary consents, licenses, permissions and approvals from governmental and regulatory authorities that are required for carrying on its present business activities. Some of the approvals and licenses that our Company requires for its business operations may expire in the ordinary course of business, and our Company will apply for their renewal from time to time.

Further, except as mentioned in this section, as on the date of this Draft Letter of Offer, there are no material pending regulatory and government approvals and no pending renewals of licenses or approvals in relation to the activities undertaken by our Company, or in relation to the Issue.

**I. Material approvals for which applications have been made by our Company, but are currently pending grant.**

Set out below are the details of the material approvals for which applications have been made and are currently pending grant from the relevant government authority.

Nil

**II. Material approvals which have expired and for which renewal applications have been made by our Company.**

Set out below are details of applications which have been made to various governmental authorities in lieu of the material approvals that have expired.

Nil

**III. Material approvals which have expired and for which renewal applications are yet to be made by our Company.**

Nil

**IV. Material approvals required for which no application has been made by our Company.**

Nil

## **MATERIAL DEVELOPMENT**

Except as stated in this Draft Letter of Offer, to our knowledge, no circumstances have arisen since latest balance sheet for period ended on March 31, 2017 and for the three-month period ended on June 30, 2017, which materially and adversely affect or are likely to affect our operations, performance, prospects or profitability, or the value of our assets or our ability to pay material liabilities.

## OTHER REGULATORY AND STATUTORY DISCLOSURES

### Authority for the Issue

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

- a. the resolution passed by our Board of Directors under Section 62(1)(a) and other provisions of the Companies Act, at its meeting held on July 25, 2017;
- b. In-principle approval from BSE dated [●]; and
- c. RBI approval dated [●] in relation to renunciation.

The Board of Directors or Committee thereof in their meeting held on [●] have determined the Issue Price as ₹ [●] per Rights Equity Share and the Rights Entitlement as [●] Rights Equity Share(s) for every [●] Equity Share(s) held on the Record Date. The Issue Price has been arrived at in consultation with the Lead Manager.

### RBI Approval for Renunciation

Our Company proposes to apply to the RBI for seeking its approval for renunciation of the Rights Entitlement by (a) an Equity Shareholder resident in India, in favour of any person resident outside India (other than erstwhile OCBs); (b) an Equity Shareholder resident outside India (other than OCBs), in favour of any person resident in India; and (c) an Equity Shareholder resident outside India (other than OCBs), in favour of any other person resident outside India (other than OCBs).

### Prohibition by SEBI or RBI or other governmental authorities

Our Company, the Promoters, the members of the Promoter Group, the Directors, persons in control of our Company and persons in control of the Promoter as well as its directors have not been debarred from accessing or operating in the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI or any other regulatory or governmental authority.

The companies with which our Promoters, our Directors or the persons in control of our Company are or were associated as promoter, directors or persons in control have not been debarred from accessing the capital market under any order or direction passed by SEBI or any other regulatory or governmental authority.

Neither our Company, our Promoters, relatives of our Promoters, Group Companies nor our Directors are or have been classified as a wilful defaulter by a bank or financial institution or a consortium thereof in accordance with the guidelines on wilful defaulters issued by RBI. Accordingly, no disclosures have been made pursuant to the requirements of Regulation 4(6) read with Part G of Schedule VIII of the SEBI ICDR Regulations.

None of our Directors are associated with the securities market in any manner.

Except as stated in the section titled “*Our Management*” on page 64 of the Draft Letter of Offer, none of our Directors hold or have held directorships in the last five (5) years in a listed company whose shares have been suspended from trading on the stock exchanges or in a listed company that has been/was delisted from any stock exchange.

### Compliance with Regulation 4(2) of the SEBI ICDR Regulations

Our Company is in compliance with the conditions specified in Regulation 4(2), to the extent applicable. Further, in relation to compliance with Regulation 4(2)(d) of the SEBI ICDR Regulations, our Company undertakes to make an application to BSE for listing of the Rights Equity Shares to be issued pursuant to this Issue. Our Company has chosen BSE as the Designated Stock Exchange for the Issue.

### Eligibility for the Issue

Our Company is in compliance with the provisions specified in Clause (1) of Part E of Schedule VIII of the SEBI

ICDR Regulations as explained below:

1. Our Company has been filing periodic reports, statements and information with the BSE in compliance with the Listing Agreement and/or the provisions of the Listing Regulations, as applicable for the last three years immediately preceding the date of filing of this Draft Letter of Offer with the Designated Stock Exchange.
2. The reports, statements and information referred to in sub-clause (a) above are available on the website of BSE.
3. Our Company has an investor grievance handling mechanism which includes meeting of the Stakeholders Relationship Committee at frequent intervals, appropriate delegation of power by our Board as regards share transfer and clearly laid down systems and procedures for timely and satisfactory redressal of investor grievances.

As our Company satisfies the conditions specified in Clause (1) of Part E of Schedule VIII of SEBI ICDR Regulations, disclosures in this Draft Letter of Offer have been made in terms of Clause (5) of Part E of Schedule VIII of the SEBI ICDR Regulations.

#### **DISCLAIMER CLAUSE OF SEBI**

**AS REQUIRED, A COPY OF THE DRAFT LETTER OF OFFER HAS BEEN SUBMITTED TO SEBI. IT IS TO BE DISTINCTLY UNDERSTOOD THAT THE SUBMISSION OF THE DRAFT LETTER OF OFFER TO SEBI SHOULD NOT, IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE, OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT LETTER OF OFFER. THE LEAD MANAGER, KEYNOTE CORPORATE SERVICES LIMITED, HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE DRAFT LETTER OF OFFER ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE.**

**IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE DRAFT LETTER OF OFFER, THE LEAD MANAGER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE THE LEAD MANAGER, KEYNOTE CORPORATE SERVICES LIMITED, HAS FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED SEPTEMBER 29, 2017 WHICH READS 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 DRAFT LETTER OF OFFER PERTAINING TO THE ISSUE;**
2. **ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE COMPANY, 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 COMPANY, WE CONFIRM THAT:**
  - (a) **THE DRAFT LETTER OF OFFER FILED WITH SEBI 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 SEBI, THE GOVERNMENT OF INDIA AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND**

- (c) THE DISCLOSURES MADE IN THE DRAFT LETTER OF OFFER 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, 1956 AND COMPANIES ACT, 2013, THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, AS AMENDED, AND OTHER APPLICABLE LEGAL REQUIREMENTS.
3. WE CONFIRM THAT BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE DRAFT LETTER OF OFFER ARE REGISTERED WITH SEBI AND THAT UNTIL DATE SUCH REGISTRATION IS VALID.
  4. WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFIL THEIR UNDERWRITING COMMITMENTS – NOT APPLICABLE. THE ISSUE IS NOT UNDERWRITTEN
  5. WE CERTIFY THAT WRITTEN CONSENT FROM PROMOTERS HAVE BEEN OBTAINED FOR INCLUSION OF THEIR SPECIFIED SECURITIES AS PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN AND THE SPECIFIED SECURITIES PROPOSED TO FORM PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN SHALL NOT BE DISPOSED/SOLD/TRANSFERRED BY THE PROMOTERS DURING THE PERIOD STARTING FROM THE DATE OF FILING THE DRAFT LETTER OF OFFER WITH SEBI TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE DRAFT LETTER OF OFFER – NOT APPLICABLE.
  6. WE CERTIFY THAT REGULATION 33 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, WHICH RELATES TO SPECIFIED SECURITIES INELIGIBLE FOR COMPUTATION OF PROMOTERS' CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION HAVE BEEN MADE IN THE DRAFT LETTER OF OFFER – NOT APPLICABLE.
  7. WE UNDERTAKE THAT SUB-REGULATION (4) OF REGULATION 32 AND CLAUSE (C) AND (D) OF SUB-REGULATION (2) OF REGULATION 8 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 SHALL BE COMPLIED WITH. WE CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE ISSUE. WE UNDERTAKE THAT AUDITOR'S CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO SEBI. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE COMPANY ALONG WITH THE PROCEEDS OF THE ISSUE – NOT APPLICABLE.
  8. WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE COMPANY FOR WHICH THE FUNDS ARE BEING RAISED IN THE PRESENT ISSUE FALL WITHIN THE "MAIN OBJECTS" LISTED IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OR OTHER CHARTER OF THE COMPANY AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED OUT UNTIL NOW ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION. - THE MEMORANDUM OF ASSOCIATION OF THE COMPANY DOES NOT SEGREGATE BETWEEN THE 'MAIN OBJECTS' AND 'OTHER OBJECTS.' THE ACTIVITIES THAT ARE CARRIED OUT AND 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 73 OF THE COMPANIES ACT, 1956 AND THAT SUCH MONEYS SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGE MENTIONED IN THE PROSPECTUS / LETTER OF OFFER. WE FURTHER CONFIRM THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKERS TO THE ISSUE AND THE ISSUER SPECIFICALLY CONTAINS THIS CONDITION. – NOT APPLICABLE. THIS BEING A RIGHTS ISSUE, SECTION 40(3) OF THE COMPANIES ACT 2013 IS NOT APPLICABLE. FURTHER, TRANSFER OF MONIES RECEIVED PURSUANT TO THE ISSUE SHALL BE RELEASED TO THE COMPANY AFTER FINALISATION OF THE BASIS OF ALLOTMENT IN COMPLIANCE WITH REGULATION 56 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, AS AMENDED.**

- 10. WE CERTIFY THAT A DISCLOSURE HAS BEEN MADE IN THE DRAFT LETTER OF OFFER THAT THE INVESTORS SHALL BE GIVEN AN OPTION TO GET THE SHARES IN DEMAT OR PHYSICAL MODE. - COMPLIED WITH**
- 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. - COMPLIED WITH**
- 12. WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE DRAFT LETTER OF OFFER:**
  - (a) AN UNDERTAKING FROM THE ISSUER THAT AT ANY GIVEN TIME, THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE COMPANY; AND**
  - (b) AN UNDERTAKING FROM THE COMPANY THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY SEBI 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 OF THE ISSUER, SITUATION AT WHICH THE PROPOSED BUSINESS STANDS, THE RISK FACTORS, PROMOTERS EXPERIENCE, ETC. - COMPLIED WITH**
- 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, AS AMENDED, CONTAINING DETAILS SUCH AS THE REGULATION NUMBER, ITS TEXT, THE STATUS OF COMPLIANCE, PAGE NUMBER OF THE DRAFT LETTER OF OFFER WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY. - COMPLIED WITH**
- 16. WE ENCLOSE STATEMENT ON “PRICE INFORMATION OF PAST ISSUES HANDLED BY MERCHANT BANKER BELOW (WHO IS RESPONSIBLE FOR PRICING THIS ISSUE)”, AS PER FORMAT SPECIFIED BY SEBI THROUGH THE CIRCULAR – NOT APPLICABLE.**
- 17. WE CERTIFY THAT PROFITS FROM RELATED PARTY TRANSACTIONS HAVE ARISED FROM LEGITIMATE BUSINESS TRANSACTIONS. – COMPLIED WITH TO THE EXTENT OF THE RELATED PARTY TRANSACTIONS OF THE COMPANY, AS PER THE ACCOUNTING STANDARD 18 AND INCLUDED IN THE LETTER OF OFFER**

**18. WE CERTIFY THAT THE ENTITY IS ELIGIBLE UNDER 106Y (1) (A) OR (B) (AS THE CASE MAY BE) TO LIST ON THE INSTITUTIONAL TRADING PLATFORM, UNDER CHAPTER XC OF THESE REGULATIONS. (IF APPLICABLE) – NOT APPLICABLE**

**THE FILING OF THE DRAFT LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE THE COMPANY FROM ANY LIABILITIES UNDER SECTION 34 OR SECTION 36 OF THE COMPANIES ACT, 2013 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY OR OTHER CLEARANCE 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 DRAFT LETTER OF OFFER.**

**Caution**

**Disclaimer clauses from the Company and the Lead Manager**

We and the Lead Manager accept no responsibility for statements made otherwise than in the Draft Letter of Offer or in any advertisement or other material issued by us or by any other persons at our instance and anyone placing reliance on any other source of information would be doing so at her/his own risk.

We and the Lead Manager shall make all information available to the Equity Shareholders and no selective or additional information would be available for a section of the Equity Shareholders in any manner whatsoever including at presentations, in research or sales reports etc. after filing of the Draft Letter of Offer with SEBI.

No dealer, salesperson or other person is authorised to give any information or to represent anything not contained in the Draft Letter of Offer. You must not rely on any unauthorised information or representations.

The Draft Letter of Offer is rights to purchase the Equity Shares offered hereby, but only under circumstances and in jurisdictions where it is lawful to do so. The information contained in the Draft Letter of Offer is current only as of its date.

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

**Disclaimer with respect to jurisdiction**

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

**Designated Stock Exchange**

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

**Disclaimer Clause of BSE**

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

**Filing**

The Draft Letter of Offer has been filed with the Corporate Finance Department of the SEBI, located at SEBI Bhavan, C-4-A, G Block, Bandra-Kurla Complex, Bandra (East), Mumbai 400 051, India for its observations. After SEBI gives its observations, the Letter of Offer will be filed with the Designated Stock Exchange as per the provisions of the Companies Act.

**Selling Restrictions**

The distribution of the Draft Letter of Offer and the issue of Equity Shares on a rights basis to persons in certain jurisdictions outside India may be restricted by the legal requirements prevailing in those jurisdictions. Persons into whose possession the Draft Letter of Offer may come are required to inform them about and observe such restrictions. We are making this Issue of Equity Shares on a rights basis to our Eligible Equity Shareholders and will dispatch the Letter of Offer/Abridged Letter of Offer and CAFs to the Eligible Equity Shareholders who have provided an Indian address.

No action has been or will be taken to permit this Issue in any jurisdiction where action would be required for that purpose, except that the Draft Letter of Offer is filed with SEBI for observations. Accordingly, the rights or Rights Equity Shares may not be offered or sold, directly or indirectly, and the Draft Letter of Offer may not be distributed in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction.

Receipt of the Draft Letter of Offer, Letter of Offer, Abridged Letter of Offer or CAFs will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer and, under those circumstances, the Draft Letter of Offer, Letter of Offer, Abridged Letter of Offer or CAFs must be treated as sent for information only and should not be copied or redistributed. Accordingly, persons receiving a copy of the Draft Letter of Offer, Letter of Offer, Abridged Letter of Offer or CAFs should not, in connection with the issue of the rights or Rights Equity Shares, distribute or send the same in or into the United States or any other jurisdiction where to do so would or might contravene local securities laws or regulations. If the Draft Letter of Offer, Letter of Offer, Abridged Letter of Offer or CAFs is received by any person in any such territory, or by their agent or nominee, they must not seek to subscribe to the Rights Equity Shares or the rights referred to in the Draft Letter of Offer, Letter of Offer, Abridged Letter of Offer or CAFs.

Neither the delivery of the Draft Letter of Offer, Letter of Offer, Abridged Letter of Offer or CAFs nor any sale hereunder, shall under any circumstances create any implication that there has been no change in our affairs from the date hereof or that the information contained herein is correct as at any time subsequent to this date.

#### **IMPORTANT INFORMATION FOR INVESTORS – ELIGIBILITY AND TRANSFER RESTRICTIONS**

As described more fully below, there are certain restrictions regarding the rights and Equity Shares that affect potential investors. These restrictions are restrictions on the ownership of Rights Equity Shares by such persons following the offer.

**The rights and the Rights Equity Shares have not been and will not be registered under the Securities Act or any other applicable law of the United States and, unless so registered, may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act) (“U.S. Persons”) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws.**

**The rights and the Rights Equity Shares have not been and will not be registered, listed or otherwise qualified in any 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.**

Until the expiry of 40 days after the commencement of the Issue, an offer or sale of rights or Rights Equity Shares within the United States by a dealer (whether or not it is participating in the Issue) may violate the registration requirements of the Securities Act.

#### **Eligible Investors**

The rights or Rights Equity Shares are being offered and sold only to persons who are outside the United States and are not U.S. Persons, nor persons acquiring for the account or benefit of U.S. Persons, in offshore transactions in reliance on Regulation S under the Securities Act and the applicable laws of the jurisdiction where those offers and sales occur. All persons who acquire the rights or Equity Shares are deemed to have made the representations set forth immediately below.

#### **Rights Equity Shares and Rights Offered and Sold in this Issue**

Each purchaser acquiring the rights or Equity Shares, by acceptance of the Draft Letter of Offer, Letter of Offer,

Abridged Letter of Offer or CAFs and of the rights or Rights Equity Shares, will be deemed to have acknowledged, represented to and agreed with us and the Lead Manager that it has received a copy of the Draft Letter of Offer, Letter of Offer, Abridged Letter of Offer or CAFs and such other information as it deems necessary to make an informed investment decision and that:

- (a) the purchaser is authorised to consummate the purchase of the rights or Rights Equity Shares in compliance with all applicable laws and regulations;
- (b) the purchaser acknowledges that the rights and Rights Equity Shares have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state of the United States and, accordingly, may not be offered or sold within the United States or to, or for the account or benefit of, U.S. Persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act;
- (c) the purchaser is purchasing the rights or Rights Equity Shares in an offshore transaction meeting the requirements of Rule 903 of Regulation S under the Securities Act;
- (d) the purchaser and the person, if any, for whose account or benefit the purchaser is acquiring the rights or Rights Equity Shares, is a non-U.S. Person and was located outside the United States at each time (i) the offer was made to it and (ii) when the buy order for such rights or Rights Equity Shares was originated, and continues to be a non-U.S. Person and located outside the United States and has not purchased such rights or Rights Equity Shares for the account or benefit of any U.S. Person or any person in the United States or entered into any arrangement for the transfer of such rights or Rights Equity Shares or any economic interest therein to any U.S. Person or any person in the United States;
- (e) the purchaser is not an affiliate of our Company or a person acting on behalf of an affiliate;
- (f) if, in the future, the purchaser decides to offer, resell, pledge or otherwise transfer such rights or Rights Equity Shares, or any economic interest therein, such rights or Rights Equity Shares or any economic interest therein may be offered, sold, pledged or otherwise transferred only (i) outside the United States in an offshore transaction complying with Rule 903 or Rule 904 of Regulation S under the Securities Act; and (ii) in accordance with all applicable laws, including the securities laws of the states of the United States. The purchaser understands that the transfer restrictions will remain in effect until we determine, in its sole discretion, to remove them, and confirms that the proposed transfer of the rights or Rights Equity Shares is not part of a plan or scheme to evade the registration requirements of the Securities Act;
- (g) the purchaser agrees that neither the purchaser, nor any of its affiliates, nor any person acting on behalf of the purchaser or any of its affiliates, will make any “directed selling efforts” as defined in Regulation S under the Securities Act in the United States with respect to the rights or the Rights Equity Shares;
- (h) the purchaser understands that such rights or Rights Equity Shares (to the extent they are in certificated form), unless we determine otherwise in accordance with applicable law, will bear a legend substantially to the following effect:

**THE EQUITY SHARES REPRESENTED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED, (THE “SECURITIES ACT”) OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT IN AN OFFSHORE TRANSACTION COMPLYING WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT, AND IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES.**

- (i) the purchaser agrees, upon a proposed transfer of the rights or the Rights Equity Shares, to notify any purchaser of such rights or Rights Equity Shares or the executing broker, as applicable, of any transfer restrictions that are applicable to the rights or Rights Equity Shares being sold;
- (j) we will not recognise any offer, sale, pledge or other transfer of such rights or Rights Equity Shares made other than in compliance with the above-stated restrictions; and

- (k) the purchaser acknowledges that our Company, the Lead Manager, their respective affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that, if any of such acknowledgements, representations and agreements deemed to have been made by virtue of its purchase of such rights or Rights Equity Shares are no longer accurate, it will promptly notify our Company, and if it is acquiring any of such rights or Rights Equity Shares as a fiduciary or agent for one or more accounts, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of such account.
- (l) each person in a Member State of the EEA which has implemented the Prospectus Directive (each, a “**Relevant Member State**”) who receives any communication in respect of, or who acquires any rights or Rights Equity Shares under, the offers contemplated in the Draft Letter of Offer, Letter of Offer, Abridged Letter of Offer and CAFs will be deemed to have represented, warranted and agreed to and with Lead Manager and our Company that in the case of any rights or Rights Equity Shares acquired by it as a financial intermediary, as that term is used in Article 3(2) of the Prospectus Directive;
- (m) the rights or Rights Equity Shares acquired by it in the placement have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any Relevant Member State other than qualified investors, as that term is defined in the Prospectus Directive, or in circumstances in which the prior consent of the Lead Manager has been given to the offer or resale; or
- (n) where rights or Rights Equity Shares have been acquired by it on behalf of persons in any Relevant Member State other than qualified investors, the offer of those rights or Rights Equity Shares to it is not treated under the Prospectus Directive as having been made to such persons.

For the purposes of this provision, the expression an “offer of Equity Shares to the public” in relation to any of the rights or Rights Equity Shares in any Relevant Member States means the communication in any form and by any means of sufficient information on the terms of the offer and the rights or Rights Equity Shares to be offered so as to enable an investor to decide to purchase or subscribe for the rights or Rights Equity Shares, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State.

### **Listing**

The existing Equity Shares are listed on BSE. We have made an application to BSE for obtaining in-principle approval in respect of the Rights Equity Shares. We will apply to BSE for listing and trading of the Rights Equity Shares.

If the permission to deal in and an official quotation of the securities is not granted by the Stock Exchange on the expiry of 15 days from the Issue Closing Date, we shall forthwith repay, without interest, all monies received from applicants in pursuance of the Letter of Offer.

We will issue and dispatch Allotment advice/share certificates/demat credit and/or letters of regret along with refund order or credit the Allotted Equity Shares to the respective beneficiary accounts, if any, within a period of 15 days from the Issue Closing Date.

If such money is not repaid beyond eight days after our Company becomes liable to repay it, i.e., the date of refusal of an application for such a permission from a Stock Exchange, or on expiry of 15 days from the Issue Closing Date in case no permission is granted, whichever is earlier, then our Company and every Director who is an officer in default shall, on and from such expiry of eight days, be liable to repay the money, with interest as per applicable law.

### **Consents**

Consents in writing of the Directors, the Statutory Auditor, the Lead Manager, the Legal Counsel, the Registrar to the Issue and the Bankers to the Issue\* to act in their respective capacities have been obtained and such consents have not been withdrawn up to the date of the Draft Letter of Offer.

*\*Consent will be obtained before filing of Letter of Offer*

M/s Todarwal & Todarwal LLP, Chartered Accountants, our Statutory Auditor, have given their written consent for inclusion of their name and report appearing in the Draft Letter of Offer and such consent have not been withdrawn up to the date of the Draft Letter of Offer.

### Expert

Except as stated below, our Company has not obtained any expert opinions:

Our Company has received written consent from the Statutory Auditor namely, M/s Todarwal & Todarwal LLP, Chartered Accountants to include its name as an expert under Section 2(38) and Section 26 of the Companies Act, 2013 in the Draft Letter of Offer in relation to the report of the Statutory Auditor on Audited Financial Statement dated May 29, 2017. Our Company has also received written consent from, M/s Todarwal & Todarwal LLP, Chartered Accountants, to include its name as an expert under Section 26 of the Companies Act, 2013 in the Draft Letter of Offer in relation to the report on statement of tax benefits dated September 27, 2017 and such consent has not been withdrawn as of the date of the Draft Letter of Offer.

### Issue Related Expenses

The Issue related expenses include, *inter alia*, Lead Manager's fee, printing and distribution expenses, advertisement and marketing expenses and Registrar, legal and depository fees and other expenses and are estimated at ₹ [●] (approximately [●] % of the total Issue size) and will be met out of the proceeds of the Issue.

(in ₹ lakhs)

No.	Activity Expense	Estimated amount (in ₹ lakhs)*	Percentage of total estimated Issue expenditure (%)*	Percentage of Issue size (%)*
1.	Fees of the Lead Manager, legal advisor, Registrar to the Issue, auditors, including out of pocket expenses	[●]	[●]	[●]
2.	Printing and stationery, distribution, postage, Advertising and marketing expenses etc.	[●]	[●]	[●]
3.	Other expenses (including fees payable to SEBI and Stock Exchange, etc.)	[●]	[●]	[●]
<b>Total estimated Issue expenditure</b>		[●]	[●]	[●]

\*Amounts will be finalised at the time of filing the Letter of Offer and determination of Issue Price and other details.

### Investor Grievances and Redressal System

We have adequate arrangements for the redressal of investor complaints in compliance with the corporate governance requirements under the Listing Regulations. Additionally, we have been registered with the SEBI Complaints Redress System (“SCORES”) as required by the SEBI Circular no. CIR/OIAE/2/2011 dated June 3, 2011. Consequently, investor grievances are tracked online by us.

The share transfer and dematerialisation for us is being handled by Sharex Dynamic (India) Private Limited, Registrar and Share Transfer Agent, which is also the Registrar to the Issue. Letters are filed category wise after being attended to. All investor grievances received by us have been handled by the Registrar and Share Transfer agent in consultation with the Compliance Officer.

Our Stakeholders Relationship Committee comprises of Mr. Narayan Atal, Mr. Surbhit Dabriwala and Mr. Deepak Kumar Siyasharan Singh. Our Stakeholders Relationship Committee oversees the reports received from the Registrar and Share Transfer agent and facilitates the prompt and effective resolution of complaints from our shareholders and investors.

### Investor Grievances arising out of the Issue

The investor grievances arising out of the Issue will be handled by Sharex Dynamic (India) Private Limited, the Registrar to the Issue. The Registrar will have a separate team of personnel handling post-Issue correspondences

only.

All grievances relating to the Issue may be addressed to the Registrar to the Issue or the SCSB in case of ASBA Applicants giving full details such as folio no. / demat account no., name and address, contact telephone/cell numbers, email id of the first applicant, number of Rights Equity Shares applied for, CAF serial number, amount paid on application and the name of the bank/SCSB and the branch where the CAF was deposited, along with a photocopy of the acknowledgement slip. In case of renunciation, the same details of the Renouncee should be furnished.

The average time taken by the Registrar for attending to routine grievances will be within 30 days from the date of receipt of complaints. In case of non-routine grievances where verification at other agencies is involved, it would be the endeavour of the Registrar to attend to them as expeditiously as possible. We undertake to resolve the Investor grievances in a time bound manner.

### **Registrar to the Issue**

#### **Sharex Dynamic (India) Private Limited**

Unit 1, Luthra Ind Premises  
Safed Pool, Andheri Kurla Road  
Andheri (East), Mumbai-400 072  
Maharashtra, India  
**Tel No:** +91-22-2851-5606/2851-5644  
**Fax No:** +91-22-2851-2885  
**Email:** sharexindia@vsnl.com  
**Website:** www.sharexindia.com  
**Contact Person:** Mr. Shashi Kumar  
**SEBI Registration:** INR000002102

Investors may contact the Compliance Officer in case of any pre-Issue/post -Issue related problems such as non-receipt of Allotment advice/share certificates/demat credit/refund orders etc. The contact details of the Compliance Officer are as follows:

### **Company Secretary and Compliance Officer**

#### **Ms. Binal Khosla**

“Nirmal”, 17th Floor  
Nariman Point, Mumbai-400 021  
Maharashtra, India  
**Tel No:** +91-22-4029-9000  
**Fax No:** +91-22-2202-7995  
**Email:** cs@elpro.co.in  
**Website:** www.elpro.co.in

### **Status of Complaints**

- i. Total number of complaints received during Fiscal 2015: 2
- ii. Total number of complaints received during Fiscal 2016: 5
- iii. Total number of complaints received during Fiscal 2017: 3
- iv. Time normally taken for disposal of various types of investor complaints: 15 days
  - (a) Share transfer process: Within 15 days after receiving full set of documents
  - (b) Share transmission process: Within 21 days after receiving full set of documents
  - (c) Other Complaints: Within 15 days from the receipt of the complaint

### **Status of outstanding investor complaints**

As on the date of the DLOF, there were nil outstanding investor complaints.

**Changes in Auditor during the last three years**

There has been no change in Auditor during last three (3) years.

**Minimum Subscription**

If our Company does not receive the minimum subscription of 90% of the Issue, we shall refund the entire subscription amount received within 15 days from the Issue Closing Date. In the event that there is a delay of making refunds beyond such period as prescribed by applicable laws, our Company shall pay interest for the delayed period at rates prescribed under applicable laws. The above is subject to the terms mentioned under the section titled "*Terms of the Issue*" on page 151 of the Draft Letter of Offer.



## SECTION IX – OFFERING INFORMATION

### TERMS OF THE ISSUE

The Rights Equity Shares proposed to be issued on a rights basis, are subject to the terms and conditions contained in this Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer, including the CAF, the SAF, the RBI approval the MOA and AOA of our Company, the provisions of the Companies Act, the terms and conditions as may be incorporated in the FEMA, applicable guidelines and regulations issued by SEBI and RBI, or other statutory authorities and bodies from time to time, the Listing Regulations, terms and conditions as stipulated in the allotment advice or security certificate and rules as may be applicable and introduced from time to time. All rights/obligations of Rights Equity Shareholders in relation to application and refunds pertaining to this Issue shall apply to the Renouncee(s) as well.

All Investors (apart from Retail Individual Investors) having bank accounts with SCSBs that are providing ASBA in cities/centers where such Investors are located, are mandatorily required to make use of the ASBA facility. Otherwise, applications of such Investors are liable for rejection. All Investors are encouraged to make use of the ASBA facility wherever such facility is available.

ASBA Investors should note that the ASBA process involves application procedures that may be different from the procedure applicable to non-ASBA process. ASBA Investors should carefully read the provisions applicable to such applications before making their application through the ASBA process. For details, please refer to *“Procedure for Application through the Applications Supported by Blocked Amount (“ASBA”) Process”* on page 168.

**Please note that subject to SCSBs complying with the requirements of SEBI Circular No. CIR/CFD/DIL/13/2012 dated September 25, 2012 within the periods stipulated therein, ASBA Applications may be submitted at all branches of the SCSBs.**

**Further, in terms of the SEBI circular CIR/CFD/DIL/1/2013 dated January 2, 2013, it is clarified that for making applications by banks on own account using ASBA facility, SCSBs should have a separate account in their own name with any other SEBI registered SCSB(s). Such account shall be used solely for the purpose of making application in public issues / rights issues and clear demarcated funds should be available in such account for ASBA applications. SCSBs applying in the Issue using the ASBA facility shall be responsible for ensuring that they have a separate account in their own name with any other SCSB having clear demarcated funds for applying in the Issue and that such separate account shall be used as the ASBA Account for the application, for ensuring compliance with the applicable regulations.**

#### **Basis for the Issue**

The Rights Equity Shares are being offered for subscription for cash to those existing Equity Shareholders whose names appear as beneficial owners as per the list to be furnished by the Depositories for the purpose of this Issue in respect of the Equity Shares held in the electronic form and on the register of members of our Company in respect of the equity shares held in physical form at the close of business hours on the Record Date, fixed in consultation with the Designated Stock Exchange. The basis of allotment for the Rights Equity Shares shall be fixed in consultation with the Designated Stock Exchange.

#### **Rights Entitlement**

As your name appears as a beneficial owner in respect of the Equity Shares held in the electronic form or appears in the register of members as an Equity Shareholder of our Company, as on the Record Date, i.e. [●], you are entitled to the number of Equity Shares as set out in Part A of the CAFs.

Pursuant to a resolution passed by the Board of our Company at its meeting held on [●], has determined a Rights Entitlement of [●] Rights Equity Shares for every [●] fully paid-up Equity Shares held on the Record Date and a price of [●] per Rights Equity Share as the Issue Price.

The distribution of the Draft Letter of Offer, Letter of Offer, Abridged Letter of Offer, CAFs and the issue of Equity Shares on a rights basis to persons in certain jurisdictions outside India may be restricted by legal requirements prevailing in those jurisdictions. We are making the issue of Equity Shares on a rights basis to the

Equity Shareholders and the Letter of Offer, Abridged Letter of Offer and the CAFs will be dispatched only to those Equity Shareholders who have a registered address in India. Any person who acquires Rights Entitlements or Rights Equity Shares will be deemed to have declared, warranted and agreed, by accepting the delivery of the Letter of Offer, the Abridged Letter of Offer and the CAFs, that it is not and that at the time of subscribing for the Rights Equity Shares or the Rights Entitlements, it will not be, in the United States and in other restricted jurisdictions.

Persons who may acquire Rights Entitlements or come into possession of the Letter of Offer or Abridged Letter of Offer or CAF are advised to consult their own legal advisors as to restrictions applicable to them and to observe such restrictions. The Letter of Offer may not be used for the purpose of an offer or invitation in any circumstances in which such offer or invitation is not authorised. No action has been or will be taken that would permit the offering of the Rights Equity Shares or Rights Entitlements pursuant to the Issue to occur in any jurisdiction other than India, or the possession, circulation or distribution of the Letter of Offer or CAF in any jurisdiction where action for such purpose is required. Accordingly, the Rights Equity Shares may not be offered or sold, directly or indirectly, and the Letter of Offer, the Abridged Letter of Offer or CAF may not be distributed or published in or from any jurisdiction except under circumstances that will result in compliance with applicable law and procedures of and in any such jurisdiction. Recipients of the Letter of Offer, the Abridged Letter of Offer or the CAF, including Eligible Equity Shareholders and Renouncees, are advised to consult their legal counsel prior to applying for the Rights Entitlement and additional Rights Equity Shares or accepting any provisional allotment of Rights Equity Shares, or making any offer, sale, resale, pledge or other transfer of the Rights Equity Shares or Rights Entitlement.

For Eligible Equity Shareholders wishing to apply through the ASBA process for the Issue, kindly refer section titled “*Procedure for Application through the Applications Supported by Blocked Amount (“ASBA”) Process*” on page 168.

## **PRINCIPAL TERMS OF THE EQUITY SHARES ISSUED UNDER THE ISSUE**

### **Face Value**

Each Equity Share will have the face value of ₹ 1.

### **Issue Price**

Each Equity Share shall be offered at an Issue Price of ₹ [●] per Equity Share for cash (including a premium of ₹ [●] per Rights Equity Share). The Issue Price has been arrived at by us in consultation with the Lead Manager.

### **Rights Entitlement Ratio**

The Rights Equity Shares are being offered on a rights basis to the Equity Shareholders in the ratio of [●] of every Rights Equity Shares for every [●] paid-up Equity Shares held on the Record Date i.e., [●].

### **Terms of Payment**

The full amount of Issue Price is payable on application.

### **Fractional Entitlements**

Fractional entitlement if any will be rounded off to the next higher integer and the share required for the same will be adjusted from promoter’s entitlement in the rights issue.

### **Ranking of the Equity Shares**

The Rights Equity Shares being issued shall be subject to the provisions of our Memorandum of Association and Articles of Association. The Equity Shares issued under the Issue shall rank *pari passu*, in all respects including dividend, with our existing Equity Shares.

### **Mode of payment of dividend**

In the event of declaration of dividends, we shall pay dividends to Equity Shareholders as per the provisions of

the Companies Act and the provisions of our Articles of Association.

### **Listing and trading of Equity Shares proposed to be issued**

Our existing equity shares are currently listed and traded on BSE (Scrip Code: 504000) under the ISIN INE579B01039. The Equity Shares proposed to be issued pursuant to the Issue shall, in terms of the circular (no. CIR/MRD/DP/21/2012) by SEBI dated August 2, 2012, be Allotted under a temporary ISIN which shall be kept blocked till the receipt of final listing and trading approval from the Stock Exchange. Upon receipt of such listing and trading approval, the Equity Shares proposed to be issued pursuant to the Issue shall be debited from such temporary ISIN and credited in the existing ISIN of our Company and be available for trading.

The listing and trading of the Rights Equity Shares shall be based on the current regulatory framework applicable thereto. Accordingly, any change in the regulatory regime would affect the schedule. Upon Allotment, the Rights Equity Shares shall be traded on Stock Exchange in the demat segment only.

We have made an application for “in-principle” approval for listing of the Rights Equity Shares to the BSE and have received such approval from the BSE dated [●]. We will apply to the BSE for final approval for the listing and trading of the Rights Equity Shares. No assurance can be given regarding the active or sustained trading in the Rights Equity Shares or that the price at which the Equity Shares offered under the Issue will trade after listing on the Stock Exchange. All steps for the completion of the necessary formalities for listing and commencement of trading of the Rights Equity Shares to be allotted pursuant to the Issue shall be taken in accordance with law. The Equity Shares proposed to be issued on a rights basis shall be listed and admitted for trading on the BSE under the existing ISIN for Equity Shares.

If the permission to deal in and an official quotation of the securities is not granted by the Stock Exchange on the expiry of 15 days from the Issue Closing Date, we shall forthwith repay, without interest, all monies received from applicants in pursuance of the Letter of Offer. If such money is not repaid beyond eight days after our Company becomes liable to repay it, i.e., the date of refusal of an application for such a permission from a Stock Exchange, or on expiry of 15 days from the Issue Closing Date in case no permission is granted, whichever is earlier, then our Company and every Director who is an officer in default shall, on and from such expiry of eight days, be liable to repay the money, with interest as per applicable law.

### **Rights of the Equity Shareholder**

Subject to applicable laws, the Equity Shareholders of our Company shall have the following rights:

- Right to receive dividend, if declared;
- Right to attend general meetings and exercise voting powers, unless prohibited by law;
- Right to vote in person or by proxy;
- Right to receive offers for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation;
- Right to free transferability of Equity Shares; and
- Such other rights as may be available to a shareholder of a listed public company under the Companies Act and Memorandum of Association and Articles of Association.

### **Arrangements for Disposal of Odd Lots**

Our Company has not made any arrangements for the disposal of odd lot Equity Shares arising out of this Issue. Our Company will issue certificates of denomination equal to the number of Rights Equity Shares being allotted to the Equity Shareholder.

### **Restrictions on transfer and transmission of shares and on their consolidation/splitting**

There are no restrictions on transfer and transmission and on their consolidation/splitting of shares issued pursuant to this Issue.

### **General Terms of the Issue**

#### **Market Lot**

The Equity Shares of our Company are tradable only in dematerialised form. The market lot for the Equity Shares in dematerialised mode is one Equity Share. In case an Equity Shareholder holds Equity Shares in physical form, we would issue to the allottees one certificate for the Equity Shares allotted to each folio (“**Consolidated Certificate**”) and in case an Equity Shareholder seeks allotment in demat form (whether existing equity shares being held in demat or physical form) and provides all relevant and correct details, we would allot him in demat form. In respect of Consolidated Certificates, we will upon receipt of a request from the respective Equity Shareholders, split such Consolidated Certificates into smaller denominations within one week’s time from the receipt of the request in respect thereof, subject to a maximum of five denominations. We shall not charge a fee for splitting any of the Consolidated Certificates.

### **Joint Holders**

Where two or more persons are registered as the holders of any Equity Shares, they shall be deemed to hold the same as joint holders with the benefit of survivorship subject to the provisions contained in the Articles of Association. In case of joint holders, the Application Form would be required to be signed by all the joint holders to be considered as valid for allotment of Rights Equity Shares. In case such Equity Shareholders who are joint holders wish to renounce their Rights Entitlement, all such Equity Shareholders who are joint holders would be required to sign Part B of the CAF. In absence of signatures of all joint holders, the CAF would be liable for rejection.

### **Nomination**

In terms of Section 72 of the Companies Act, 2013 read with Rule 19 of the Companies (Share Capital and Debentures) Rules, 2014, nomination facility is available in respect of the Equity Shares. An Investor can nominate any person by filling the relevant details in the CAF in the space provided for this purpose.

In case of Equity Shareholders who are individuals, a sole Equity Shareholder or the first named Equity Shareholder, along with other joint Equity Shareholders, if any, may nominate any person(s) who, in the event of the death of the sole holder or all the joint-holders, as the case may be, shall become entitled to the Equity Shares. A person, being a nominee, becoming entitled to the Equity Shares by reason of the death of the original Equity Shareholder(s), shall be entitled to the same advantages to which he would be entitled if he were the registered holder of the Equity Shares. Where the nominee is a minor, the Equity Shareholder(s) may also make a nomination to appoint, in the prescribed manner, any person to become entitled to the Equity Share(s), in the event of death of the said holder, during the minority of the nominee. A nomination shall stand rescinded upon the sale of the Equity Shares by the person nominating. A transferee will be entitled to make a fresh nomination in the manner prescribed. Fresh nominations can be made only in the prescribed form available on request at the Registered Office of our Company or such other person at such addresses as may be notified by our Company. The Investor can make the nomination by filling in the relevant portion of the CAF. In terms of Section 72 of the Companies Act, 2013 any person who becomes a nominee by virtue of the provisions of Section 72 of the Companies Act, 2013 shall upon the production of such evidence as may be required by the Board, elect either:

- to register himself or herself as the holder of the Equity Shares; or
- to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, our 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, our 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.

Only one (1) nomination would be applicable for one folio. Hence, in case the Equity Shareholder(s) has already registered the nomination with our Company, no further nomination needs to be made for Equity Shares that may be allotted in this Issue under the same folio.

In case the allotment of Equity Shares is in dematerialised form, there is no need to make a separate nomination for the Equity Shares to be allotted in this Issue. Nominations registered with respective Depository Participant (“**DP**”) of the Investor would prevail. Any Investor desirous of changing the existing nomination is requested to inform its respective DP.

### **Offer to Non-Resident Eligible Equity Shareholders/Investors**

Applications received from NRs for Equity Shares under the Issue shall be, *inter alia*, subject to the conditions laid down in the RBI approval and the conditions imposed from time to time by the RBI under FEMA, in the matter of receipt and refund of Application Money, Allotment, issue of letters of Allotment/allotment advice/share certificates, payment of interest and dividends. General permission has been granted to any person resident outside India to purchase shares offered on a rights basis by an Indian company in terms of FEMA and Regulation 6 of notification No. FEMA 20/2000-RB dated May 3, 2000. The Abridged Letter of Offer and CAF shall be dispatched to non-resident Eligible Equity Shareholders at their Indian address only. If an NR or NRI Investors has specific approval from RBI, in connection with his shareholding, he should enclose a copy of such approval with the Application Form.

Our Board of Directors may, at its absolute discretion, agree to such terms and conditions as may be stipulated by RBI while approving the Issue. The Equity Shares purchased on a rights basis by Non-Residents shall be subject to the same conditions including restrictions in regard to the repatriability as are applicable to the original equity shares against which equity shares are issued on a right basis.

CAFs will be made available for eligible NRIs at our Registered Office and with the Registrar to the Issue.

In case of change of status of holders i.e. from Resident to Non-Resident, a new demat account must be opened.

**DETAILS OF SEPARATE COLLECTING CENTRES FOR NON-RESIDENT APPLICATIONS SHALL BE PRINTED ON THE CAF.**

**Notices**

All notices to the Equity Shareholder(s) required to be given by our Company shall be published in one English national daily with wide circulation, one Hindi national daily with wide circulation and one regional language daily newspaper with wide circulation in the state where our registered office is located, in our case being, Marathi daily and/or, will be sent by ordinary post/registered post/speed post the registered address of the Equity Shareholders in India or the Indian address provided by the Equity Shareholders, from time to time. However, the distribution of the Letter of Offer/Abridged Letter of Offer/CAF and the issue of Equity Shares on a rights basis to persons in certain jurisdictions outside India may be restricted by legal requirements prevailing in those jurisdictions.

**Intention and extent of participation by our Promoters and Promoter Group in the Issue**

Our Promoters and Promoter Group *vide* letters dated September 14, 2017, have confirmed that they intend to subscribe to their Rights Entitlement in full in the Issue. Further, in compliance with Regulation 10(4) of the SEBI Takeover Regulations, our Promoters and Promoter Group, may subscribe to such additional Rights Equity Shares (including any unsubscribed portion of the Issue) as may be permitted under the applicable law. Such subscription for Equity Shares over and above their Rights Entitlement, if allotted, may result in an increase in their percentage shareholding. Any such acquisition of additional Rights Equity Shares (including any unsubscribed portion of the Issue) shall be exempt in terms of Regulation 10(4)(b) of the SEBI Takeover Regulations subject to fulfilment of conditions mentioned therein and shall not result in a change of control of the management of our Company in accordance with provisions of the SEBI Takeover Regulations. Our Company is in compliance with Regulation 38 of the Listing Regulations and will continue to comply with the minimum public shareholding requirements pursuant to the Issue.

IGE India and R.C.A. Limited, entities forming part of the promoter group of our Company have provided unsecured loans, in one or more tranches, to our Company. The outstanding balances of these unsecured loans, as on September 14, 2017, are as follows:

No.	Name of promoter group entities	Outstanding balance of unsecured loans (₹ in lakhs)
1	IGE India	6,952.35
2	R.C.A. Limited	1,151.00
	<b>Total</b>	<b>8,103.35</b>

IGE India and R.C.A. Limited have *vide* letters dated September 14, 2017, confirmed that the unsecured loans provided by them shall be adjusted towards subscription for their entitlement in the Rights Issue and towards

additional subscription, if any, to the amount of ₹ 5,900.00 lakhs and ₹ 700.00 lakhs, respectively.

### **Procedure for Application**

The CAF for the Rights Equity Shares offered as part of the Issue would be printed in black ink for all Eligible Equity Shareholders. The CAF along with the Abridged Letter of Offer shall be dispatched through registered post or speed post at least three (3) days before the Issue Opening Date. In case the original CAFs are not received by the Investor or is misplaced by the Investor, the Investor may request the Registrar to the Issue, for issue of a duplicate CAF, by furnishing the registered folio number, DP ID Number, Client ID Number and their full name and address. In case the signature of the Equity Shareholder(s) does not match with the specimen registered with our Company, the application is liable to be rejected.

Please note that neither our Company nor the Registrar nor the Lead Manager shall be responsible for delay in the receipt of the CAF/duplicate CAF attributable to postal delays or if the CAF/duplicate CAF are misplaced in the transit. Equity Shareholders should note that those who are making the application in such duplicate CAF should not utilise the original CAF for any purpose, including renunciation, even if the original CAF is received or found subsequently. If any Equity Shareholders violates any of these requirements, they shall face the risk of rejection of both applications.

**Please note that in accordance with the provisions of SEBI circular bearing number CIR/CFD/DIL/1/2011 dated April 29, 2011, all Applicants who are QIBs or Non-Institutional Investors must mandatorily make use of ASBA facility.**

All QIB applicants, Non-Institutional Investors and other Applicants whose Application Amount exceeds ₹ 2 lakhs can participate in the Issue only through the ASBA process, subject to their fulfilling the eligibility conditions to be an ASBA Investor. Further all QIB applicants and Non-Institutional Investors are mandatorily required to use ASBA, even if application amount does not exceed ₹ 2 lakhs, subject to their fulfilling the eligibility conditions to be an ASBA Investor. The Investors who are (i) not QIBs, (ii) not Non-Institutional Investors or (iii) investors whose application amount is less than ₹ 2 lakhs can participate in the Issue either through the ASBA process or the non ASBA process.

Please also note that by virtue of circular no. 14, dated September 16, 2003, issued by the RBI, Overseas Corporate Bodies (“OCBs”) have been derecognised as an eligible class of investors and the RBI has subsequently issued the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies) Regulations, 2003. Any Equity Shareholders being an OCB is required to obtain prior approval from RBI for applying in this Issue.

### **The CAF consists of four parts:**

- Part A: Form for accepting the Rights Equity Shares offered as a part of this Issue, in full or in part, and for applying for additional Rights Equity Shares;
- Part B: Form for renunciation of Rights Equity Shares;
- Part C: Form for application of Rights Equity Shares by renouncee(s);
- Part D: Form for request for Split Application Forms.

### **Option available to the Equity Shareholders**

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

An Eligible Equity Shareholder can:

- Apply for his Rights Entitlement of Equity Shares in full;
- Apply for his Rights Entitlement of Equity Shares in part (without renouncing the other part);
- Apply for his Rights Entitlement of Equity Shares in part and renounce the other part of the Equity Shares (by requesting for split forms);
- Apply for his Rights Entitlement in full and apply for additional Equity Shares;
- Renounce his Rights Entitlement in full.

### **Acceptance of the Issue**

You may accept the offer to participate and apply for the Rights Equity Shares offered, either in full or in part without renouncing the balance, by filling Part A of the CAFs and submit the same along with the application money payable to the Banker(s) to the Issue or any of the collection branches as mentioned on the reverse of the CAFs before the close of the banking hours on or before the Issue Closing Date or such extended time as may be specified by our Board of Directors in this regard. Investors at centres not covered by the branches of collecting banks can send their CAFs together with the cheque drawn at par on a local bank at Mumbai, demand draft payable at Mumbai to the Registrar to the Issue by registered post/speed post so as to reach the Registrar to the Issue prior to the Issue Closing Date. Please note that neither our Company nor the Lead Manager nor the Registrar to the Issue shall be responsible for delay in the receipt of the CAF attributable to postal delays or if the CAF is misplaced in transit. Such applications sent to anyone other than the Registrar to the Issue are liable to be rejected. For further details on the mode of payment, see “*Mode of Payment for Resident Equity Shareholders/Investors*” and “*Mode of Payment for Non-Resident Equity Shareholders/Investors*” on page 162 and 163, respectively.

### **Additional Equity Shares**

You are eligible to apply for additional Rights Equity Shares over and above your Rights Entitlement, provided that you are eligible to apply under applicable law and have applied for all the Rights Equity Shares offered without renouncing them in whole or in part in favour of any other person(s). Applications for additional Rights Equity Shares shall be considered and allotment shall be made at the sole discretion of the Board, subject to sectoral caps and in consultation if necessary with the Designated Stock Exchange and in the manner prescribed under “*Terms of the Issue-Basis of Allotment*” on page 176.

Further, under the Foreign Exchange Regulations currently in force in India, transfers of shares between non-residents and residents are permitted subject to compliance with the pricing guidelines and reporting requirements specified by the RBI. If the transfer of shares is not in compliance with such pricing guidelines or reporting requirements or certain other conditions, then the prior approval of the RBI will be required.

Due to the aforementioned factors FPIs, FVCIs, multilateral and bilateral institutes intending to apply for additional Rights Equity Shares or intending to apply for Rights Equity Shares renounced in their favour shall be required to obtain prior approval from the appropriate regulatory authority.

If you desire to apply for additional Equity Shares, please indicate your requirement in the place provided for additional Equity Shares in Part A of the CAF. The Renouncee applying for all the Equity Shares renounced in their favour may also apply for additional Rights Equity Shares.

Where the number of additional Rights Equity Shares applied for exceeds the number available for Allotment, the Allotment would be made on a fair and equitable basis in consultation with the Designated Stock Exchange.

### **Renunciation**

This Issue includes a right exercisable by you to renounce the Equity Shares offered to you either in full or in part in favour of any other person or persons. Your attention is drawn to the fact that our Company shall not Allot and/or register any Equity Shares in favour of the following Renounees: (i) more than three persons (including joint holders), (ii) partnership firm(s) or their nominee(s), (iii) minors (except applications by minors having valid demat accounts as per the demographic details provided by the Depositors), (iv) HUF (however, you may renounce your Rights Entitlements to the Karta of an HUF acting in his capacity of Karta), or (v) any trust or society (unless the same is registered under the Societies Registration Act, 1860 or the Indian Trust Act, 1882, as amended or the Indian Trust Act, 1882, as amended or any other applicable law relating to societies or trusts and is authorised under its constitutions or bye-laws to hold equity shares, as the case may be). Additionally, existing Equity Shareholders may not renounce in favour of persons or entities in the United States or who would otherwise be prohibited from being offered or subscribing for Equity Shares or Rights Entitlement under applicable securities laws.

Any renunciation (i) from a resident shareholder to a non-resident, or (ii) from a non-resident shareholder to a resident, or (iii) from a non-resident Eligible Equity Shareholder to a non-resident is subject to the renouncer/renounee obtaining the necessary approvals, including from the RBI, and such approvals should be attached to the CAF. Applications not accompanied by the aforesaid approvals are liable to be rejected.

The RBI has, pursuant to a letter dated [•], conveyed its no-objection for the renunciation of Rights Entitlement by, and to, persons resident in India and persons resident outside India in the Issue, subject to our Company ensuring that the total FDI limit does not exceed [•]% of the paid up capital post renunciation of Rights Entitlement and also ensuring the following conditions:

[•]

By virtue of the Circular No. 14 dated September 16, 2003 issued by the RBI, Overseas Corporate Bodies (“OCBs”) have been derecognised as an eligible class of investors and the RBI has subsequently issued the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCBs)) Regulations, 2003. Accordingly, the existing Equity Shareholders of our Company who do not wish to subscribe to the Equity Shares being offered but wish to renounce the same in favour of Renounee shall not renounce the same (whether for consideration or otherwise) in favour of OCB(s).

The RBI has however clarified in its circular, A.P. (DIR Series) Circular No. 44, dated December 8, 2003 that OCBs which are incorporated and are not under the adverse notice of the RBI are permitted to undertake fresh investments as incorporated non-resident entities in terms of Regulation 5(1) of RBI Notification No.20/2000-RB dated May 3, 2000 under FDI Scheme with the prior approval of Government if the investment is through Government Route and with the prior approval of RBI if the investment is through Automatic Route on case by case basis. Shareholders renouncing their rights in favour of OCBs may do so provided such renounee obtains a prior approval from the RBI. On submission of such approval to our Company at our Registered Office, the OCB shall receive the Abridged Letter of Offer and the CAF.

Application(s) received from Non-Resident/NRIs, or persons of Indian origin residing abroad for allotment of Equity Shares shall, inter alia, be subject to conditions, as may be imposed from time to time by the RBI under FEMA in the matter of refund of application money, allotment of equity shares, subsequent issue and allotment of equity shares, interest, export of share certificates, etc. In case a Non-Resident or NRI Equity Shareholder has specific approval from the RBI, in connection with his shareholding, he should enclose a copy of such approval with the CAF, without which the CAF shall be rejected on technical grounds. For further details please refer to “*Grounds for Technical Rejection for ASBA Investors*” and “*Grounds for Technical Rejection for non-ASBA Investors*” on page 174 and page 167, respectively.

Part ‘A’ of the CAF must not be used by any person(s) other than those in whose favour this offer has been made. If used, this will render the application invalid. Submission of the CAF to the Banker to the Issue at its collecting branches specified on the reverse of the CAF with the form of renunciation (Part ‘B’ of the CAF) duly filled in shall be conclusive evidence for our Company of the person(s) applying for Equity Shares in Part ‘C’ of the CAF to receive Allotment of such Equity Shares. The Renounees applying for all the Equity Shares renounced in their favour may also apply for additional Equity Shares. Part ‘A’ of the CAF must not be used by the Renounee(s) as this will render the application invalid. Renounee(s) will have no further right to renounce any Equity Shares in favour of any other person.

#### **Procedure for renunciation**

##### **To renounce all the Equity Shares offered to an Equity Shareholder in favour of one Renounee**

If you wish to renounce the offer indicated in Part ‘A’, in whole, please complete Part ‘B’ of the CAF. In case of joint holding, all joint holders must sign Part ‘B’ of the CAF. The person in whose favour renunciation has been made should complete and sign Part ‘C’ of the CAF. In case of joint Renounees, all joint Renounees must sign this part of the CAF.

##### **To renounce in part/or renounce the whole to more than one person(s)**

If you wish to either accept this offer in part and renounce the balance or renounce the entire offer under this Issue in favour of two or more Renounees, the CAF must be first split into requisite number of SAFs. Please indicate your requirement of SAFs in the space provided for this purpose in Part ‘D’ of the CAF and return the entire CAF to the Registrar to the Issue so as to reach them latest by the close of business hours on the last date of receiving requests for SAFs. On receipt of the required number of SAFs from the Registrar, the procedure as mentioned in paragraph above shall have to be followed.

In case the signature of the Equity Shareholder(s), who has renounced the Equity Shares, does not match with



the specimen registered with our Company/DP, the application is liable to be rejected.

### **Renouncee(s)**

The person(s) in whose favour the Equity Shares are renounced should fill in and sign Part ‘C’ of the CAF and submit the entire CAF to the Banker to the Issue on or before the Issue Closing Date along with the application money in full. The Renouncee cannot further renounce.

### **Change and/or introduction of additional holders**

If you wish to apply for Equity Shares jointly with any other person(s), not more than three (including you), who is/are not already a joint holder with you, it shall amount to renunciation and the procedure as stated above for renunciation shall have to be followed. Even a change in the sequence of the name of joint holders shall amount to renunciation and the procedure, as stated above shall have to be followed.

However, this right of renunciation is subject to the express condition that our Board of Directors shall be entitled in its absolute discretion to reject the request for Allotment from the Renouncee(s) without assigning any reason thereof. All such applications will be treated as applications from Renouncees and shall have to be made through the non- ASBA process only to be considered valid for allotment. Please also see section titled “*Terms of the Issue*” on page 151.

## **APPLICATIONS FOR NON-ASBA INVESTORS**

### **Eligible Equity Shareholders who are eligible to apply under the Non – ASBA process**

The option of applying for Equity Shares through non – ASBA process is available only to Eligible Equity Shareholders whose application amount does not exceed ₹ 2 lakhs as well as Renouncees. All Applicants who are QIBs and Non – Institutional Investors can apply in the Issue only through the ASBA process.

### **Instructions for Options for Non-ASBA Investors**

The summary of options available to the Eligible Equity Shareholder is presented below. You may exercise any of the following options with regard to the Rights Equity Shares offered, using the CAF:

<b>No.</b>	<b>Option Available</b>	<b>Action Required</b>
1.	Accept whole or part of your Rights Entitlement without renouncing the balance	Fill in and sign Part A ( <i>All joint holders must sign in the same sequence</i> )
2.	Accept your Rights Entitlement in full and apply for additional Rights Equity Shares	Fill in and sign Part A including Block III relating to the acceptance of entitlement and Block IV relating to additional Rights Equity Shares ( <i>All joint holders must sign in the same sequence</i> )
3.	Accept a part of your Rights Entitlement and renounce the balance to one or more Renouncee(s)  OR  Renounce your Rights Entitlement to all the Rights Equity Shares offered to you to more than one Renouncee	Fill in and sign Part D ( <i>all joint holders must sign in the same sequence</i> ) requesting for SAFs. Send the CAF to the Registrar to the Issue so as to reach them on or before the last date for receiving requests for SAFs. Splitting will be permitted only once.  On receipt of the SAF take action as indicated below.  For the Equity Shares you wish to accept, if any, fill in and sign Part A.  For the Rights Equity Shares you wish to renounce, fill in and sign Part B indicating the number of Equity Shares renounced and hand it over to the Renouncee. Each of the Renouncees should fill in and sign Part C for the Equity Shares accepted by them.
4.	Renounce your Rights Entitlement in full to one person (Joint Renouncees are considered as one)	Fill in and sign Part B ( <i>all joint holders must sign in the same sequence</i> ) indicating the number of Rights Equity Shares renounced and hand it over to the Renouncee. The Renouncee must fill in and sign Part C ( <i>All joint Renouncees must sign in the same sequence</i> )
5.	Introduce a joint holder or change the sequence of joint holders	This will be treated as a renunciation. Fill in and sign Part B and the Renouncee must fill in and sign Part C.

In case of Equity Shares held in physical form, applicants must provide information in the CAF as to their respective bank account numbers, name of the bank, to enable the Registrar to print the said details on the refund order. Failure to comply with this may lead to rejection of application. In case of Equity Shares held in demat form, bank account details furnished by the Depositories will be printed on the refund order.

**Please note that:**

- Options 3, 4 and 5 will not be available for Equity Shareholders applying through ASBA process.
- Part 'A' of the CAF must not be used by any person(s) other than the Equity Shareholder to whom the Letter of Offer has been addressed. If used, this will render the application invalid.
- Request for SAF should be made for a minimum of one Rights Equity Share or, in either case, in multiples thereof and one SAF for the balance Rights Equity Shares, if any.
- Request by the Investor for the SAFs should reach the Registrar on or before last date for receiving request for SAF(s).
- Only the Equity Shareholder to whom the Letter of Offer has been addressed shall be entitled to renounce and to apply for SAFs. Forms once split cannot be split further.
- SAFs will be sent to the Investor (s) by post at the applicant's risk.
- Equity Shareholders may not renounce in favour of persons or entities in the restricted jurisdictions including the United States or to or for the account or benefit of a "U.S. Person" (as defined in Regulation S of the U.S Securities Act, 1933), or who would otherwise be prohibited from being offered or subscribing for Rights Equity Shares or Rights Entitlement under applicable securities laws.
- Submission of the CAF to the Banker to the Issue at its collecting branches specified on the reverse of the CAF with the form of renunciation (Part 'B' of the CAF) duly filled in shall be conclusive evidence for us of the person(s) applying for the Rights Equity Shares in Part 'C' of the CAF to receive Allotment of such Rights Equity Shares.
- While applying for or renouncing their Rights Entitlement, joint Equity Shareholders must sign the CAF in the same order as per specimen signatures recorded with us or the Depositories.
- Non-resident Equity Shareholders: Application(s) received from Non-Resident/NRIs, or persons of Indian origin residing abroad for allotment of Rights Equity Shares allotted as a part of this Issue shall, amongst other things, be subject to conditions, as may be imposed from time to time by the RBI in the matter of refund of application money, allotment of equity shares, subsequent issue and allotment of equity shares, interest, export of share certificates, etc. In case a Non-Resident or NRI Investor has specific approval from the RBI, in connection with his shareholding, he should enclose a copy of such approval with the CAF. Applications not accompanied by the aforesaid approvals are liable to be rejected.
- Applicants must write their CAF number at the back of the cheque/demand draft.

**Availability of duplicate CAF**

In case the original CAF is not received, or is misplaced by the Investor, the Registrar to the Issue will issue a duplicate CAF on the request of the Investor who should furnish the registered folio number/DP and Client ID number and his/her full name and address to the Registrar to the Issue. Please note that the request for duplicate CAF should reach the Registrar to the Issue within eight days from the Issue Opening Date. Please note that those who are making the application in the duplicate form should not utilise the original CAF for any purpose including renunciation, even if it is received/found subsequently. If the Investor violates such requirements, he/she shall face the risk of rejection of both the applications.

Our Company or the Registrar to the Issue or the Lead Manager, shall not be responsible for postal delays or loss of duplicate CAFs in transit, if any.

## Application on Plain Paper

An Equity Shareholder who has neither received the original CAF nor is in a position to obtain the duplicate CAF may make an application to subscribe to the Issue on plain paper, along with demand draft, net of bank and postal charges payable at Mumbai which should be drawn in favour of the “[●]” in case of the resident shareholders and non-resident shareholders applying on non-repatriable basis and in favour of the “[●]” in case of the non-resident shareholders applying on repatriable basis and send the same by registered/speed post directly to the Registrar to the Issue so as to reach Registrar to the Issue on or before the Issue Closing Date.

The envelope should be superscribed “[●]” in case of resident shareholders and Non-resident shareholders applying on non-repatriable basis and “[●]” in case of non-resident shareholders applying on repatriable basis.

The application on plain paper, duly signed by the Investors including joint holders, in the same order as per specimen recorded with our Company, must reach the office of the Registrar to the Issue before the Issue Closing Date and should contain the following particulars:

- Name of Issuer, being Elpro International Limited;
- Name and address of the Equity Shareholder including joint holders;
- Registered Folio Number/DP and Client ID no.;
- Number of Equity Shares held as on Record Date;
- Number of Rights Equity Shares entitled to;
- Number of Rights Equity Shares applied for;
- Number of additional Rights Equity Shares applied for, if any;
- Total number of Rights Equity Shares applied for;
- Total amount paid at the rate of ₹ [●] per Rights Equity Share;
- Particulars of cheque/demand draft;
- Savings/Current Account Number and name and address of the bank where the Equity Shareholder will be depositing the refund order. In case of Equity Shares allotted in demat form, the bank account details will be obtained from the information available with the Depositories;
- Except for applications on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts, PAN number of the Investor and for each Investor in case of joint names, irrespective of the total value of the Equity Shares applied for pursuant to the Issue. Documentary evidence for exemption to be provided by the applicants;
- Share certificate numbers and distinctive numbers of Equity Shares, if held in physical form (Rights Equity Shares will be allotted in physical form only if the Equity Shares held on the Record Date i.e. [●] are in the physical form);
- Allotment option preferred - physical or demat form, if held in physical form;
- Signature of the Equity Shareholders to appear in the same sequence and order as they appear in our records or the Depositories’ records
- In case of Non-Resident Equity Shareholders, NRE/FCNR/NRO A/c No. name and address of the bank and branch;
- If payment is made by a draft purchased from an NRE/FCNR/NRO A/c No., as the case may be, an Account debit certificate from the bank issuing the draft, confirming that the draft has been issued by debiting NRE/FCNR/NRO A/c; and
- Additionally, all such applicants are deemed to have accepted the following:

*“I/We understand that neither the Rights Entitlement nor the Rights Equity Shares have been, and will be, registered under the United States Securities Act of 1933, as amended (the “US Securities Act”) or any United States state securities laws, and may not be offered, sold, resold or otherwise transferred within the United States or to the territories or possessions thereof (the “United States”) or to, or for the account or benefit of a “U.S. Person” as defined in Regulation S under the US Securities Act (“Regulation S”). I/we understand the Rights Equity Shares referred to in this application are being offered in India but not in the United States. I/we understand the offering to which this application relates is not, and under no circumstances is to be construed as, an offering of any Rights Equity Shares or Rights Entitlement for sale in the United States, or as a solicitation therein of an offer to buy any of the said Equity Shares or Rights Entitlement in the United States. Accordingly, I/we understand this application should not be forwarded to or transmitted in or to the United States at any time. I/we understand that none of our Company, the Registrar, the Lead Manager or any other person*

*acting on behalf of our Company will accept subscriptions from any person, or the agent of any person, who appears to be, or who our Company, the Registrar, the Lead Manager or any other person acting on behalf of our Company has reason to believe is, a resident of the United States “U.S. Person” (as defined in Regulation S) or is ineligible to participate in the Issue under the securities laws of their jurisdiction.*

*I/We will not offer, sell or otherwise transfer any of the Rights Equity Shares which may be acquired by us in any jurisdiction or under any circumstances in which such offer or sale is not authorised or to any person to whom it is unlawful to make such offer, sale or invitation except under circumstances that will result in compliance with any applicable laws or regulations. We satisfy, and each account for which we are acting satisfies, all suitability standards for investors in investments of the type subscribed for herein imposed by the jurisdiction of our residence.*

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

*I/We (i) am/are, and the person, if any, for whose account I/we am/are acquiring such Rights Entitlement and/or the Rights Equity Shares is/are, outside the United States, (ii) am/are not a “U.S. Person” as defined in Regulation S, and (iii) is/are acquiring the Rights Entitlement and/or the Equity Shares in an offshore transaction meeting the requirements of Regulation S.*

*I/We acknowledge that our Company, the Lead Manager, their affiliates and others will rely upon the truth and accuracy of the foregoing representations and agreements.”*

Please note that those who are making the application otherwise than on original CAF shall not be entitled to renounce their rights and should not utilise the original CAF for any purpose including renunciation even if it is received subsequently. If the Investor violates such requirements, he/she shall face the risk of rejection of both the applications. We shall refund such application amount to the Investor without any interest thereon and no liability shall arise on part of our Company, Lead Manager and its Directors.

Investors are requested to note that CAF or plain paper application with only foreign addresses is liable to be rejected on technical grounds. The CAF or plain paper application should contain the Indian address also if foreign address is mentioned.

Investors are requested to strictly adhere to these instructions. Failure to do so could result in an application being rejected, with our Company, the Lead Manager and the Registrar not having any liability to the Investor.

The plain paper application format will be available on the website of the Registrar to the Issue at [www.sharexindia.com](http://www.sharexindia.com).

#### **Last date for Application**

The last date for submission of the duly filled in CAF is [●]. The Board of Directors may extend the said date for such period as it may determine from time to time, subject to the Issue Period not exceeding 30 days from the Issue Opening Date.

If the CAF together with the amount payable is not received by the Banker to the Issue/Registrar to the Issue on or before the close of banking hours on the aforesaid last date or such date as may be extended by the Board or any committee thereof, the invitation to offer contained in the Letter of Offer shall be deemed to have been declined and the Board or any committee thereof shall be at liberty to dispose off the Rights Equity Shares hereby offered, as provided in the section “*Terms of Use*” on page 151.

#### **Mode of payment for Resident Equity Shareholders/Investors**

All cheques/drafts accompanying the CAF should be drawn in favour of the Collecting Bank (specified on the reverse of the CAF), crossed ‘A/c Payee only’ and marked “[●]”.

Investors residing at places other than places where the bank collection centres have been opened by our

Company for collecting applications, are requested to send their CAFs together with Demand Draft for the full application amount, net of bank and postal charges favouring the Banker to the Issue, crossed 'A/c Payee only' and marked "[●]" payable at Mumbai directly to the Registrar to the Issue by registered post so as to reach them on or before the Issue Closing Date. Our Company or the Registrar to the Issue will not be responsible for postal delays or loss of applications in transit, if any.

Applications through mails should not be sent in any other manner except as mentioned above. The CAF along with the application money must not be sent to our Company or the Lead Manager or the Registrar. Applicants are requested to strictly adhere to these instructions.

### **Mode of payment for Non-Resident Equity Shareholders/Investors**

As regards the application by non-resident Equity Shareholders, the following conditions shall apply:

- Individual non-resident Indian applicants who are permitted to subscribe for Rights Equity Shares by applicable local securities laws can obtain application forms from the following address:

**Sharex Dynamic (India) Private Limited**

Unit 1, Luthra Ind Premises  
Safed Pool, Andheri Kurla Road  
Andheri (East), Mumbai-400 072  
Maharashtra, India  
**Tel No:** +91-22 – 2851-5606/2851-5644  
**Fax No:** +91-22-2851-2885  
**Email:** sharexindia@vsnl.com  
**Website:** www.sharexindia.com  
**Contact Person:** Mr. Shashi Kumar  
**SEBI Registration No:** INR000002102

**Note: The Letter of Offer / Abridged Letter of Offer and CAFs to NRIs shall be sent only to their Indian address, if provided.**

- All non-resident Investors should draw the cheques/demand drafts in favour of "[●]" in case of the resident shareholders and non-resident shareholders applying on non-repatriable basis and in favour of "[●]" in case of the non-resident shareholders applying on repatriable basis, crossed "A/c Payee only" for the full application amount, net of bank and postal charges and which should be submitted along with the CAF to the Banker to the Issue/collection centres or to the Registrar to the Issue.
- Non-resident Investors applying from places other than places where the bank collection centres have been opened by our Company for collecting applications, are requested to send their CAFs together with demand draft for the full application amount, net of bank and postal charges drawn in favour of Banker to the Issue, crossed "A/c Payee only" and marked as "[●]" payable at Mumbai directly to the Registrar to the Issue by registered post so as to reach them on or before the Issue Closing Date. Our Company or the Registrar to the Issue will not be responsible for postal delays or loss of applications in transit, if any.
- Applications will not be accepted from non-resident from any jurisdiction where the offer or sale of the Rights Entitlements and Equity Shares may be restricted by applicable securities laws.
- Payment by non-residents must be made by demand draft payable at Mumbai/cheque payable drawn on a bank account maintained at Mumbai or funds remitted from abroad in any of the following ways:

### **Application with repatriation benefits**

- By Indian Rupee drafts purchased from abroad and payable at Mumbai or funds remitted from abroad (submitted along with Foreign Inward Remittance Certificate);
- By cheque/draft on a Non-Resident External Account (NRE) or FCNR Account maintained in India;
- By Rupee draft purchased by debit to NRE/FCNR Account maintained elsewhere in India and payable in Mumbai;
- Non-resident Investors applying with repatriation benefits should draw cheques/drafts in favour of and

marked “[●]” and must be crossed ‘account payee only’ for the full application amount, net of bank and postal charges;

- FPIs registered with SEBI must remit funds from special non-resident rupee deposit account;
- Investors may note that where payment is made by drafts purchased from NRE/FCNR accounts as the case may be, an account debit certificate from the bank issuing the draft confirming that the draft has been issued by debiting the NRE/FCNR account should be enclosed with the CAF. Otherwise the application shall be considered incomplete and is liable to be rejected;
- In the case of NRI Investors who remit their application money from funds held in FCNR/NRE Accounts, refunds and other disbursements, if any, shall be credited to such account details of which should be furnished in the appropriate columns in the CAF. In the case of NRI Investors who remit their application money through Indian Rupee drafts from abroad, refunds and other disbursements, if any, will be made in U.S Dollars at the rate of exchange prevailing at such time subject to the permission of RBI. Our Company will not be liable for any loss on account of exchange rate fluctuation for converting the Rupee amount into U.S. Dollar or for collection charges charged by the Investor’s bankers;
- Payments through NRO accounts will not be permitted; or
- Investors may note that where payment is made by drafts purchased from NRE/FCNR accounts as the case may be, an account debit certificate from the bank issuing the draft confirming that the draft has been issued by debiting the NRE/FCNR account should be enclosed with the CAF. Otherwise the application shall be considered incomplete and is liable to be rejected.

#### **Application without repatriation benefits**

- As far as non-residents holding Equity Shares on non-repatriation basis are concerned, in addition to the modes specified above, payment may also be made by way of cheque drawn on Non-Resident (Ordinary) Account maintained in India or Rupee Draft purchased out of NRO Account maintained elsewhere in India but payable at Mumbai. In such cases, the Allotment of Equity Shares will be on non-repatriation basis.
- All cheques/drafts submitted by non-residents applying on a non-repatriation basis should be drawn in favour of “[●]” and must be crossed ‘account payee only’ for the full application amount, net of bank and postal charges. The CAFs duly completed together with the amount payable on application must be deposited with the collecting bank indicated on the reverse of the CAFs before the close of banking hours on or before the Issue Closing Date. A separate cheque or bank draft must accompany each CAF.
- Investors may note that where payment is made by drafts purchased from NRE/FCNR/NRO accounts as the case may be, an account debit certificate from the bank issuing the draft confirming that the draft has been issued by debiting the NRE/FCNR/NRO account should be enclosed with the CAF. Otherwise the application shall be considered incomplete and is liable to be rejected.
- New demat account shall be opened for holders who have had a change in status from resident Indian to NRI. Any application from a demat account which does not reflect the accurate status of the Applicant is liable to be rejected.

#### **Notes:**

- In case where repatriation benefit is available, interest, dividend, sales proceeds derived from the investment in Equity Shares can be remitted outside India, subject to tax, as applicable according to the IT Act.
- In case Rights Equity Shares are allotted on a non-repatriation basis, the dividend and sale proceeds of the Rights Equity Shares cannot be remitted outside India.
- The CAF duly completed together with the amount payable on application must be deposited with the collecting bank indicated on the reverse of the CAFs before the close of banking hours on or before the Issue Closing Date. A separate cheque or bank draft must accompany each CAF.
- In case of an application received from non-residents, Allotment, refunds and other distribution, if any, will be made in accordance with the guidelines/rules prescribed by RBI as applicable at the time of making such Allotment, remittance and subject to necessary approvals.

#### **General instructions for non-ASBA Investors**

- a. Please read the instructions printed on the enclosed CAF carefully.

- b. Applicants that are not QIBs or are not Non - Institutional Investor or those whose application money does not exceed ₹ 2,00,000 may participate in the Issue either through ASBA or the non-ASBA process. Eligible Shareholders who have renounced their entitlement (in full or in part), Renounees and Applicants holding Equity Shares in physical form and/or subscribing in the Issue for Allotment in physical form may participate in the Issue only through the non ASBA process.
- c. Application should be made on the printed CAF, provided by our Company except as mentioned under the head "***Application on Plain Paper – non ASBA***" on page 161 and should be completed in all respects. The CAF found incomplete with regard to any of the particulars required to be given therein, and/or which are not completed in conformity with the terms of the Draft Letter of Offer, Letter of Offer or Abridged Letter of Offer are liable to be rejected and the money paid, if any, in respect thereof will be refunded without interest and after deduction of bank commission and other charges, if any. The CAF must be filled in English and the names of all the Investors, details of occupation, address, father's / husband's name must be filled in block letters.
- d. The CAF together with the cheque/demand draft should be sent to the Banker to the Issue/Collecting Bank or to the Registrar to the Issue and not to our Company or Lead Manager to the Issue. Investors residing at places other than cities where the branches of the Banker to the Issue have been authorised by our Company for collecting applications, will have to make payment by demand draft payable at Mumbai of an amount net of bank and postal charges and send their CAFs to the Registrar to the Issue by registered post. If any portion of the CAF is/are detached or separated, such application is liable to be rejected.
- e. Applications where separate cheques/demand drafts are not attached for amounts to be paid for Rights Equity Shares are liable to be rejected.
- f. Except for applications on behalf of the Central and State Government, the residents of Sikkim and the officials appointed by the courts, all Investors, and in the case of application in joint names, each of the joint Investors, should mention his/her PAN number allotted under the IT Act, irrespective of the amount of the application. CAFs without PAN will be considered incomplete and are liable to be rejected.
- g. Investors, holding equity shares in physical form, are advised that it is mandatory to provide information as to their savings/current account number and the name of the bank with whom such account is held in the CAF to enable the Registrar to the Issue to print the said details in the refund orders, if any, after the names of the payees. Application not containing such details is liable to be rejected.
- h. All payment should be made by cheque/demand draft only. Application through the ASBA process as mentioned above is acceptable. Cash payment is not acceptable. In case payment is effected in contravention of this, the application may be deemed invalid and the application money will be refunded and no interest will be paid thereon.
- i. Signatures should be either in English or Hindi or in any other language specified in the Eighth Schedule to the Constitution of India. Signatures other than in English or Hindi and thumb impression must be attested by a Notary Public or a Special Executive Magistrate under his/her official seal. The Equity Shareholders must sign the CAF as per the specimen signature recorded with our Company.
- j. In case of an application under power of attorney or by a body corporate or by a society, a certified true copy of the relevant power of attorney or relevant resolution or authority to the signatory to make the relevant investment under this Issue and to sign the application and a copy of the Memorandum and Articles of Association and/or bye laws of such body corporate or society must be lodged with the Registrar to the Issue giving reference of the serial number of the CAF. In case the above referred documents are already registered with our Company, the same need not be a furnished again. In case these papers are sent to any other entity besides the Registrar to the Issue or are sent after the Issue Closing Date, then the application is liable to be rejected. In no case should these papers be attached to the application submitted to the Banker to the Issue.
- k. In case of joint holders, all joint holders must sign the relevant part of the CAF in the same order and as per the specimen signature(s) recorded with our Company. Further, in case of joint Investors who are Renounees, the number of Investors should not exceed three. In case of joint Investors, reference, if any, will be made in the first Investor's name and all communication will be addressed to the first Investor.

- l. Application(s) received from NRs/NRIs, or persons of Indian origin residing abroad for Allotment of Rights Equity Shares shall, *inter alia*, be subject to conditions, as may be imposed from time to time by the RBI under FEMA in the matter of refund of application money, Allotment of Rights Equity Shares, subsequent issue and Allotment of Rights Equity Shares, interest, export of share certificates, etc. In case a NR or NRI Equity Shareholder has specific approval from the RBI, in connection with his shareholding, he should enclose a copy of such approval with the CAF. Additionally, applications will not be accepted from NRs/NRIs in the United States or its territories and possessions, or any other jurisdiction where the offer or sale of the Rights Entitlements and Rights Equity Shares may be restricted by applicable securities laws.
- m. All communication in connection with application for the Rights Equity Shares, including any change in address of the Equity Shareholders should be addressed to the Registrar to the Issue prior to the date of Allotment in this Issue quoting the name of the first/sole Investor, folio numbers and CAF number. Please note that any intimation for change of address of Equity Shareholders, after the date of Allotment, should be sent to the Registrar and Transfer Agents of our Company, in the case of Equity Shares held in physical form and to the respective depository participant, in case of Equity Shares held in dematerialised form.
- n. SAFs cannot be re-split.
- o. Only the person or persons to whom Rights Equity Shares have been offered and not Renouncee(s) shall be entitled to obtain SAFs.
- p. Investors must write their CAF number at the back of the cheque/demand draft.
- q. Only one mode of payment per application should be used. The payment must be by cheque/demand draft drawn on any of the banks, including a co-operative bank, which is situated at and is a member or a sub member of the bankers clearing house located at the centre indicated on the reverse of the CAF where the application is to be submitted.
- r. A separate cheque/draft must accompany each CAF. Outstation cheques/demand drafts or post-dated cheques and postal/money orders will not be accepted and applications accompanied by such cheques/demand drafts/money orders or postal orders will be rejected.
- s. No receipt will be issued for application money received. The Banker to the Issue/Collecting Bank/Registrar will acknowledge receipt of the same by stamping and returning the acknowledgment slip at the bottom of the CAF.
- t. The distribution of the Letter of Offer and issue of Equity Shares and Rights Entitlements to persons in certain jurisdictions outside India may be restricted by legal requirements in those jurisdictions. Persons in the United States and such other jurisdictions are instructed to disregard the Letter of Offer and not to attempt to subscribe for Equity Shares.

**Do's for non-ASBA Investors:**

- Check if you are eligible to apply i.e. you are an Equity Shareholder on the Record Date;
- Read all the instructions carefully and ensure that the cheque/draft option is selected in part A of the CAF and necessary details are filled in;
- In the event you hold Equity Shares in dematerialised form, ensure that the details about your Depository Participant and beneficiary account are correct and the beneficiary account is activated as the Equity Shares will be allotted in the dematerialised form only;
- Ensure that your Indian address is available to our Company and the Registrar, in case you hold equity shares in physical form or the depository participant, in case you hold equity shares in dematerialised form;
- Ensure that the CAFs are submitted at the collection centres of the Banker to the Issue only on prescribed



forms;

- Ensure that the value of the cheque/draft submitted by you is equal to the (number of Equity Shares applied for) X (Issue Price of Equity Shares, as the case may be) before submission of the CAF;
- Ensure that you receive an acknowledgement from the collection centers of the collection bank for your submission of the CAF in physical form;
- Ensure that you mention your PAN allotted under the IT Act with the Application Form, except for Application on behalf of the Central and State Governments, residents of the state of Sikkim and officials appointed by the courts;
- Ensure that the name(s) given in the CAF is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the CAF is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the CAF; and
- Ensure that the Demographic Details are updated, true and correct, in all respects.

#### **Don'ts for non-ASBA Investors**

- Do not apply if you are not eligible to participate in this Issue in terms of the securities laws applicable to your jurisdiction;
- Do not apply on duplicate CAF after you have submitted a CAF to a collection center of the collection bank;
- Do not pay the amount payable on application in cash, by money order or by postal order;
- Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground; and
- Do not submit Application accompanied with Stock invest.

#### **Grounds for Technical Rejection for non-ASBA Investors**

Investors are advised to note that applications may be rejected on technical grounds, including the following:

- Amount paid does not tally with the amount payable;
- Bank account details (for refund) are not given and the same are not available with the DP (in the case of dematerialised holdings) or with the Registrar (in the case of physical holdings);
- Age of Investor(s) not given (in case of Renounees);
- Application for Allotment of Rights Entitlements or additional shares in physical form (in case the existing holding is in dematerialised form);
- Except for CAFs on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts, PAN number not given for application of any value;
- In case of CAF under power of attorney or by limited companies, corporate, trust, relevant documents are not submitted;
- If the signature of the Equity Shareholder does not match with the one given on the CAF and for renounee(s) if the signature does not match with the records available with their depositories;
- CAFs are not submitted by the Investors within the time prescribed as per the CAF and the Letter of Offer;
- CAFs not duly signed by the sole/joint Investors;
- CAFs by OCBs without specific RBI approval;
- CAFs accompanied by outstation cheques/post-dated cheques/money order/postal order/outstation demand draft;
- In case no corresponding record is available with the depositories that matches three parameters, namely, names of the Investors (including the order of names of joint holders), the Depository Participant's identity (DP ID) and the beneficiary's identity;
- CAFs that do not include the certifications set out in the CAF to the effect that, among other thing, the

subscriber is not located in restricted jurisdictions and is authorised to acquire the Rights Entitlements and Equity Shares in compliance with all applicable laws and regulations;

- CAFs which have evidence of being executed in/dispatched from restricted jurisdictions;
- CAFs by ineligible non-residents (including on account of restriction or prohibition under applicable local laws);
- CAFs where our Company believes that CAF is incomplete or acceptance of such CAF may infringe applicable legal or regulatory requirements;
- In case the GIR number is submitted instead of the PAN;
- Applications by Renounees who are persons not competent to contract under the Indian Contract Act, 1872, except applications by minors having valid demat accounts as per the demographic details provided by the Depositories;
- Multiple CAFs, including cases where an Investor submits CAFs along with a plain paper application;
- QIBs and other Equity Shareholders applying for Equity Shares in this Issue for value of more than ₹ 2,00,000 who hold equity shares in dematerialised form, applying through the non-ASBA process; and
- Equity Shareholders not being individuals or HUFs applying for Equity Shares in this Issue for a value not exceeding ₹ 2,00,000, who hold equity shares in dematerialised form, applying through the non-ASBA process.

**Please read the Letter of Offer or Abridged Letter of Offer and the instructions contained therein and in the CAF carefully before filling in the CAF. The instructions contained in the CAF are an integral part of the Letter of Offer and must be carefully followed. The CAF is liable to be rejected for any non-compliance of the provisions contained in the Letter of Offer or the CAF.**

Please note that Equity Shareholders being QIBs and Non-Institutional Investors can participate in this Issue only through the ASBA process. Retail Individual Investors whose application amounts do not exceed ₹ 2,00,000 can participate in this Issue either through the ASBA process or the non ASBA process.

#### **PROCEDURE FOR APPLICATION THROUGH THE APPLICATIONS SUPPORTED BY BLOCKED AMOUNT (“ASBA”) PROCESS**

*This section is for the information of the ASBA Investors proposing to subscribe to the Issue through the ASBA Process. The Lead Manager and we are not liable for any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of the Letter of Offer. Investors who are eligible to apply under the ASBA Process are advised to make their independent investigations and to ensure that the CAF is correctly filled up.*

*The Lead Manager, we, our directors, affiliates, associates and their respective directors and officers and the Registrar to the Issue shall not take any responsibility for acts, mistakes, errors, omissions and commissions etc. in relation to applications accepted by SCSBs, applications uploaded by SCSBs, applications accepted but not uploaded by SCSBs or applications accepted and uploaded without blocking funds in the ASBA Accounts. It shall be presumed that for applications uploaded by SCSBs, the amount payable on application has been blocked in the relevant ASBA Account.*

Please note in accordance with the provisions of SEBI circular number CIR/CFD/DIL/1/2011 dated April 29, 2011, all applicants who are (i) QIBs, (ii) Non-Institutional Investors or (iii) other applicants whose application amount exceeds ₹ 2 lakhs shall mandatorily make use of ASBA facility. All QIBs and Non-Institutional Investors, complying with the eligibility conditions of SEBI circular dated December 30, 2009, must mandatorily invest through the ASBA process. The Investors who are (i) not QIBs, (ii) not Non-Institutional Investors, or (iii) investors whose application amount is less than ₹ 2 lakhs can participate in the Issue either through the ASBA process or the non ASBA process. Notwithstanding anything contained hereinabove, all Renounees (including Renounees who are Individuals) shall apply in the Issue only through the non-ASBA process.

Further, in terms of the SEBI circular CIR/CFD/DIL/1/2013 dated January 2, 2013 it is clarified that for making applications by banks on own account using ASBA facility, SCSBs should have a separate account in own name with any other SEBI registered SCSB(s). Such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for ASBA applications. SCSBs applying in the Issue using the ASBA facility shall be responsible for ensuring that they have a separate account in its own name with any other SCSB having clear demarcated funds for applying in the Issue and that such separate account shall be used as the ASBA Account for the application, in accordance

with the applicable regulations.

### **Self-Certified Syndicate Banks**

The list of banks which have been notified by SEBI to act as SCSBs for the ASBA Process is provided on [www.sebi.gov.in](http://www.sebi.gov.in) and/or such other website(s) as may be prescribed by the SEBI / Stock Exchange from time to time. For details on Designated Branches of SCSBs collecting the CAF, please refer the above mentioned SEBI link.

### **ASBA Investors who are eligible to apply under the ASBA Process**

An ASBA Investor is an investor (Equity Shareholder) who is intending to subscribe the Equity Shares of our Company under this Issue applying through blocking of funds in a bank account maintained with SCSBs. The option of applying for Rights Equity Shares through the ASBA Process is available only to the Equity Shareholders on the Record Date.

All QIBs and Non-Institutional Investors and investors making an application for a value of more than ₹ 2,00,000 and complying with the above conditions, must mandatorily invest through the ASBA process. All Retail Individual Investors complying with the above conditions may optionally apply through the ASBA process. Renouncees are not eligible ASBA investors and must only apply for the Rights Equity Shares through the non ASBA process.

### **CAF**

The Registrar will dispatch the CAF to all Equity Shareholders as per their Rights Entitlement on the Record Date for the Issue. Those Eligible Equity Shareholders who wish to apply through the ASBA payment mechanism will have to select for this mechanism in Part A of the CAF and provide necessary details.

Eligible Equity Shareholders desiring to use the ASBA Process are required to submit their applications by selecting the ASBA Option in Part A of the CAF. Application in electronic mode will only be available with such SCSBs who provide such facility. The Equity Shareholder shall submit the CAF to the Designated Branch of the SCSB for authorising such SCSB to block an amount equivalent to the amount payable on the application in the ASBA Account.

More than one ASBA Investor may apply using the same ASBA Account, provided that SCSBs will not accept a total of more than five CAFs with respect to any single ASBA Account as provided for under the SEBI circular dated December 30, 2009.

### **Acceptance of the Issue**

You may accept the Issue and apply for the Rights Equity Shares either in full or in part, by filling Part A of the respective CAFs sent by the Registrar, selecting the ASBA process option in Part A of the CAF and submit the same to the SCSB before the close of the banking hours on or before the Issue Closing Date or such extended time as may be specified by the Board of Directors of our Company in this regard.

### **Mode of payment**

The ASBA Investor applying under the ASBA Process agrees to block the entire amount payable on application with the submission of the CAF, by authorising the SCSB to block an amount, equivalent to the amount payable on application, in a bank account maintained with the SCSB.

After verifying that sufficient funds are available in the bank account details of which are provided in the CAF, the SCSB shall block an amount equivalent to the amount payable on application mentioned in the CAF until it receives instructions from the Registrar. Upon receipt of intimation from the Registrar, the SCSBs shall transfer such amount as per the Registrar's instruction from the bank account with the SCSB mentioned by the Equity Shareholder in the CAF. This amount will be transferred in terms of the SEBI Regulations, into the separate bank account maintained by our Company as per the provisions of section 40(3) of the Companies Act. The balance amount remaining after the finalisation of the basis of Allotment shall be either unblocked by the SCSBs or refunded to the Investors by the Registrar on the basis of the instructions issued in this regard by the Registrar to the Issue and the Lead Manager to the respective SCSB.

The SCSB may reject the application at the time of acceptance of CAF if the bank account with the SCSB details of which have been provided by the Equity Shareholder in the CAF does not have sufficient funds equivalent to the amount payable on application mentioned in the CAF. Subsequent to the acceptance of the application by the SCSB, our Company would have a right to reject the application only on technical grounds.

### **Options available to the ASBA Investors applying under the ASBA Process**

The summary of options available to the ASBA Investors is presented below. You may exercise any of the following options with regard to the Equity Shares, using the respective CAFs received from Registrar:

<b>Option Available</b>	<b>Action Required</b>
Accept whole or part of your Rights Entitlement	Fill in and sign Part A of the CAF ( <i>All joint holders must sign</i> )
Accept your Rights Entitlement in full and apply for additional Equity Shares	Fill in and sign Part A of the CAF including Block III relating to the acceptance of entitlement and Block IV relating to additional Equity Shares ( <i>All joint holders must sign</i> )

The ASBA Investors applying under the ASBA Process will need to select the ASBA option process in the CAF and provide required necessary details. However, in cases where this option is not selected, but the CAF is tendered to the SCSBs with the relevant details required under the ASBA process option and the SCSBs block the requisite amount, then that CAFs would be treated as if the Equity Shareholder have selected to apply through the ASBA process option.

Please note that Equity Shareholders being QIBs and Non-Institutional Investors can participate in this Issue only through the ASBA process. Retail Individual Investors whose application amounts do not exceed ₹ 2,00,000 can participate in this Issue either through the ASBA process or the non ASBA process. Renounees are not eligible ASBA investors and must only apply for the Rights Equity Shares through the non ASBA process

### **Additional Rights Equity Shares**

You are eligible to apply for additional Rights Equity Shares over and above the number of Rights Equity Shares that you are entitled to, provided that you are eligible to apply for Rights Equity Shares under applicable law and you have applied for all the Rights Equity Shares (as the case may be) offered without renouncing them in whole or in part in favour of any other person(s). Where the number of additional Rights Equity Shares applied for exceeds the number available for Allotment, the Allotment would be made as per the Basis of Allotment in consultation with the Designated Stock Exchange. Applications for additional Rights Equity Shares shall be considered and Allotment shall be made at the sole discretion of the Board, in consultation with the Designated Stock Exchange and in the manner prescribed under “*Terms of the Issue - Basis of Allotment*” on page 176.

If you desire to apply for additional Rights Equity Shares please indicate your requirement in the place provided for additional Rights Equity Shares in Part A of the CAF. The Renounee applying for all the Rights Equity Shares renounced in their favour may also apply for additional Rights Equity Shares.

### **Renunciation under the ASBA Process**

ASBA Investors can neither be Renounees nor can renounce their Rights Entitlement.

### **Application on Plain Paper - ASBA**

An Equity Shareholder who has neither received the original CAF nor is in a position to obtain the duplicate CAF and who is applying under the ASBA Process may make an application to subscribe to the Issue on plain paper. The Equity Shareholder shall submit the plain paper application to the Designated Branch of SCSB for authorising such SCSB to block an amount equivalent to the amount payable on the application in the said bank account maintained with the same SCSB. Applications on plain paper from any address outside India will not be accepted.

The envelope should be superscribed “[●]” in case of resident shareholders and Non-resident shareholders

applying on non-repatriable basis and “[●]” in case of non-resident shareholders applying on repatriable basis and should be postmarked in India. The application on plain paper, duly signed by the Investors including joint holders, in the same order as per the specimen recorded with our Company, must reach the SCSBs before the Issue Closing Date and should contain the following particulars:

- Name of Issuer, being Elpro International Limited;
- Name and address of the Equity Shareholder including joint holders;
- Registered Folio Number/DP and Client ID no.;
- Number of Equity Shares held as on Record Date;
- Number of Rights Equity Shares entitled to;
- Number of Rights Equity Shares applied for;
- Number of additional Rights Equity Shares applied for, if any;
- Total number of Rights Equity Shares applied for;
- Total amount to be blocked at the rate of ₹ [●] per Rights Equity Share;
- Except for applications on behalf of the Central or State Government and the officials appointed by the courts, PAN number of the Investor and for each Investor in case of joint names, irrespective of the total value of the Equity Shares applied for pursuant to the Issue;
- Details of the ASBA Account such as the account number, name, address and branch of the relevant SCSB;
- In case of non-resident investors, details of the NRE/FCNR/NRO account such as the account number, name, address and branch of the SCSB with which the account is maintained;
- Signature of the Shareholders to appear in the same sequence and order as they appear in our records or depositories records; and
- Additionally, all such applicants are deemed to have accepted the following:

*“I/We understand that neither the Rights Entitlement nor the Rights Equity Shares have been, and will be, registered under the United States Securities Act of 1933, as amended (the “US Securities Act”) or any United States state securities laws, and may not be offered, sold, resold or otherwise transferred within the United States or to the territories or possessions thereof (the “United States”) or to or for the account or benefit of a “U.S. Person” as defined in Regulation S under the US Securities Act (“Regulation S”). I/we understand the Rights Equity Shares referred to in this application are being offered in India but not in the United States. I/we understand the offering to which this application relates is not, and under no circumstances is to be construed as, an offering of any Rights Equity Shares or Rights Entitlement for sale in the United States, or as a solicitation therein of an offer to buy any of the Rights Equity Shares or Rights Entitlement in the United States. I/we understand that none of our Company, the Registrar, the Lead Manager or any other person acting on behalf of our Company will accept subscriptions from any person, or the agent of any person, who appears to be, or who our Company, the Registrar, the Lead Manager or any other person acting on behalf of our Company has reason to believe is, a resident of the United States or a “U.S. Person” (as defined in Regulation S,) or is ineligible to participate in the Issue under the securities laws of their jurisdiction.*

*I/We will not offer, sell or otherwise transfer any of the Rights Equity Shares which may be acquired by us in any jurisdiction or under any circumstances in which such offer or sale is not authorised or to any person to whom it is unlawful to make such offer, sale or invitation except under circumstances that will result in compliance with any applicable laws or regulations. We satisfy, and each account for which we are acting satisfies, all suitability standards for investors in investments of the type subscribed for herein imposed by the jurisdiction of our residence.*

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

*I/We (i) am/are, and the person, if any, for whose account I/we am/are acquiring such Rights Entitlement and/or the Rights Equity Shares is/are, outside the United States, (ii) am/are not a “U.S. Person” as defined in Regulation S, and (iii) is/are acquiring the Rights Entitlement and/or the Equity Shares in an offshore transaction meeting the requirements of Regulation S.*

*I/We acknowledge that our Company, the Lead Manager, their affiliates and others will rely upon the*

*truth and accuracy of the foregoing representations and agreements.”*

Investors are requested to note that CAF or plain paper application with only foreign addresses is liable to be rejected on technical grounds. The CAF or plain paper application should contain the Indian address also if foreign address is mentioned.

The plain paper application format will be available on the website of the Registrar to the Issue at [www.sharexindia.com](http://www.sharexindia.com).

Please note that those who are making the application otherwise than on original CAF shall not be entitled to renounce their rights and should not utilise the original CAF for any purpose including renunciation even if it is received subsequently. If the Investor violates such requirements, he/she shall face the risk of rejection of both the applications. We shall refund such application amount to the Investor without any interest thereon.

#### **Option to receive Equity Shares in Dematerialised Form**

**EQUITY SHAREHOLDERS APPLYING UNDER THE ASBA PROCESS MAY PLEASE NOTE THAT THE RIGHTS EQUITY SHARES OF OUR COMPANY UNDER THE ASBA PROCESS CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO THE SAME DEPOSITORY ACCOUNT IN WHICH THE EQUITY SHARES ARE HELD BY SUCH ASBA APPLICANT ON THE RECORD DATE.**

#### **Issuance of Intimation Letters**

Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar to the Issue shall send to the Controlling Branches, a list of the ASBA Investors who have been allocated Equity Shares in this Issue, along with:

- The number of Rights Equity Shares to be allotted against each successful ASBA Application;
- The amount to be transferred from the ASBA Account to the separate bank account opened by our Company for the Issue, for each successful ASBA;
- The date by which the funds referred to above, shall be transferred to the aforesaid bank account; and
- The details of rejected ASBA applications, if any, to enable the SCSBs to unblock the respective ASBA Accounts.

#### **General instructions for Equity Shareholders applying under the ASBA Process:**

- a. Please read the instructions printed on the CAF carefully.
- b. Application should be made on the printed CAF only and should be completed in all respects. The CAF found incomplete with regard to any of the particulars required to be given therein, and/or which are not completed in conformity with the terms of the Letter of Offer are liable to be rejected. The CAF must be filled in English.
- c. ASBA Applicants are required to select this mechanism in Part A of the CAF and provide necessary details, including details of the ASBA Account, authorising the SCSB to block an amount equal to the Application Money in the ASBA Account mentioned in the CAF, and including the signature of the ASBA Account holder if the ASBA Account holder is different from the Applicant.
- d. The CAF/plain paper application in the ASBA Process should be submitted at a Designated Branch of the SCSB and whose bank account details are provided in the CAF and not to the Banker to the Issue/Collecting Banks (assuming that such Collecting Bank is not a SCSB), to our Company or Registrar or Lead Manager to the Issue.
- e. All applicants, and in the case of application in joint names, each of the joint applicants, should mention his/her PAN number allotted under the Income-Tax Act, 1961, irrespective of the amount of the application. Except for applications on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts, CAFs without PAN will be considered incomplete and are liable to be rejected. With effect from August 16, 2010, the demat accounts for Investors for which PAN details

have not been verified shall be “suspended credit” and no allotment and credit of Equity Shares shall be made into the accounts of such Investors.

- f. All payments will be made by blocking the amount in the bank account maintained with the SCSB. Cash payment is not acceptable. In case payment is affected in contravention of this, the application may be deemed invalid and the application money will be refunded and no interest will be paid thereon.
- g. Signatures should be either in English or Hindi or in any other language specified in the Eighth Schedule to the Constitution of India. Signatures other than in English or Hindi and thumb impression must be attested by a Notary Public or a Special Executive Magistrate under his/her official seal. The Equity Shareholders must sign the CAF as per the specimen signature recorded with our Company/or Depositories.
- h. In case of joint holders, all joint holders must sign the relevant part of the CAF in the same order and as per the specimen signature(s) recorded with our Company. In case of joint applicants, reference, if any, will be made in the first applicant’s name and all communication will be addressed to the first applicant.
- i. All communication in connection with application for the Equity Shares, including any change in address of the Equity Shareholders should be addressed to the Registrar to the Issue prior to the date of Allotment in this Issue quoting the name of the first/sole applicant Equity Shareholder, folio numbers and CAF number.
- j. Only persons outside restricted jurisdictions and who are eligible to subscribe for Rights Entitlement and Equity Shares under applicable securities laws and not Renouncees(s) are eligible to participate.
- k. ASBA Investors who intend to subscribe the Equity Shares of our Company under this Issue shall be eligible to participate under the ASBA Process.
- l. All Investors (apart from Retail Individual Investors) having bank accounts with SCSBs that are providing ASBA in cities/centres where such Investors are located, are mandatorily required to make use of the ASBA facility. Otherwise, applications of such Investors are liable for rejection. All Investors are encouraged to make use of the ASBA facility wherever such facility is available.
- m. In case of non – receipt of CAF, application can be made on plain paper mentioning all necessary details as mentioned under the heading “*Application on Plain Paper - ASBA*” on page 170.
- n. In terms of SEBI circulars dated September 13, 2012 and January 2, 2013, SCSBs should ensure that for making applications on own account using ASBA facility, they should have a separate account in own name with any other SEBI registered SCSBs. Such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for ASBA applications.
- o. Please note that pursuant to the applicability of the directions issued by SEBI vide its circular bearing number CIR/CFD/DIL/1/2011 dated April 29, 2011, all applicants who are QIBs, Non-Institutional Investors or are applying in the Issue for Equity Shares for an amount exceeding ₹ 2 lakhs shall mandatorily make use of ASBA facility, subject to their fulfilling the eligibility conditions to be an ASBA Investor. Further, all QIB applicants and Non-Institutional Investors are mandatorily required to use ASBA, even if application amount does not exceed ₹ 2 lakhs subject to their fulfilling the eligibility conditions to be an ASBA Investor.

**Do’s:**

- Ensure that the ASBA Process option is selected in the CAF and necessary details are filled in.
- Ensure that you submit your application in physical mode only. Electronic mode is only available with certain SCSBs and not all SCSBs and you should ensure that your SCSB offers such facility to you.
- Ensure that the details about your Depository Participant and beneficiary account are correct and the beneficiary account is activated as Equity Shares will be allotted in the dematerialised form only.
- Ensure that your Indian address is available to our Company and the Registrar, in case you hold equity

shares in physical form or the depository participant, in case you hold equity shares in dematerialised form;

- Ensure that the CAFs are submitted at the SCSBs and details of the correct bank account have been provided in the CAF.
- Ensure that there are sufficient funds (equal to [number of Equity Shares as the case may be applied for] X [Issue Price of Equity Shares, as the case may be]) available in the bank account maintained with the SCSB mentioned in the CAF before submitting the CAF to the respective Designated Branch of the SCSB.
- Ensure that you have authorised the SCSB for blocking funds equivalent to the total amount payable on application mentioned in the CAF, in the bank account maintained with the respective SCSB, of which details are provided in the CAF and have signed the same.
- Ensure that you receive an acknowledgement from the SCSB for your submission of the CAF in physical form.
- Except for CAFs submitted on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts, each applicant should mention their PAN allotted under the I. T. Act.
- Ensure that the name(s) given in the CAF is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the CAF is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the CAF.
- Ensure that the Demographic Details are updated, true and correct, in all respects.

#### **Don'ts:**

- Do not apply if you are not eligible to participate in this Issue under the securities laws applicable to your jurisdiction.
- Do not apply on duplicate CAF after you have submitted a CAF to a Designated Branch of the SCSB.
- Do not pay the amount payable on application in cash, by money order or by postal order.
- Do not send your physical CAFs to the Lead Manager to Issue/Registrar/Collecting Banks (assuming that such Collecting Bank is not a SCSB)/to a branch of the SCSB which is not a Designated Branch of the SCSB/Company; instead submit the same to a Designated Branch of the SCSB only.
- Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground.
- Do not apply if the ASBA account has been used for five applicants.
- Do not apply through the ASBA Process if you are not an ASBA Investor.
- Do not instruct your respective banks to release the funds blocked under the ASBA Process.

#### **Grounds for Technical Rejection for ASBA Investors**

- In addition to the grounds listed under “*Grounds for Technical Rejection for non-ASBA Investors*” on page 167, applications under the ASBA Process are liable to be rejected on the following grounds:
- Application for Allotment of Rights Entitlements or additional shares in physical form (in case the existing holding is in dematerialised form).
- DP ID and Client ID mentioned in CAF not matching with the DP ID and Client ID records available with the Registrar.
- Sending CAF to a Lead Manager/Registrar/Collecting Bank (assuming that such Collecting Bank is not a SCSB)/to a branch of a SCSB which is not a Designated Branch of the SCSB/Company.



- Renounee applying under the ASBA Process.
- Insufficient funds are available with the SCSB for blocking the amount.
- Funds in the bank account with the SCSB whose details are mentioned in the CAF having been frozen pursuant to regulatory orders.
- Account holder not signing the CAF or declaration mentioned therein.
- CAFs that do not include the certification set out in the CAF to the effect that the subscriber does not have a registered address (and is not otherwise located) in restricted jurisdictions and is authorised to acquire the rights and the securities in compliance with all applicable laws and regulations.
- CAFs which have evidence of being executed in/dispatched from restricted jurisdiction.
- Applications by persons not competent to contract under the Contract Act, 1872, as amended, except applications by minors having valid demat accounts as per the demographic details provided by the Depositories.
- Submission of more than five CAFs per ASBA Account.
- Multiple CAFs, including cases where an Investor submits CAFs along with a plain paper application.
- Submitting the GIR instead of the PAN.
- An Equity Shareholder, who is not complying with any or all of the conditions for being an ASBA Investor and is not a renounee or a Renounee not applying through the ASBA process applying through the ASBA process.
- Applications by SCSBs not complying with the SEBI circulars dated September 13, 2012 and January 2, 2013, whereby SCSBs need to ensure that for making applications on own account using ASBA facility, they should have a separate account in own name with any other SEBI registered SCSBs. Such account should be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for ASBA applications.

#### **Depository account and bank details for Equity Shareholders applying under the ASBA Process**

**IT IS MANDATORY FOR ALL THE ELIGIBLE EQUITY SHAREHOLDERS APPLYING UNDER THE ASBA PROCESS TO RECEIVE THEIR EQUITY SHARES IN DEMATERIALISED FORM AND TO THE SAME DEPOSITORY ACCOUNT IN WHICH THE EQUITY SHARES ARE HELD BY THE EQUITY SHAREHOLDER ON THE RECORD DATE. ALL EQUITY SHAREHOLDERS APPLYING UNDER THE ASBA PROCESS SHOULD MENTION THEIR DEPOSITORY PARTICIPANT'S NAME, DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER AND BENEFICIARY ACCOUNT NUMBER IN THE CAF. EQUITY SHAREHOLDERS APPLYING UNDER THE ASBA PROCESS MUST ENSURE THAT THE NAME GIVEN IN THE CAF IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD. IN CASE THE CAF IS SUBMITTED IN JOINT NAMES, IT SHOULD BE ENSURED THAT THE DEPOSITORY ACCOUNT IS ALSO HELD IN THE SAME JOINT NAMES AND ARE IN THE SAME SEQUENCE IN WHICH THEY APPEAR IN THE CAF.**

Equity Shareholders applying under the ASBA Process should note that on the basis of name of these Equity Shareholders, Depository Participant's name and identification number and beneficiary account number provided by them in the CAF, the Registrar to the Issue will obtain from the Depository demographic details of these Equity Shareholders such as address, bank account details for printing on refund orders and occupation ("**Demographic Details**"). Hence, Equity Shareholders applying under the ASBA Process should carefully fill in their Depository Account details in the CAF.

These Demographic Details would be used for all correspondence with such Equity Shareholders including mailing of the letters intimating unblock of bank account of the respective Equity Shareholder. The

Demographic Details given by the Equity Shareholders in the CAF would not be used for any other purposes by the Registrar. Hence, Equity Shareholders are advised to update their Demographic Details as provided to their Depository Participants.

By signing the CAFs, the Equity Shareholders applying under the ASBA Process would be deemed to have authorised the Depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

Letters intimating Allotment and unblocking or refund (if any) would be mailed at the address of the Equity Shareholder applying under the ASBA Process as per the Demographic Details received from the Depositories. Refunds, if any, will be made directly to the bank account linked to the DP ID. Equity Shareholders applying under the ASBA Process may note that delivery of letters intimating unblocking of bank account may get delayed if the same once sent to the address obtained from the Depositories are returned undelivered. In such an event, the address and other details given by the Equity Shareholder in the CAF would be used only to ensure dispatch of letters intimating unblocking of the ASBA Accounts.

Note that any such delay shall be at the sole risk of the Equity Shareholders applying under the ASBA Process and none of our Company, the SCSBs or the Lead Manager shall be liable to compensate the Equity Shareholder applying under the ASBA Process for any losses caused due to any such delay or liable to pay any interest for such delay.

In case no corresponding record is available with the Depositories that matches three parameters, (a) names of the Equity Shareholders (including the order of names of joint holders), (b) the DP ID, and (c) the beneficiary account number, then such applications are liable to be rejected.

#### Issue Schedule

Issue Opening Date	[●]
Last date for receiving requests for Split Application Forms	[●]
Issue Closing Date	[●]
Finalisation of basis of allotment with the Designated Stock Exchange	On or about [●]
Date of Allotment	On or about [●]
Initiation of Refunds	On or about [●]
Credit of Rights Equity Shares to demat accounts of Allottees	On or about [●]
Commencement of trading of Rights Equity Shares on the Stock Exchange	On or about [●]

Investors are advised to ensure that the CAFs are submitted on or before the Issue Closing Date. Our Company, the Lead Manager and/or the Registrar to the Issue will not be liable for any loss on account of non-submission of CAFs or on before the Issue Closing Date.

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

#### Basis of Allotment

Subject to the provisions contained in the Draft Letter of Offer, the Articles of Association of our Company and the approval of the Designated Stock Exchange, the Board will proceed to Allot the Rights Equity Shares in the following order of priority:

- a. Full Allotment to those Equity Shareholders who have applied for their Rights Entitlement either in full or in part and also to the Renouncee(s) who has/have applied for Rights Equity Shares renounced in their favour, in full or in part.
- b. Allotment to the Equity Shareholders who having applied for all the Rights Equity Shares offered to them as part of the Issue and have also applied for additional Rights Equity Shares. The Allotment of such additional Rights Equity Shares will be made as far as possible on an equitable basis having due regard to the number of Equity Shares held by them on the Record Date, provided there is an under-

subscribed portion after making full Allotment in (a) above. The Allotment of such Rights Equity Shares will be at the sole discretion of the Board or any committee thereof in consultation with the Designated Stock Exchange, as a part of the Issue and will not be a preferential allotment.

- c. Fractional entitlement if any will be rounded off to the next higher integer and the share required for the same will be adjusted from one of the promoter's entitlement.
- d. Allotment to Renounees who having applied for all the Rights Equity Shares renounced in their favour and have applied for additional Rights Equity Shares provided there is surplus available after making full Allotment under (a) and (b) above. The Allotment of such Rights Equity Shares will be at the sole discretion of the Board or any committee thereof in consultation with the Designated Stock Exchange, as a part of the Issue and not preferential Allotment.
- e. Allotment to any other person as the Board may in its absolute discretion deem fit provided there is surplus available after making full Allotment under (a), (b) and (c) above, and the decision of the Board in this regard will be final and binding.
- f. After taking into account Allotment to be made under (a) to (d) above, if there is any unsubscribed portion, the same shall be deemed to be 'unsubscribed'.

In the event of over subscription, Allotment shall be made within the overall size of the Issue.

### **Underwriting**

Our Company has currently not entered into any underwriting arrangement. We may enter into such arrangement for the purpose of the Issue at an appropriate time and on such terms and conditions as we may deem fit. In the event, our Company enters into such an arrangement, which shall be done, prior to the filing of the Letter of Offer with the Designated Stock Exchange, we shall disclose the details of the underwriting arrangement in the Letter of Offer as required under the SEBI ICDR Regulations.

### **Allotment Advices / Refund Orders**

Our Company will issue and dispatch Allotment advice/share certificates/demat credit and/or letters of regret along with refund order or credit the allotted Rights Equity Shares to the respective beneficiary accounts, if any, within a period of 15 days from the Issue Closing Date. In case of failure to do so, our Company shall pay interest at such rate and within such time as specified under applicable law.

Investors residing at centers where clearing houses are managed by the RBI will get refunds through National Electronic Clearing Service ("NECS") except where Investors have not provided the details required to send electronic refunds or where the investors are otherwise disclosed as applicable or eligible to get refunds through direct credit and real-time gross settlement ("RTGS").

In case of those Investors who have opted to receive their Rights Entitlement in dematerialised form using electronic credit under the depository system, advice regarding their credit of the Rights Equity Shares shall be given separately. Investors to whom refunds are made through electronic transfer of funds will be sent a letter through ordinary post intimating them about the mode of credit of refund within 15 days of the Issue Closing Date.

In case of those Investors who have opted and are entitled to receive their Rights Entitlement in physical form, our Company will issue share certificates under Section 56 of the Companies Act or other applicable provisions, if any. Investors are requested to preserve such letters of allotment, which would be exchanged later for the share certificates.

The letter of allotment / refund order would be sent by registered post/speed post to the sole/first Investors registered address. Such refund orders would be payable at par at all places where the applications were originally accepted. The same would be marked 'Account Payee only' and would be drawn in favour of the sole/first Investor. Adequate funds would be made available to the Registrar to the Issue for this purpose.

### **Payment of Refund**

### ***Mode of making refunds***

The payment of refund, if any, would be done through any of the following modes:

- 1) **NACH** – National Automated Clearing House is a consolidated system of electronic clearing service. Payment of refund would be done through NACH for Applicants having an account at one of the centres specified by the RBI, where such facility has been made available. This would be subject to availability of complete bank account details including MICR code wherever applicable from the depository. The payment of refund through NACH is mandatory for Applicants having a bank account at any of the centres where NACH facility has been made available by the RBI (subject to availability of all information for crediting the refund through NACH including the MICR code as appearing on a cheque leaf, from the depositories), except where applicant is otherwise disclosed as eligible to get refunds through NEFT or Direct Credit or RTGS.
- 2) **NEFT** – Payment of refund shall be undertaken through NEFT wherever the Investors' bank has been assigned the Indian Financial System Code (IFSC), which can be linked to a MICR, allotted to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Investors have registered their nine digit MICR number and their bank account number with the registrar to our Company or with the depository participant while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of refund will be made to the Investors through this method.
- 3) **Direct Credit** – Investors having bank accounts with the Banker to the Issue shall be eligible to receive refunds through direct credit. Charges, if any, levied by the relevant bank(s) for the same would be borne by our Company.
- 4) **RTGS** – If the refund amount exceeds ₹ 2 lakhs, the investors have the option to receive refund through RTGS. Such eligible Investors who indicate their preference to receive refund through RTGS are required to provide the IFSC code in the CAF. In the event the same is not provided, refund shall be made through ECS or any other eligible mode. Charges, if any, levied by the refund bank(s) for the same would be borne by our Company. Charges, if any, levied by the Investor's bank receiving the credit would be borne by the Investor.
- 5) For all other Investors, the refund orders will be despatched through speed post/registered post. Such refunds will be made by cheques, pay orders or demand drafts drawn in favour of the sole/first Investor and payable at par.
- 6) Credit of refunds to Investors in any other electronic manner permissible under the banking laws, which are in force, and are permitted by the SEBI from time to time.

### ***Refund payment to Non- resident***

Where applications are accompanied by Indian rupee drafts purchased abroad and payable at Mumbai, refunds will be made in the Indian Rupees based on the U.S. dollars equivalent which ought to be refunded. Indian Rupees will be converted into U.S. dollars at the rate of exchange, which is prevailing on the date of refund. The exchange rate risk on such refunds shall be borne by the concerned applicant and our Company shall not bear any part of the risk.

Where the applications made are accompanied by NRE/FCNR/NRO cheques, refunds will be credited to NRE/FCNR/NRO accounts respectively, on which such cheques were drawn and details of which were provided in the CAF.

### **Printing of Bank Particulars on Refund Orders**

As a matter of precaution against possible fraudulent encashment of refund orders due to loss or misplacement, the particulars of the Investor's bank account are mandatorily required to be given for printing on the refund orders. Bank account particulars, where available, will be printed on the refund orders/refund warrants which can then be deposited only in the account specified. We will in no way be responsible if any loss occurs through these instruments falling into improper hands either through forgery or fraud.

### **Allotment advice/Share Certificates/Demat Credit**

Allotment advice/share certificates/demat credit or letters of regret will be dispatched to the registered address of the first named Investor or respective beneficiary accounts will be credited within 15 days, from the Issue Closing Date. In case our Company issues Allotment advice, the relative share certificates will be dispatched within one month from the date of the Allotment. Allottees are requested to preserve such allotment advice (if any) to be exchanged later for share certificates.

Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar to the Issue shall send to the Controlling Branches, a list of the ASBA Investors who have been allocated Rights Equity Shares in the Issue, along with:

- The amount to be transferred from the ASBA Account to the separate bank account opened by our Company for the Issue, for each successful ASBA;
- The date by which the funds referred to above, shall be transferred to the aforesaid bank account; and
- The details of rejected ASBA applications, if any, to enable the SCSBs to unblock the respective ASBA Accounts.

### **Option to receive Equity Shares in Dematerialised Form**

Investors shall be allotted the Rights Equity Shares in dematerialised (electronic) form at the option of the Investor. We have signed a tripartite agreement with NSDL on July 10, 2000 and with CDSL on June 2, 2000 which enables the Investors to hold and trade Equity Shares in a dematerialised form, instead of holding the Equity Shares in the form of physical certificates. The ISIN number of the Equity Shares is INE579B01039.

In this Issue, the allottees who have opted for Equity Shares in dematerialised form will receive their Rights Equity Shares in the form of an electronic credit to their beneficiary account as given in the CAF, after verification with a depository participant. Investor will have to give the relevant particulars for this purpose in the appropriate place in the CAF. Allotment advice, refund order (if any) would be sent directly to the Investor by the Registrar to the Issue but the Investor's depository participant will provide to him the confirmation of the credit of such Equity Shares to the Investor's depository account. CAFs, which do not accurately contain this information, will be given the Equity Shares in physical form. No separate CAFs for Equity Shares in physical and/or dematerialised form should be made.

**INVESTORS MAY PLEASE NOTE THAT THE RIGHTS EQUITY SHARES OF OUR COMPANY CAN BE TRADED ON THE STOCK EXCHANGE ONLY IN DEMATERIALISED FORM.**

The procedure for availing the facility for Allotment of the Rights Equity Shares in this Issue in the electronic form is as under:

- Open a beneficiary account with any depository participant (care should be taken that the beneficiary account should carry the name of the holder in the same manner as is registered in the records of our Company. In the case of joint holding, the beneficiary account should be opened carrying the names of the holders in the same order as registered in the records of our Company). In case of Investors having various folios in our Company with different joint holders, the Investors will have to open separate accounts for such holdings. *Those Equity Shareholders who have already opened such beneficiary account(s) need not adhere to this step.*
- For Equity Shareholders already holding Equity Shares in dematerialised form as on the Record Date, the beneficial account number shall be printed on the CAF. For those who open accounts later or those who change their accounts and wish to receive their Equity Shares by way of credit to such account, the necessary details of their beneficiary account should be filled in the space provided in the CAF. It may be noted that the Allotment of Equity Shares arising out of this Issue may be made in dematerialised form even if the original Equity Shares are not dematerialised. Nonetheless, it should be ensured that the depository account is in the name(s) of the Equity Shareholders and the names are in the same order as in our records.
- The responsibility for correctness of information (including Investor's age and other details) filled in the CAF vis-à-vis such information with the Investor's depository participant, would rest with the Investor. Investors should ensure that the names of the Investors and the order in which they appear in CAF should

be the same as registered with the Investor's depository participant.

- If incomplete/incorrect beneficiary account details are given in the CAF, then such shares will be credited to a demat suspense a/c which shall be opened by our Company as specified in the SEBI circular no. SEBI/CFD/DIL/LA/1/2009/24/04 dated April 24, 2009.
- The Rights Equity Shares allotted to applicants opting for issue in dematerialised form, would be directly credited to the beneficiary account as given in the CAF after verification. Allotment advice, refund order (if any) would be sent directly to the applicant by the Registrar to the Issue but the applicant's depository participant will provide to him the confirmation of the credit of such Rights Equity Shares to the applicant's depository account. It may be noted that Rights Equity Shares in electronic form can be traded only on the Stock Exchange having electronic connectivity with NSDL or CDSL.
- Renounees will also have to provide the necessary details about their beneficiary account for Allotment of Rights Equity Shares in this Issue. In case these details are incomplete or incorrect, the application is liable to be rejected.
- Non-transferable allotment advice/refund orders will be directly sent to the Investors by the Registrar.
- Dividend or other benefits with respect to the Rights Shares held in dematerialised form would be paid to those Equity Shareholders whose names appear in the list of beneficial owners given by the Depository Participant to our Company as on the date of the book closure.

### **Investment by FPIs, FIIs and QFIs**

On January 7, 2014, the SEBI (Foreign Portfolio Investors) Regulations, 2014 ("**SEBI FPI Regulations**") were notified by SEBI pursuant to which FIIs, its sub-accounts and QFIs categories of investors were merged to form a new category called 'Foreign Portfolio Investors'.

Under the SEBI FPI Regulations, purchase of equity shares by an FPI or an investor group should be below 10% of the total issued capital of an Indian company.

However, portfolio investments by FIIs are also governed by RBI under FEMA and RBI has not yet notified the corresponding amendments to regulations under FEMA. Under the FEMA regulations, no single FPI can hold more than 10% of the paid up capital of an Indian company and the total equity share holding of all FPIs put together in a company is subject to a cap of 24% of the paid up capital of the company. The aggregate limit of 24% can be increased up to the applicable sectoral cap by passing a resolution by the board of the directors followed by passing a special resolution to that effect by the shareholders of the company. Our Company has not passed any resolution for increasing the limit and accordingly, no single FPI can hold more than 10% of the paid up capital of our Company and the total equity share holding held by all FPIs in our Company cannot exceed 24%.

Under the FPI Regulations and subject to compliance with all applicable Indian laws, FPIs may issue, subscribe or otherwise deal in offshore derivative instruments (defined under the FPI Regulations as any instrument, by whatever name called, which is issued overseas by a FPI against securities held by it that are listed or proposed to be listed on any recognised stock exchange in India, as its underlying security), directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons who are regulated by an appropriate foreign regulatory authority; and (ii) such offshore derivative instruments are issued after compliance with 'know your client' norms.

Further, Category II FPIs under the SEBI FPI Regulations which are unregulated broad based funds and Category III FPIs under the SEBI FPI Regulations shall not issue, subscribe or otherwise deal in such offshore derivative instruments directly or indirectly. In addition, FPIs are required to ensure that further issue or transfer of any offshore derivative instruments by or on behalf of it is made only to person regulated by an appropriate foreign regulatory authority.

### **Applications will not be accepted from FPIs in restricted jurisdictions.**

FPIs which are QIBs, Non-Institutional Investors or whose application amount exceeds ₹ 2 lakhs can participate in the Rights Issue only through the ASBA process. Further, FPIs which are QIB applicants and Non-Institutional Investors are mandatorily required to use ASBA, even if application amount does not exceed ₹ 2 lakhs.

### **Investment by NRIs**

Investments by NRIs are governed by the Portfolio Investment Scheme under Regulation 5(3)(i) of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000.

### **Procedure for Applications by Mutual Funds**

A separate application can be made in respect of each scheme of an Indian mutual fund registered with the SEBI and such applications shall not be treated as multiple applications. The applications made by asset management companies or custodians of a mutual fund should clearly indicate the name of the concerned scheme for which the application is being made.

### **Procedure for applications by Systemically Important NBFCs**

In case of application made by Systemically Important NBFCs registered with the RBI, (i) the certificate of registration issued by the RBI under Section 45 –IA of the RBI Act, 1934 and (ii) networth certificate from its statutory auditors or any independent chartered accountant based on the last audited financial statements is required to be attached to the application.

### **Impersonation**

As a matter of abundant caution, attention of the Investors is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

“Any person who—

- (a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or
- (b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or
- (c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name shall be liable for action under section 447.”

The liability prescribed under Section 447 of the Companies Act, 2013 includes imprisonment for a term which shall not be less than six (6) months extending up to ten (10) years (provided that where the fraud involves public interest, such term shall not be less than three (3) years) and fine of an amount not less than the amount involved in the fraud, extending up to three (3) times of such amount.

### **Disposal of application and application money**

No acknowledgment will be issued for the application moneys received by our Company. However, the Banker to the Issue/Registrar to the Issue/SCSBs receiving the CAF will acknowledge its receipt by stamping and returning the acknowledgment slip at the bottom of each CAF.

The Board reserves its full, unqualified and absolute right to accept or reject any application, in whole or in part, and in either case without assigning any reason thereto.

In case an application is rejected in full, the whole of the application money received will be refunded. Wherever an application is rejected in part, the balance of application money, if any, after adjusting any money due on Rights Equity Shares allotted, will be refunded to the Investor within a period of 15 days from the Issue Closing Date. In case of failure to do so, our Company shall pay interest at such rate and within such time as specified under applicable law.

For further instructions, please read the CAF carefully.

### **Utilisation of Issue Proceeds**

The Board of Directors declares that:

- a. All the monies received out of the Issue shall be transferred to a separate bank account.
- b. Details of the all monies utilised out of the Issue, referred to in sub-item (a), shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the purpose for which such

monies have been utilised.

- c. Details of all unutilised monies out of the Issue, if any, referred to in sub-item (a), shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the form in which such unutilised monies have been invested.
- d. Our Company shall utilise the funds collected in this Issue only after the approval of the Basis of Allotment by the Stock Exchange and the listing and trading approvals are received for the Rights Equity Shares.

### **Undertakings by our Company**

Our Company undertakes the following:

- a. The complaints received in respect of the Issue shall be attended to by our Company expeditiously and satisfactorily.
- b. All steps for completion of the necessary formalities for listing and commencement of trading at the Stock Exchange where the Equity Shares are to be listed will be taken within seven working days of finalisation of basis of allotment.
- c. The funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed in this Draft Letter of Offer shall be made available to the Registrar to the Issue by our Company.
- d. Where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the Investor within 15 days of the Issue Closing Date, giving details of the banks where refunds shall be credited along with amount and expected date of electronic credit of refund.
- e. Adequate arrangements shall be made to collect all ASBA applications and to consider them similar to non-ASBA applications while finalising the basis of allotment.
- f. The certificates of the securities/refund orders to the non-resident Indians shall be dispatched within the specified time.
- g. No further issue of securities affecting equity capital of our Company shall be made till the securities issued/offered through this Draft Letter of Offer Issue are listed or till the application monies are refunded on account of non-listing, under-subscription etc.
- h. At any given time, there shall be only one denomination of Equity Shares of our Company.
- i. Our Company shall comply with such disclosure and accounting norms specified by SEBI from time to time.

### **Minimum Subscription**

If our Company does not receive the minimum subscription of 90% of the Issue, we shall refund the entire subscription amount received within 15 days from the Issue Closing Date. In the event that there is a delay of making refunds beyond such period as prescribed by applicable laws, our Company shall pay interest for the delayed period at rates prescribed under applicable laws.

### **Important**

- Please read the Letter of Offer carefully before taking any action. The instructions contained in the accompanying CAF are an integral part of the conditions of the Letter of Offer and must be carefully followed; otherwise the application is liable to be rejected.
- All enquiries in connection with the Letter of Offer or accompanying CAF and requests for SAFs must be addressed (quoting the Registered Folio Number/DP and Client ID number, the CAF number and the name of the first Equity Shareholder as mentioned on the CAF and superscribed “[●]-Rights Issue” on the envelope and postmarked in India) to the Registrar to the Issue at the following address:



**Sharex Dynamic (India) Private Limited**

Unit 1, Luthra Ind Premises

Safed Pool, Andheri Kurla Road

Andheri (East), Mumbai-400 072

Maharashtra, India

**Tel No:** +91-22 – 2851-5606/2851-5644

**Fax No:** +91-22-2851-2885

**Email:** sharexindia@vsnl.com

**Website:** www.sharexindia.com

**Contact Person:** Mr. Shashi Kumar

**SEBI Registration No:** INR000002102

It is to be specifically noted that the Issue of Rights Equity Shares is subject to the risk factors mentioned in section titled “*Risk Factors*” on page 11.

The Issue will remain open for minimum 15 days. However, the Board will have the right to extend the Issue period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date.

## **MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION**

The contracts referred to in para (A) below (not being contracts entered into in the ordinary course of business carried on by us) which are or may be deemed material have been entered into by us.

The contracts together with the documents referred to in para (B) below may be inspected at the Registered Office between 10.00 a.m. to 5.00 p.m. on any working day from the date of the Draft Letter of Offer until the closure of the subscription list.

### **A. Material contracts for inspection**

1. Issue Agreement dated September 28, 2017 between our Company and the Lead Manager to the Issue.
2. Memorandum of understanding dated September 21, 2017 between our Company and the Registrar to the Issue.
3. Banker(s) to the Issue Agreement dated [●] amongst our Company, the Lead Manager and the Registrar to the Issue and the Escrow Collection Bank(s).
4. Tripartite Agreement dated July 10, 2000 amongst our Company, the Registrar to the Issue and NSDL.
5. Tripartite Agreement dated June 2, 2000 amongst our Company, the Registrar to the Issue and CDSL.

### **B. Material documents for inspection**

1. Certified true copy of the Memorandum of Association and Articles of Association of our Company, as amended.
2. Certificate of Incorporation dated July 27, 1962 issued by the Registrar of Companies, Maharashtra.
3. Resolution of the Board of Directors under section 62(1) (a) of Companies Act, 2013 passed in its meeting dated July 25, 2017 authorising the Issue.
4. Consents of the Directors, Chief Financial Officer and Company Secretary and Compliance Officer, Statutory Auditor, Lead Manager to the Issue, Legal Advisor to our Company and Registrar to the Issue to include their names in the Draft Letter of Offer to act in their respective capacities.
5. Annual reports of our Company for Fiscals 2017, 2016, 2015, 2014 and 2013.
6. Statement of tax benefits dated September 27, 2017, issued by M/s Todarwal & Todarwal LLP, Chartered Accountants, as set out in the Draft Letter of Offer.
7. Certificate dated September 29, 2017 from M/s Todarwal & Todarwal LLP, Chartered Accountants, regarding purpose and utilisation of the unsecured loans and ICDs.
8. Due Diligence Certificate dated September 29, 2017 by the Lead Manager to the Issue.
9. In-principle listing approval dated [●] from the BSE.
10. Observation letter dated [●] received from SEBI.
11. Letter issued by RBI in relation to the renunciation of the Rights Entitlement dated [●].

Any of the contracts or documents mentioned in the Draft Letter of Offer may be amended or modified at any time, if so required, in our interest or if required by the other parties, without reference to the Equity Shareholders, subject to compliance with applicable law.

## DECLARATION

We hereby certify that no statement made in this Draft Letter of Offer contravenes any of the provisions of the Companies Act, the SEBI Act and the rules made thereunder or regulations issued thereunder, as the case may be. We further certify that all the legal requirements connected with the Issue as also the guidelines, instructions, etc., issued by SEBI, the Government of India and any other competent authority in this behalf, have been duly complied with. We further certify that all disclosures made in this Draft Letter of Offer are true and correct.

### Signed by the Directors of our Company

Name and designation	Signature
<b>Deepak Kumar Siysharan Singh</b> (Chairman and Managing Director)	Sd/-
<b>Sunil Kanwar Chand Khandelwal</b> (Non-Executive Non-Independent Director)	Sd/-
<b>Surbhit Dabriwala</b> (Non-Executive Non-Independent Director)	Sd/-
<b>Kalpana Unadkat</b> (Non-Executive Independent Director)	Sd/-
<b>Narayan Tulsiram Atal</b> (Non-Executive Independent Director)	Sd/-
<b>Ashok Kumar Jain</b> (Non-Executive Independent Director)	Sd/-

**Place:** Mumbai

**Date:** September 29, 2017

Signed by:

Sd/-

**Sambhaw Kumar Jain**  
Chief Financial Officer