Date: 18th September, 2026

To,
BSE Limited,
Phiroze Jeejeebhoy Tower,
Dalal Street,
Mumbai – 400 001.

Dear Sir/ Madam,

Sub: Submission of Draft Letter of Offer for the Proposed Rights Issue of Artificial Electronics Intelligent Material Limited
Ref: Security ID: AEIM | Code: 526443

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we hereby submit the Draft Letter of Offer in respect of the proposed Rights Issue of the Company.

The same has been submitted to the Stock Exchange and is also available on the website of the Company.

Kindly take the above information on record and oblige.

Thanking You.

For, Artificial Electronics Intelligent Material Limited

CHAYONIKA PALOI Digitally signed by CHAYONIKA PALOI Date: 2026.09.18 16:48:01 +05'30'

Chayonika Paloi
Company Secretary and Compliance Officer
Membership No.: A53923

AEIM

ARTIFICIAL ELECTRONICS INTELLIGENT MATERIAL LIMITED

DRAFT LETTER OF OFFER

Our Company was originally incorporated as **"Datasoft Application Software (India) Limited"** under the provisions of the Companies Act, 1956, pursuant to a Certificate of Incorporation dated 2nd June, 1992, issued by the Registrar of Companies, Bombay, Maharashtra. The equity shares of the Company were subsequently listed and admitted to dealings on the Capital Market Segment (Main Board) of BSE Limited on 13th May, 1994. Thereafter, the registered office of the Company was shifted from the **"State of Maharashtra"** to the **"State of Tamil Nadu"** pursuant to an order dated 5th September, 2022, passed by the Regional Director, and the consequent Certificate of Registration of such order for change of State dated 18th October, 2022, issued by the Registrar of Companies, Chennai. Subsequently, the name of the Company was changed to **"Artificial Electronics Intelligent Material Limited"**, and a fresh Certificate of Incorporation pursuant to such change of name dated 19th June, 2024 was issued by the Registrar of Companies, Central Processing Centre, and such change of name was approved by BSE Limited on 8th July, 2024. For further details about our Company, please refer to the chapter titled ***"General Information"*** on page no. 36 of this Letter of Offer.

Corporate Identification Number: L31100TN1992PLC156105
Registered Office: Building No. GB-200B, Green Base Industrial & Logistics Park, Thriveni Nagar, Vadakkupattu, Chengalpattu, Tamil Nadu, India – 603 204;
Contact No.: +91-9500520263, **Email id:** cos@aeim.co;
Website: www.aeimindia.com;
Contact Person: Ms. Chayonika Paloi, Company Secretary and Compliance Officer

PROMOTERS OF OUR COMPANY: MR. ESWARA RAO NANDAM AND MS. UMA NANDAM

FOR PRIVATE CIRCULATION TO THE ELIGIBLE EQUITY SHAREHOLDERS OF ARTIFICIAL ELECTRONICS INTELLIGENT MATERIAL LIMITED ("AEIM" OR THE "COMPANY" OR THE "ISSUER") ONLY

WEHEREBY CONFIRM THAT NONE OF OUR PROMOTER OR DIRECTORS ARE WILFUL DEFAULTERS AS ON DATE OF THIS LETTER OF OFFER

ISSUE OF UPTO [•]# FULLY PAID-UP EQUITY SHARES OF FACE VALUE OF RS. 10.00/- EACH ("EQUITY SHARES") OF ARTIFICIAL ELECTRONICS INTELLIGENT MATERIAL LIMITED ("AEIM" OR THE "COMPANY" OR THE "ISSUER") FOR CASH AT A PRICE OF RS. [•] PER EQUITY SHARE (INCLUDING SHARE PREMIUM OF RS. [•] PER EQUITY SHARE) ("ISSUE PRICE"), AGGREGATING UPTO RS. 16,601.754 LAKHS ON A RIGHTS BASIS TO THE EXISTING EQUITY SHAREHOLDERS OF OUR COMPANY IN THE RATIO OF [•] RIGHTS EQUITY SHARES FOR EVERY [•] FULLY PAID-UP EQUITY SHARES HELD BY THE ELIGIBLE EQUITY SHAREHOLDERS ON THE RECORD DATE, [•] (THE "RECORD DATE"). THE ISSUE PRICE IS [•] TIMES OF FACE VALUE OF THE EQUITY SHARES. FOR FURTHER DETAILS, PLEASE SEE THE CHAPTER TITLED *"TERMS OF THE ISSUE"* ON PAGE NO. 87 OF THIS LETTER OF OFFER.
#ASSUMING FULL SUBSCRIPTION OF THE ISSUE SUBJECT TO FINALISATION OF BASIS OF ALLOTMENT.

GENERAL RISKS

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in this offer unless they can afford to take the risk with such investment. Investors are advised to read the risk factors carefully before taking an investment decision in this offering. For taking an investment decision, investors shall rely on their own examination of the issuer and the offer, including the risks involved. The securities 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 document. Specific attention of the investors is invited to the statement of ***"Risk Factors"*** on page no. 24 of this Letter of Offer.

OUR COMPANY'S ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Letter of Offer contains all information with regard to the issuer and the issue, which is material in the context of the issue, and that the information contained in the 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 document 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 BSE Limited ("**BSE**") (the **"Stock Exchange"**). Our Company has received the 'In-principle' approval from BSE for the Rights Equity Shares to be allotted pursuant to this Issue vide its letter dated **[•]**. Our Company will also make an application to the stock exchange to obtain their trading approval for the Rights Entitlements as required under the SEBI ICDR Master circular bearing reference number SEBI/HO/CFD/PoD/P/CIR/2024/0154 dated November 11, 2024. For the purpose of this Issue, the Designated Stock Exchange is BSE Limited ("BSE").

REGISTRAR TO THE ISSUE	BANKERS TO THE ISSUE
MUFG MUFG Intime **MUFG Intime India Private Limited** ***(Formerly Link intime India Private Limited)*** **Address:** C-101, Embassy 247, LBS Marg, Surya Nagar, Gandhi Nagar Vikhroli (West), Mumbai – 400 083, Maharashtra, India; **Telephone:** +91-8108114949; **E-mail:** artificialelectronics.rights@in.mpms.mufg.com; **Website:** www.in.mpms.mufg.com; **Investor Grievance E-mail:** artificialelectronics.rights@in.mpms.mufg.com; **Contact Person:** Shanti Gopalakrishnan; and **SEBI Registration Number:** INR000004058	ICICI Bank **Name of Bank:** ICICI Bank Limited **Address:** Capital Market division, 5th Floor, HT Parekh Marg, Backbay Reclamation, Churchgate, Mumbai, Maharashtra – 400 020; **Branch:** Backbay reclamation; **Contact Person:** Mr. Varun Badai; **Contact number:** +022-66818911/ 923/ 924; **Email id:** ipocmg@icici.bank.in; and **Website:** www.icici.bank.in

ISSUE PROGRAMME

ISSUE OPENS ON	LAST DATE FOR MARKET RENUNCIATION*	ISSUE CLOSES ON**
[•]	[•]	[•]
LAST DATE FOR CREDIT OF RIGHTS ENTITLEMENTS	**DATE OF FINALIZATION OF BASIS OF ALLOTMENT**	**DATE OF ALLOTMENT**
[•]	[•]	[•]

DATE OF CREDIT OF RIGHTS EQUITY SHARES	DATE OF LISTING
[•]	[•]

**Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees on or prior to the Issue Closing Date.*
***Our Board or the Rights Issue Committee thereof will have the right to extend the Issue period as it may determine from time to time, provided that this Issue will not remain open in excess of 30 (Thirty) days from the Issue Opening Date. Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.*

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DEFINITIONS AND ABBREVIATIONS

This Letter of Offer uses certain definitions and abbreviations set forth below, which you should consider when reading the information contained herein. The following list of certain capitalized terms used in this Letter of Offer is intended for the convenience of the reader/ prospective investor only and is not exhaustive.

Unless otherwise specified, the capitalized terms used in this Letter of Offer shall have the meaning as defined hereunder. References to any legislations, acts, regulation, rules, guidelines, circulars, notifications, policies or clarifications shall be deemed to include all amendments, supplements or re-enactments and modifications there to notified from time to time and any reference to a statutory provision shall include any subordinate legislation made from time to time under such provision.

Provided those terms used in the sections/ chapters titled ***"Industry Overview", "Summary of the Issue", "Financial Information", "Statement of Possible Tax benefits", "Outstanding Litigation and Material Developments" and "Issue Related Information" on page nos. 49, 35, 76, 48, 78 and 87,*** respectively of this Letter of Offer, shall, unless indicated otherwise, have the meanings ascribed to such terms in the respective sections/ chapters.

<u>CONVENTIONAL/ GENERAL TERMS:</u>

Term	Description
"AEIM", "the Company", "Issuer" and "Artificial Electronics Intelligent Material Limited"	Artificial Electronics Intelligent Material Limited, a Company incorporated in India under the Companies Act, 1956, and having its Registered Office at Building No. GB-200B, Green Base Industrial & Logistics Park, Thriveni Nagar, Vadakkupattu, Chengalpattu, Tamil Nadu, India – 603 204.
"we", "us", or "our"	Unless the context otherwise indicates or implies, refers to our Company.
Financial Statements/ Financial Results	The Audited Financial Statements of our Company prepared under IND AS for Financial Year 2025-26 and Un-audited Financial Results for Quarter ended on 30th June, 2026, prepared in line with IND AS notified under the Companies Act, 2013, as amended read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.
Articles/ Articles of Association/ AOA	Articles of Association of our Company as amended from time to time.
Auditors/ Statutory Auditors	The Auditors of our Company being M/s. D G M S & Co., Chartered Accountants, Mumbai.
Board/ Board of Directors	Board of Directors of our Company including a committee thereof.
Chairman/ Chairperson	Mr. Eswara Rao Nandam, is Chairman of our Company.
Chief Financial Officer/ CFO	Mr. Girija Sankar Tripathy, being Chief Financial Officer of the Company.
CIN	Corporate Identification Number of our Company i.e., L31100TN1992PLC156105.
Companies Act, 1956	The Companies Act, 1956, and the rules thereunder (without reference to the provisions thereof that have ceased to have effect upon the notification of the Notified Sections).
Companies Act, 2013/ Companies Act	The Companies Act, 2013 along with rules made thereunder.
Company Secretary and Compliance Officer/ CS	Ms. Chayonika Paloi being Company Secretary and Compliance Officer of our Company.
Correspondence Address	Building No. GB-200B, Green Base Industrial & Logistics Park, Thriveni Nagar, Vadakkupattu, Chengalpattu, Tamil Nadu, India – 603 204
Director(s)	Any or all director(s) of our Company, unless otherwise specified and as the context may require.
Equity Shareholder(s)/ Shareholder(s)	A holder of the Equity Shares of our Company.
Equity Share(s)	Equity Shares of our Company having face value of Rs. 10.00/- each.
Eligible Equity Shareholder(s)	Equity Shareholders whose names appear on the Register of Members of our Company or in the Register of Beneficial Owners of our Company maintained by the Depositories as at the end of business hours of the Record Date i.e. [●].
Executive Directors	Executive Directors of our Company.
Independent Director(s)	The Independent Director(s) of our Company, in terms of Section 2(47) and Section 149(6) of the Companies Act, 2013.
Key Managerial Personnel(s)/ KMP(s)	Key Managerial Personnel(s) of our Company in terms of Section 2(51) and Section 203 of the Companies Act, 2013 and the SEBI ICDR Regulations as described in this Letter of Offer.

Limited Review Report and Financial Results	The Un-audited Financial Results for the Quarter ended on 30th June, 2026 along with Limited Review Report of our Company, prepared and published in accordance with Regulation 33 of the SEBI Listing Regulations.
Memorandum/ Memorandum of Association/ MOA	Memorandum of Association of our Company, as amended from time to time.
Non-executive Directors	A Director, not being an Executive Director of our Company.
Promoter	Mr. Eswara Rao Nandam and Ms. Uma Nandam are the Promoters of the Company.
Promoter Group	Person(s) and entity(ies) forming part of the Promoter Group of our Company as determined in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations and as disclosed by our Company in the filings made with the Stock Exchange under the SEBI Listing Regulations.
Registered Office	Building No. GB-200B, Green Base Industrial & Logistics Park, Thriveni Nagar, Vadakkupattu, Chengalpattu, Tamil Nadu, India – 603 204.
Registrar of Companies/ ROC	Registrar of Companies, Chennai situated at Block No. 6, B Wing, 2nd Floor, Shastri Bhawan 26, Haddows Road, Chennai, Tamilnadu – 60 0034.
Rights Issue Committee	The committee of our Board constituted/ designated for purpose of the Issue and incidental matters thereof.
Subsidiaries	M/s. AIMOTO Works Private Limited is a subsidiary Company of our Company.

TECHNICAL AND INDUSTRY RELATED TERMS:

Term	Full Form
Advanced Engineered Inorganic Materials	High-performance materials designed for specialized industrial applications, including synthetic sapphire, ruby, silicon carbide and semiconductor-grade materials.
Aerospace Industry	Industry engaged in the design, manufacture and maintenance of aircraft, spacecraft and related systems.
Analytical Instruments	Precision instruments used for scientific testing, measurement, laboratory analysis and quality control applications.
Artificial Intelligence (AI)	Computer-based systems and technologies capable of performing tasks that typically require human intelligence, including automation, data analysis and decision-making processes.
Automotive Industry	Industry engaged in the design, manufacture and assembly of motor vehicles and related components.
B2B (Business-to-Business)	Commercial transactions conducted directly between businesses rather than between a business and individual consumers.
Chemical Mechanical Polishing (CMP)	A semiconductor manufacturing process combining chemical and mechanical actions to achieve ultra-flat and highly polished surfaces.
Cleanroom	A controlled environment with regulated levels of airborne particles, temperature and humidity used in semiconductor and precision manufacturing processes.
CNC (Computer Numerical Control)	Automated manufacturing technology that utilizes computer-controlled machinery for precision machining and fabrication.
Coordinate Measuring Machine (CMM)	A precision metrology instrument used to measure the physical geometrical characteristics of components and assemblies.
CMM Probe Sensors	High-precision sensing components used in coordinate measuring machines for dimensional inspection and measurement.
Defence Industry	Industry engaged in the development, manufacture and supply of military equipment, systems and related technologies.
Diamond Grinding	Precision material removal process using diamond abrasives for shaping and finishing hard materials such as sapphire and silicon carbide.
EDA (Electronic Design Automation)	Software tools and services used for designing, simulating, verifying and manufacturing semiconductor devices and integrated circuits.
Electronics Assembly	Manufacturing process involving the assembly and integration of electronic components into finished products or sub-systems.
Embedded Systems	Specialized computing systems integrated within larger mechanical or electrical systems to perform dedicated functions.
Fabrication Unit (Fab)	Manufacturing facility where semiconductor wafers and integrated circuits are produced.
LED (Light Emitting Diode)	Semiconductor device that emits light when electric current passes through it.
Ophthalmic Ruby Knife	Precision surgical instrument manufactured using ruby material and used in ophthalmic procedures.
Precision Engineering	Engineering discipline focused on the design and manufacture of components with extremely tight tolerances and high accuracy.

Precision Sapphire Components	Components manufactured from synthetic sapphire for applications requiring high hardness, wear resistance and dimensional accuracy.
Sapphire	Synthetic single-crystal aluminium oxide material possessing high hardness, optical transparency and thermal stability.
Sapphire Substrate	A wafer or base material manufactured from sapphire and used in semiconductor, LED and optical applications.
Semiconductor	A material whose electrical conductivity lies between that of a conductor and an insulator and is used in electronic devices and integrated circuits.
Semiconductor Materials	Specialized materials, including sapphire, silicon and silicon carbide, used in semiconductor device manufacturing.
Semiconductor Processing Equipment	Machinery and systems used in the manufacture, testing and processing of semiconductor materials and devices.
Silicon	A semiconductor material widely used in the manufacture of integrated circuits, electronic devices and photovoltaic applications.
Silicon Carbide (SiC)	A wide-bandgap semiconductor material known for high thermal conductivity, high voltage tolerance and superior performance in power electronics.
Surface Finishing	Manufacturing process involving grinding, lapping and polishing to achieve specified surface quality and dimensional tolerances.
Synthetic Sapphire	Laboratory-grown sapphire crystal possessing physical and chemical properties similar to natural sapphire.
Thin Film Deposition	Process of depositing extremely thin layers of material onto a substrate to achieve desired electrical, optical or mechanical properties.
Wafer	A thin slice of semiconductor or crystalline material used as a substrate for electronic device fabrication.
Wide-Bandgap Semiconductor	Semiconductor material possessing a larger energy bandgap than conventional silicon, enabling superior performance in high-power and high-temperature applications.

ABBREVIATIONS:

Term	Full Form
AS/ Accounting Standard	Accounting Standards as issued by the Institute of Chartered Accountants of India
A/c	Account
ACS	Associate Company Secretary
AGM	Annual General Meeting
ASBA	Applications Supported by Blocked Amount
AMT.	Amount
AIF	Alternative Investment Funds registered under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as amended.
AY	Assessment Year
AOA	Articles of Association
Approx.	Approximately
B. A.	Bachelor of Arts
BBA	Bachelor of Business Administration
B. Com	Bachelor of Commerce
B. E.	Bachelor of Engineering
B. Sc.	Bachelor of Science
B. Tech	Bachelor of Technology
Bn	Billion
BG/ LC	Bank Guarantee / Letter of Credit
BIFR	Board for Industrial and Financial Reconstruction
BSE	BSE Limited
BSE SENSEX	Sensex in an index; market indicator of the position of stock that is listed in the BSE
CDSL	Central Depository Services (India) Limited
CAGR	Compounded Annual Growth Rate
CAN	Confirmation of Allocation Note
CA	Chartered Accountant
CAD	Canadian Dollar
CB	Controlling Branch
CC	Cash Credit
CIN	Corporate Identification Number
CIT	Commissioner of Income Tax
CEO	Chief Executive Officer

CFO	Chief Financial Officer
CS & CO	Company Secretary & Compliance Officer
CSR	Corporate Social Responsibility
CENVAT	Central Value Added Tax
CST	Central Sales Tax
CWA/ ICWA	The Institute of Cost Accountants of India
CMD	Chairman and Managing Director
Depository(ies)	A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996
Depositories Act	The Depositories Act, 1996
DIN	Director Identification Number
DIPP	Department of Industrial Policy and Promotion, Ministry of Commerce, Government of India
DP	Depository Participant
DP ID	Depository Participant's Identification Number
DSE	Designated Stock Exchange
EBITDA	Earnings Before Interest, Taxes, Depreciation & Amortisation
ECS	Electronic Clearing System
ESIC	Employee's State Insurance Corporation
EPFA	Employee's Provident Funds and Miscellaneous Provisions Act, 1952
EPS	Earning Per Share
EGM/ EOGM	Extra-Ordinary General Meeting
ESOP	Employee Stock Option Plan
ESI Act	Employees' State Insurance Act, 1948
EXIM/ EXIM Policy	Export – Import Policy
FCNR Account	Foreign Currency Non-Resident (Bank) account established in accordance with the FEMA
FIPB	Foreign Investment Promotion Board
FY/ Fiscal/ Financial Year	Period of twelve months ended March 31 of that particular year, unless otherwise stated
FEMA	The Foreign Exchange Management Act, 1999 as amended from time to time, read with rules and regulations thereunder
FEMA Regulations	The Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017
FCNR Account	Foreign Currency Non-Resident Account
FBT	Fringe Benefit Tax
FDI	Foreign Direct Investment
FIs	Financial Institutions
FIIs	Foreign Institutional Investors (as defined under Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000) registered with SEBI under applicable laws in India
FPIs	Foreign Portfolio Investor means a person who satisfies the eligibility criteria prescribed under regulation 4 and has been registered under Chapter II of Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, which shall be deemed to be an intermediary in terms of the provisions of the SEBI Act, 1992
FTA	Foreign Trade Agreement
FVCI	Foreign Venture Capital Investors registered with SEBI under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000
FV	Face Value
GOI/ Government	Government of India
GDP	Gross Domestic Product
GAAP	Generally Accepted Accounting Principles in India
GST	Goods and Service Tax
GVA	Gross Value Added
HUF	Hindu Undivided Family
HNI	High Net Worth Individual
ICAI	The Institute of Chartered Accountants of India
ICWAI	The Institute of Cost Accountants of India
IMF	International Monetary Fund
INR / `/ ₹/ Rupees/ Rs.	Indian Rupees, the legal currency of the Republic of India
IIP	Index of Industrial Production
IPO	Initial Public Offer
ICSI	The Institute of Company Secretaries of India

IFRS	International Financial Reporting Standards
i.e.	That is
I.T. Act	Income Tax Act, 1961, as amended from time to time
IT Authorities	Income Tax Authorities
IT Rules	Income Tax Rules, 1962, as amended, except as stated otherwise
IND AS	The Indian Accounting Standards referred to in the Companies (Indian Accounting Standard) Rules, 2015, as amended
Indian GAAP	Generally Accepted Accounting Principles in India
Insider Trading Regulations	Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended
Insolvency Code	Insolvency and Bankruptcy Code, 2016, as amended
IRDA	Insurance Regulatory and Development Authority
ISIN	International Securities Identification Number
IT	Information Technology
KMP	Key Managerial Personnel
LM	Lead Manager
Ltd.	Limited
MAT	Minimum Alternate Tax
MCA	The Ministry of Corporate Affairs, GOI
MD	Managing Director
MOF	Ministry of Finance, Government of India
M-o-M	Month-On-Month
MOU	Memorandum of Understanding
M. A.	Master of Arts
M. B. A	Master of Business Administration
M. Com	Master of Commerce
Mn	Million
M. E.	Master of Engineering
MRP	Maximum Retail Price
M. Tech	Masters of Technology
Merchant Banker	Merchant Banker as defined under the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992
MAPIN	Market Participants and Investors Database
MSMEs	Micro, Small and medium Enterprises
MOA	Memorandum of Association
Mutual Funds	Mutual funds registered with the SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
NA	Not Applicable
NCLT	National Company Law Tribunal
Networth	The aggregate of paid-up Share Capital & Share Premium Account & Reserves and Surplus (Excluding revaluation reserves) as reduced by aggregate of Miscellaneous Expenditure (to the extent not written off) and debit balance of Profit & Loss Account
NEFT	National Electronic Funds Transfer
NECS	National Electronic Clearing System
NAV	Net Asset Value
NCT	National Capital Territory
NPV	Net Present Value
NRIs	Non-Resident Indians
NRE Account	Non-Resident External Account
NRO Account	Non-Resident Ordinary Account
NOC	No Objection Certificate
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
OCB	Overseas Corporate Bodies
P.A.	Per Annum
PF	Provident Fund
PG	Post Graduate
PAC	Persons Acting in Concert
P/E Ratio	Price/ Earnings Ratio
PAN	Permanent Account Number
PAT	Profit After Tax
PBT	Profit Before Tax

PLI	Postal Life Insurance
POA	Power of Attorney
PSU	Public Sector Undertaking(s)
Pvt. Ltd.	Private Limited
ROC	Registrar of Companies
RBI	The Reserve Bank of India
Regulation S	Regulation S under the United States Securities Act of 1933, as amended
Registration Act	Registration Act, 1908
ROE	Return on Equity
R&D	Research & Development
RONW	Return on Net Worth
RTGS	Real Time Gross Settlement
SCRA	Securities Contracts (Regulation) Act, 1956, as amended from time to time
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended from time to time
SCSB	Self-Certified Syndicate Banks
SEBI	Securities and Exchange Board of India
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, as amended
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended
SEBI Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended
SEBI VCF Regulations	Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996
Securities Act	The United States Securities Act of 1933
SME	Small and Medium Enterprises
STT	Securities Transaction Tax
Sec.	Section
SPV	Special Purpose Vehicle
TAN	Tax Deduction Account Number
Trademark Act	Trademark Act, 1999
TRS	Transaction Registration Slip
TIN	Taxpayers Identification Number
UIN	Unique Identification Number
US/ United States	United States of America
USD/ US$/ $	United States Dollar, the official currency of the Unites States of America
VCF/ Venture Capital Fund	Foreign Venture Capital Funds (as defined under the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996) registered with SEBI under applicable laws in India
VAT	Value Added Tax
W.E.F.	With Effect From
WDV	Written Down Value
WTD	Whole-time Director
YOY	Year Over Year

ISSUE RELATED TERMS:

Term	Description
Additional Right Equity Shares	The Rights Equity Shares applied or allotted under this Issue in addition to the Rights Entitlement.
Allot/ Allotment/ Allotted	Allotment of Rights Equity Shares pursuant to the Issue.
Allotment Account(s)	The account opened with the Banker(s) to the Issue, into which the Application Money lying to the credit of the escrow account(s) and amounts blocked by Application Supported by Blocked Amount in the ASBA Account, with respect to successful Applicants will be transferred on the Transfer Date in accordance with Section 40(3) of the Companies Act, 2013.
Allotment Account Bank(s)	Bank(s) which are clearing members and registered with SEBI as bankers to an issue and with whom the Allotment Accounts will be opened, in this case being, ICICI Bank Limited.
Allotment Advice	Note, advice or intimation of Allotment sent to each successful Applicant who has been or is to be allotted the Rights Equity Shares pursuant to the Issue.
Allotment Date	Date on which the Allotment is made pursuant to this Issue.
Allottee(s)	Persons to whom the Rights Equity Shares are allotted pursuant to the Issue.
Applicant(s)/ Investor(s)	Eligible Equity Shareholder(s) and/ or Renouncee (s) who make an application for the Rights Equity Shares pursuant to the Issue in terms of this Letter of Offer, including an ASBA Investor.
Application	Application made through submission of the Application Form or Plain Paper Application to the Designated Branch of the SCSBs or online/ electronic application through the website of the SCSBs (if made available by such SCSBs) under the ASBA process, to subscribe to the Rights Equity Shares at the Issue Price.
Application Form	Unless the context otherwise requires, an application form including online application form available for submission of application though the website of the SCSBs (if made available by such SCSBs) under the ASBA process used by an Applicant to make an application for the Allotment of Rights Equity Shares in this Issue.
Application Money	Aggregate amount payable in respect of the Rights Equity Shares applied for in the Issue at the Issue Price.
Application Supported by Blocked Amount/ ASBA	Application (whether physical or electronic) used by ASBA Applicants to make an application authorizing a SCSB to block the Application Money in the ASBA Account.
ASBA Account	Account maintained with a SCSB and specified in the Application Form or plain paper application, as the case may be, for blocking the amount mentioned in the Application Form or the Plain Paper Application, in case of Eligible Equity Shareholders, as the case may be.
ASBA Circulars	Collectively, SEBI circular bearing reference number SEBI/CFD/DIL/ASBA/1/2009/30/12 dated December 30, 2009, SEBI circular bearing reference number CIR/CFD/DIL/1/2011 dated April 29, 2011, SEBI ICDR Master Circular (to the extent it pertains to the rights issue process) and any other circular issued by SEBI in this regard and any subsequent circulars or notifications issued by SEBI in this regard.
ASBA Applicant/ ASBA Investor	As per the SEBI Circular SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020, all investors (including renouncees) shall make an application for a rights issue only through ASBA facility.
ASBA Bid	A Bid made by an ASBA Bidder including all revisions and modifications thereto as permitted under the SEBI ICDR Regulations.
Banker(s) to the Issue	Collectively, the Escrow Collection Bank and the Refund Banks to the Issue, in this case being, ICICI Bank Limited.
Bankers to the Issue Agreement	Agreement dated [●] entered into by and amongst our Company, the Registrar to the Issue and the Bankers to the Issue for collection of the Application Money from Applicants/ Investors, transfer of funds to the Allotment Account and where applicable, refunds of the amounts collected from Applicants/ Investors, on the terms and conditions thereof.
Basis of Allotment	The basis on which the Rights Equity Shares will be allotted to successful applicants in the Issue and which is described in ***"Terms of the Issue"*** on page no. 87 of this Letter of Offer.
BSE	BSE Limited ("BSE")
Controlling Branches/ Controlling Branches of the SCSBs	Such branches of SCSBs, which coordinate Bids under the Issue with the Registrar and the Stock Exchanges, a list of which is available on the website of SEBI at http://www.sebi.gov.in

Demographic Details	Details of Investors including the Investor's address, name of the Investor's father/ husband, investor status, occupation and bank account details, wherever applicable.
Depository(ies)	NSDL and CDSL or any other depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 as amended from time to time read with the Depositories Act, 1996.
Designated SCSB Branches	Such branches of the SCSBs which shall collect the ASBA Forms submitted by ASBA Bidders, a list of which is available on the website of SEBI at http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35, updated from time to time, or at such other website as may be prescribed by SEBI from time to time.
Designated Stock Exchange ('DSE')	BSE Limited ("BSE")
Eligible Equity Shareholder(s)	Existing Equity Shareholders as on the Record Date i.e. [•]. Please note that the investors who are eligible to participate in the Issue (exclude certain overseas shareholders). For further details, see **"*Notice to Investors*"** on page no. 15 of this Letter of Offer.
Escrow Collection Bank	Banks which are clearing members and registered with SEBI as bankers to an issue and with whom Escrow Account(s) will be opened, in this case being, ICICI Bank Limited.
FII/ Foreign Institutional Investors	Foreign Institutional Investor [as defined under SEBI (Foreign Institutional Investors) Regulations, 1995, as amended] registered with SEBI under applicable laws in India.
Fraudulent Borrower	Fraudulent Borrower(s) as defined under Regulations 2(1)(III) of the SEBI ICDR Regulations.
Fugitive Economic Offender	An individual who is declared a fugitive economic offender under Section 12 of Fugitive Economic Offenders Act, 2018.
Gross Proceeds	The gross proceeds raised through the Issue.
IEPF	Investor Education and Protection Fund.
ISIN	International Securities Identification Number.
Issue/ Rights Issue	Issue of upto [•] # Fully Paid-up Rights Equity Shares of face value of Rs. 10.00/- each for cash at an Issue Price of Rs. [•] per equity share (including premium of Rs. [•] per equity share) not exceeding an amount aggregating upto Rs. 16,601.754 Lakhs on a rights basis to the Existing Equity Shareholders of our Company in the ratio of [•] Rights Equity Shares for every [•] Fully Paid-up Equity Shares held by the Eligible Equity Shareholders of our Company on the Record Date i.e. [•]. *#Assuming full subscription of the Issue subject to finalisation of Basis of Allotment*
Issue Closing Date	[•]
Issue Opening Date	[•]
Issue Period	The period between the Issue Opening Date and the Issue Closing Date, inclusive of both days, during which Applicants/ Investors can submit their applications, in accordance with the SEBI ICDR Regulations.
Issue Price	Rs. [•] per share (including Rs. [•] as share premium).
Issue Proceeds	Gross proceeds of the Issue.
Issue Size	Upto [•] # Fully Paid-up Rights Equity Shares of face value of Rs. 10.00/- each for cash at an Issue Price of Rs. [•] per equity share (including share premium of Rs. [•] per equity share) not exceeding an amount aggregating upto Rs. 16,601.754 Lakhs. *#Assuming full subscription of the Issue subject to finalisation of Basis of Allotment*
Issue Materials	Collectively, Letter of Offer, Application Form, Rights Entitlement Letter and any other material relating to the Issue.
Letter of Offer/ LOF	This Letter of Offer dated [•] to be filed with the Stock Exchange and submitted with SEBI for information and dissemination.
Listing Agreements	The uniform listing agreement entered into between our Company and the Stock Exchange in terms of the SEBI Listing Regulations.
Monitoring Agency	Brickwork Ratings India Private Limited
Monitoring Agency Agreement	Agreement dated [●] between our Company and the Monitoring Agency in relation to monitoring of Gross Proceeds.
Multiple Application Forms	More than one application form submitted by an Eligible Equity Shareholder/ Renouncee in respect of the same Rights Entitlements available in their demat account. However, additional applications in relation to Additional Rights Equity Shares with/ without using additional Rights Entitlements will not be treated as multiple applications.
Net Proceeds	Proceeds of the Issue less issue related expenses. For further information about the issue related expenses, see **"*Objects of the Issue*"** on page no. 43 of this Letter of Offer.
Net Worth	Net worth as defined under Section 2(57) of the Companies Act, 2013.
Non-ASBA Investor/ Non-ASBA Applicant	Investors other than ASBA Investors who apply in the Issue otherwise than through the ASBA process comprising Eligible Equity Shareholders holding Equity Shares in

	physical form or who intend to renounce their Rights Entitlements in part or full and Renouncees.
Non-Institutional Bidders or NIIs	An Investor other than a Retail Individual Investor or Qualified Institutional Buyer as defined under Regulation 2(1)(jj) of the SEBI ICDR Regulations.
Off Market Renunciation	The renunciation of Rights Entitlements undertaken by the Investor by transferring them through off market transfer through a depository participant in accordance with the SEBI Rights Issue Circulars and the circulars issued by the Depositories, from time to time, and other applicable laws.
On Market Renunciation	The renunciation of Rights Entitlements undertaken by the Investor by trading them over the secondary market platform of the Stock Exchange through a registered stock broker in accordance with the SEBI Rights Issue Circulars and the circulars issued by the Stock Exchange, from time to time, and other applicable laws, on or before [•].
QIBs or Qualified Institutional Buyers	Qualified Institutional Buyers as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations.
Record Date	A record date fixed by our Company for the purpose of determining the names of the Equity Shareholders who are eligible for the issue of Rights Equity Shares i.e. [•].
Refund Bank(s)	The Banker(s) to the Issue with whom the Refund Account(s) is opened, in this case being, ICICI Bank Limited.
Registrar to the Company and Issue	MUFG MUFG Intime **MUFG Intime India Private Limited** ***(Formerly Link intime India Private Limited)*** **Address:** C-101, Embassy 247, LBS Marg, Surya Nagar, Gandhi Nagar Vikhroli (West), Mumbai – 400 083, Maharashtra, India; **Telephone:** +91-8108114949; **E-mail:** artificialelectronics.rights@in.mpms.mufg.com; **Website:** www.in.mpms.mufg.com; **Investor Grievance E-mail:** artificialelectronics.rights@in.mpms.mufg.com; **Contact Person:** Shanti Gopalakrishnan; **SEBI Registration Number:** INR000004058.
Renouncee(s)	Person(s) who has/ have acquired Rights Entitlements from the Eligible Equity Shareholders on renunciation either through On Market Renunciation or through Off Market Renunciation in accordance with the SEBI ICDR Regulations, the SEBI Rights Issue Circular, the Companies Act, 2013 and any other applicable law.
Renunciation Period	The period during which the Investors can renounce or transfer their Rights Entitlements which shall commence from the Issue Opening Date. Such period shall close on [•], in case of On Market Renunciation. Eligible Equity Shareholders are requested to ensure that renunciation through off - market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncee on or prior to the Issue Closing Date.
Retail Individual Bidders(s)/ Retail Individual Investor(s)/ RII(s)/ RIB(s)	An individual Investor (including an HUF applying through Karta) who has applied for Rights Equity Shares and whose Application Money is not more than Rs. 200,000/- in the Issue as defined under Regulation 2(1)(vv) of the SEBI ICDR Regulations.
Rights Entitlements/ REs	The number of Equity Shares that an Eligible Equity Shareholder is entitled to in proportion to the number of Equity Shares held by the Eligible Equity Shareholder on the Record Date, i.e. [•] in this case being [•] Rights Equity Shares for every [•] Fully Paid-up Equity Shares held by an existing Eligible Equity Shareholder. Pursuant to the provisions of the SEBI ICDR Regulations and the SEBI – Rights Issue Circular, the Rights Entitlements shall be credited in dematerialized form in respective demat accounts of the Eligible Equity Shareholders before the Issue Opening Date.
Rights Entitlement Letter	Letter including details of Rights Entitlements of the Eligible Equity Shareholders.
Rights Equity Shares	Equity Shares of our Company to be allotted pursuant to this Issue.
SEBI Rights Issue Circulars	Collectively, SEBI circular, bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020, bearing reference number SEBI/HO/CFD/CIR/CFD/DIL/67/2020 dated April 21, 2020, SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/78 dated May 6, 2020, SEBI circular bearing reference number SEBI/HO/CFD/DIL1/CIR/P/2020/136 dated July 24, 2020 and SEBI circular bearing reference number SEBI/HO/CFD/DIL1/CIR/P/2021/13 dated January 19, 2021.
Self-Certified Syndicate Banks or SCSBs	The banks registered with SEBI, offering services (i) in relation to ASBA (other than through UPI mechanism), a list of which is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId

	=34 or https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35, as applicable, or such other website as updated from time to time, and (ii) in relation to ASBA (through UPI mechanism), a list of which is available on the website of SEBI at https://sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40 or such other website as updated from time to time.
Specific Investor(s)	Regulation 77B of the SEBI ICDR Regulations defines specific investor(s) as any investor who is eligible to participate in the Issue (a) whose name has been disclosed by the Company in terms of regulation 84(1)(f)(i) of the SEBI ICDR Regulations; or (b) whose name has been disclosed by the Company in terms of sub-clause 84(1)(f)(ii) of the SEBI ICDR Regulations.
Stock Exchange(s)	Stock Exchange(s) where the Equity Shares are presently listed, being BSE Limited ("BSE").
Transfer Date	The date on which the amount held in the escrow account(s) and the amount blocked in the ASBA Account will be transferred to the Allotment Account, upon finalization of the Basis of Allotment, in consultation with the Designated Stock Exchange.
Wilful Defaulter	A Company or person, as the case may be, categorized as a Wilful Defaulter or Fraudulent Borrower by any Bank or Financial Institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the RBI, including any Company whose director or promoter is categorized as such.
Working Days	All days except 2nd and 4th Saturdays of the month, Sundays, Public holidays, State and National holidays, on which commercial banks in Vadakapattu, Tamil Nadu; are open for business; provided however, with reference to (a) announcement of Price Band; and (b) Bid/ Issue Period, Term Description, the term Working Day shall mean all days, excluding 2nd and 4th Saturdays, Sundays, Public holidays, State and National holidays, on which commercial banks in Vadakapattu, Tamil Nadu are open for business; and (c) the time period between the Bid/ Issue Closing Date and the listing of the Equity Shares on the Stock Exchange. **"Working Day"** shall mean all trading days of the Stock Exchange, excluding Saturdays, Sundays and trading holidays.

NOTICE TO INVESTORS

The distribution of the Letter of Offer, Application Form & Rights Entitlement Letter and the issue of Rights Entitlements and Rights Equity Shares to persons in certain jurisdictions outside India may be restricted by applicable legal requirements in those jurisdictions. Persons into whose possession this Letter of Offer, Rights Entitlement Letter, or Application Form may come are required to inform themselves of, and comply with, such restrictions. Our Company is making this Issue on a rights basis to the Eligible Equity Shareholders. The Letter of Offer, Application Form, Rights Entitlement Letter and any other Issue related materials (collectively, the **"Issue Materials"**) will be sent electronically by the Registrar, on behalf of the Company, to all Eligible Equity Shareholders who have provided a valid e-mail address. In case, such Eligible Equity Shareholders have not provided a valid e-mail address, the Issue Materials will, on a best-efforts basis, be physically dispatched to their Indian address, provided that they have specifically requested a physical copy from the Company and have furnished an Indian address for such dispatch. Eligible Equity Shareholders who have not provided a valid e-mail address nor requested physical copies may not receive the Issue Materials. Further, overseas shareholders who do not update the Company's records with their Indian address or the address of their duly authorised representative in India, prior to the dispatch of the Issue Materials, will not be sent the Issue Materials.

The Rights Entitlements or Rights Equity Shares may not be offered or sold, directly or indirectly, and Letter of Offer or any offering materials or advertisements in connection with the Issue may not be distributed, in whole or in part, in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction. The receipt of this Letter of Offer, the Rights Entitlement Letter or the Application Form through electronic means shall not constitute an offer, invitation or solicitation in any jurisdiction where such offer, invitation or solicitation is unlawful or unauthorised, or to any person to whom it is unlawful to make such an offer, invitation or solicitation. In such cases, these documents are being provided for information purposes only and must not be relied upon for making an Application. They should not be copied, forwarded, reproduced or redistributed.

Accordingly, persons receiving a copy of this Letter of Offer, the Rights Entitlement Letter or the Application Form should not, in connection with the Rights Issue, distribute or send this Letter of Offer, the Rights Entitlement Letter or the Application Form in or into any jurisdiction where to do so, would, or might, contravene local securities laws or regulations or would subject our Company or its affiliates to any filing or registration requirement (other than in India). If this Letter of Offer, the Rights Entitlement Letter or the Application Form is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to make an application or acquire the Rights Entitlements referred to in this Letter of Offer, the Rights Entitlement Letter or the Application Form.

Any person who makes an application to acquire the Rights Entitlements or the Rights Equity Shares offered in the Issue will be deemed to have declared, represented, warranted and agreed that such person is authorised to acquire the Rights Entitlements or the Rights Equity Shares in compliance with all applicable laws and regulations prevailing in his/ her jurisdiction whether within or outside India. Our Company, the Registrar or any other person acting on behalf of our Company reserves the right to treat any Application Form as invalid where they believe that Application Form is incomplete or acceptance of such Application Form 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 Application Form.

Neither the delivery of this Letter of Offer, Application Form or Rights Entitlement Letter 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 the date of such information or that the information contained herein is correct as at any time subsequent to the date of this Letter of Offer, the Application Form, Rights Entitlement Letter or the date of such information.

THE CONTENTS OF THIS LETTER OF OFFER 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 RIGHTS OF EQUITY SHARES OR RIGHTS ENTITLEMENTS. ACCORDINGLY, EACH INVESTOR SHOULD CONSULT THEIR OWN COUNSEL, BUSINESS ADVISOR AND TAX ADVISOR AS TO THE LEGAL, BUSINESS, TAX AND RELATED MATTERS CONCERNING THE OFFER OF EQUITY SHARES. IN ADDITION, OUR COMPANY IS NOT MAKING ANY REPRESENTATION TO ANY OFFEREE OR PURCHASER OF THE EQUITY SHARES REGARDING THE LEGALITY OF AN INVESTMENT IN THE 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 the securities laws of any state of the United States and may not be offered or sold in the United States of America or the territories or possessions thereof ("**United States**"), except in a transaction not subject to, or exempt from, the registration requirements of the Securities Act and applicable state securities laws. The offering to which the 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, the Letter of Offer and the enclosed Application Form and Rights Entitlement Letter 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 in the United States when the buy order is made. Envelopes containing an Application Form and Rights Entitlement Letter 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 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 Equity Shareholders and the Letter of Offer, Application Form along with Rights Entitlement Letter will be sent electronically by the Registrar, on behalf of the Company, to all Eligible Equity Shareholders who have provided a valid e-mail 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, and (ii) it is authorized to acquire the Rights Entitlements and the Rights Equity Shares in compliance with all applicable laws and regulations. Rights Entitlements may not be transferred or sold to any person in the United States.

The above information is given for the benefit of the Applicants/ Investors. Our Company is not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Letter of Offer. Investors are advised to make their independent investigations and ensure that the number of Rights Equity Shares applied for do not exceed the applicable limits under laws or regulations.

THIS DOCUMENT IS SOLELY FOR THE USE OF THE PERSON WHO RECEIVED IT FROM OUR COMPANY OR FROM THE REGISTRAR. THIS DOCUMENT IS NOT TO BE REPRODUCED OR DISTRIBUTED TO ANY OTHER PERSON.

Certain Conventions

All references to "India" contained in this Letter of Offer are to the Republic of India and its territories and possessions and all references herein to the "Government", "Indian Government", "GOI", Central Government" or the "State Government" are to the Government of India, central or state, as applicable.

Unless otherwise specified or the context otherwise requires, all references in this Letter of Offer to the 'US' or 'U.S.' or the 'United States' are to the United States of America and its territories and possessions.

Unless otherwise specified, any time mentioned in this Letter of Offer is in Indian Standard Time ("IST"). Unless indicated otherwise; all references to a year in this Letter of Offer are to a calendar year.

A reference to the singular also refers to the plural and one gender also refers to any other gender, wherever applicable.

Unless stated otherwise, all references to page numbers in this Letter of Offer are to the page numbers of this Letter of Offer.

Financial Data

Unless stated otherwise or the context otherwise requires, the financial information and financial ratios in this Letter of Offer has been derived from our Financial Statements. For details, please see **"*Financial Information*"** on page no. 76 of this Letter of Offer. Our Company's Financial Year commences on April 1 and ends on March 31 of the next year. Accordingly, all references to a particular financial year, unless stated otherwise, are to the twelve (12) month period ended on March 31 of that year.

The MCA has notified the Indian Accounting Standards (**"Ind AS"**), which are converged with the International Financial Reporting Standards of the International Accounting Standards Board (**"IFRS"**) and notified under Section 133 of the Companies Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended (the **"Ind AS Rules"**).

The Financial Statements of our Company for the F.Y. 2025-26, 2024-25 and 2023-24 are prepared in accordance with the Indian Accounting Standards (Ind AS), Rules, Section 133 of the Companies Act, 2013 and & other the relevant provisions of the Companies Act and in accordance with the SEBI ICDR Regulations, 2018 and the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the ICAI.

The Un-audited Financial Results of our Company for the Quarter ended on 30th June, 2026, is prepared in accordance with IND AS, Section 133 of Companies Act, 2013 and SEBI LODR Regulations, 2015.

In this Letter of Offer, any discrepancies in any table between the total and sum of the amounts listed are due to rounding off and unless otherwise specified all financial numbers in parenthesis represent negative figures. Our Company has presented all numerical information in this Letter of Offer in "lakh" units or in whole numbers where the numbers have been too small to represent in lakh. One lakh represents 1,00,000 and one million represents 1,000,000.

Accordingly, the degree to which the financial information included in this Letter of Offer will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting policies and practices, Ind AS, the Companies Act and the SEBI ICDR Regulations. Any reliance by persons not familiar with these accounting principles and regulations on our financial disclosures presented in this Letter of Offer should accordingly be limited. For further information, see **"*Financial Information*"** on page no. 76 of this Letter of Offer.

Certain figures contained in this Letter of Offer, including financial information, have been subject to rounded off adjustments. All figures in decimals (including percentages) have been rounded off to one or two decimals. However, where any figures that may have been sourced from third-party industry sources are rounded off to other than two decimal points in their respective sources, such figures appear in this Letter of Offer rounded-off to such number of decimal points as provided in such respective sources. In this Letter of Offer, (i) the sum or percentage change of certain numbers may not conform exactly to the total figure given; and (ii) the sum of the numbers in a column or row in certain tables may not conform exactly to the total figure given for that column or row. Any such discrepancies are due to rounding off.

Currency and Units of Presentation

All references to:

- "Rupees" or "₹" or "INR" or "Rs." are to Indian Rupee, the official currency of the Republic of India;
- "USD" or "US$" or "$" are to United States Dollar, the official currency of the United States of America; and
- "Euro" or "€" are to Euros, the official currency of the European Union.

Our Company has presented certain numerical information in this Letter of Offer in "lakh" or "Lac" units or in whole numbers. One lakh represents 1,00,000 and one million represents 1,000,000. All the numbers in the document have been presented in lakh or in whole numbers where the numbers have been too small to present in lakh. Any percentage amounts, as set forth in ***"Risk Factors"***, ***"Our Business"***, ***"Management's Discussion and Analysis of Financial Conditions and Results of Operation"*** and elsewhere in this Letter of Offer, unless otherwise indicated, have been calculated based on our Financial Information.

Exchange Rates

This Letter of Offer contains conversion of certain other currency amount into Indian Rupees that have been presented solely to comply with the SEBI ICDR Regulations. These conversions should not be construed as a representation that these currency amounts could have been, or can be converted into Indian Rupees, at any particular rate or at all.

The following table sets forth, for the periods indicated, information with respect to the exchange rate between the Indian Rupee and other foreign currencies:

Currency	Exchange rate as on			
	March 30, 2026	March 28, 2025	March 28, 2024	March 31, 2023
1 USD	94.6543	85.5814	83.3739	82.2169
1 Euro	109.0064	92.3246	90.2178	89.6076

(Source: RBI reference rate at https://www.fbil.org.in/#/home)

Industry and Market Data

Unless stated otherwise, industry and market data used in this Letter of Offer has been obtained or derived from publicly available information as well as industry publications and sources. Industry publications generally state that the information contained in such publications has been obtained from publicly available documents from various sources believed to be reliable but their accuracy and completeness are not guaranteed and their reliability cannot be assured.

Although we believe the industry and market data used in this Letter of Offer is reliable, it has not been independently verified by us. The data used in these sources may have been reclassified by us for the purposes of presentation. Data from these sources may also not be comparable. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in **"*Risk Factors*"** on page no. 24 of this Letter of Offer. Accordingly, investment decisions should not be based solely on such information.

The extent to which the market and industry data used in this Letter of Offer is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which the business of our Company is conducted, and methodologies and assumptions may vary widely among different industry source.

FORWARD LOOKING STATEMENTS

Certain statements contained in this Letter of Offer that are not statements of historical fact constitute 'forward - looking statements'. Investors can generally identify forward-looking statements by terminology including 'anticipate', 'believe', 'continue', 'can', 'could', 'estimate', 'expect', 'future', 'forecast', 'intend', 'may', 'objective', 'plan', 'potential', 'project', 'pursue', 'shall', 'should', 'target', 'will', 'would' or other words or phrases of similar import. Similarly, statements that describe our objectives, plans or goals are also forward - looking statements. However, these are not the exclusive means of identifying forward - looking statements. All statements regarding our Company's expected financial conditions, results of operations, business plans and prospects are forward - looking statements. These forward - looking statements may include planned projects, revenue and profitability (including, without limitation, any financial or operating projections or forecasts) and other matters discussed in this Letter of Offer that are not historical facts.

These forward - looking statements contained in this 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 our actual results, performances and achievements to differ materially from any of the forward - looking statements include, among others:

- General political, social and economic conditions in India and other countries;
- Regulatory changes and the Company's ability to respond to them;
- Our ability to successfully implement our strategy, our growth and expansion plans and technological changes;
- Technology changes;
- Change in domestic and foreign laws, regulations and taxes and change in the competition in the industry;
- Fluctuation of the operating cost;
- Company's ability to attract and retain qualified personnel;
- Any adverse outcome in the legal proceedings in which the Company is involved;
- Strikes or work stoppages by our employees or contractual employees;
- Increasing competition in, and the conditions of, the industry;
- Failure to undertake projects on commercially favorable terms;
- Changes in government policies, including introduction of or adverse changes in tariff or non-tariff barriers, foreign direct investment policies, affecting the retail industry generally in India;
- Accidents and natural disasters; and
- Other factors beyond our control.

For further discussion of factors that could cause the actual results to differ from our estimates and expectations, see **"*Risk Factors*" and "*Our Business*"** on page nos. 24 and 58, respectively of this Letter of Offer. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual gains or losses could materially differ from those that have been estimated.

We cannot assure investors that the expectations reflected in these forward - looking statements will prove to be correct. Given these uncertainties, investors are cautioned not to place undue reliance on such forward - looking statements and not to regard such statements as a guarantee of future performance.

Forward - looking statements reflect the current views of our Company as at the date of this Letter of Offer and are not a guarantee or assurance of future performance. These statements are based on our management's beliefs and assumptions, which in turn are based on currently available information. Although we believe the assumptions upon which these forward - looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward - looking statements based on these assumptions could be incorrect. Accordingly, we cannot assure investors that the expectations reflected in these forward - looking statements will prove to be correct and given the uncertainties, investors are cautioned not to place undue reliance on such forward - looking statements. If any of these risks and uncertainties materialize, 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. None of our Company, our directors, nor any of their respective affiliates has any obligation to update or otherwise revise any statements reflecting circumstances arising after the date of this Letter of Offer or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition.

In accordance with the SEBI ICDR Regulations, our Company will ensure that investors are informed of material developments from the date of this Letter of Offer until the time of receipt of the listing and trading permissions from the Stock Exchange.

The following is a general summary of the Terms of this Issue, and should be read in conjunction with and is qualified by more detailed information appearing in this Letter of Offer, including the sections titled ***"Risk Factors", "Summary of the Issue", "Capital Structure", "Objects of the Issue", "Our Business", "Industry Overview", "Outstanding Litigation" and "Terms of the Issue"*** *on page nos.* 24, 35, 40, 43, 58, 49, 78 and 87, respectively of this Letter of Offer.

OUR COMPANY

Our Company was originally incorporated as **"Datasoft Application Software (India) Limited"** under the provisions of the Companies Act, 1956, pursuant to a Certificate of Incorporation dated 2nd June, 1992, issued by the Registrar of Companies, Bombay, Maharashtra. The equity shares of the Company were subsequently listed and admitted to dealings on the Capital Market Segment (Main Board) of BSE Limited on 13th May, 1994. Thereafter, the registered office of the Company was shifted from the **"State of Maharashtra"** to the **"State of Tamil Nadu"** pursuant to an order dated 5th September, 2022, passed by the Regional Director, and the consequent Certificate of Registration of such order for change of State dated 18th October, 2022, issued by the Registrar of Companies, Chennai. Subsequently, the name of the Company was changed to **"Artificial Electronics Intelligent Material Limited"**, and a fresh Certificate of Incorporation pursuant to such change of name dated 19th June, 2024 was issued by the Registrar of Companies, Central Processing Centre, and such change of name was approved by BSE Limited on 8th July, 2024. For further details about our Company, please refer to the chapter titled ***"General Information"*** on page no. 36 of this Letter of Offer.

SUMMARY OF THE INDUSTRY IN WHICH OUR COMPANY OPERATES

India's semiconductor materials and high-tech manufacturing industry is growing rapidly, driven by demand for electronics, EVs, AI, 5G, and IoT. The semiconductor market is expected to rise from USD 59.78 billion in 2025 to USD 180.20 billion by 2034, while the materials segment may grow from USD 5.3 billion to USD 8.3 billion in the same period.

Government initiatives like the PLI scheme and India Semiconductor Mission are supporting domestic manufacturing and reducing import dependence by building a strong local ecosystem.

Key materials like silicon carbide are seeing higher demand due to their use in EVs and renewable energy. However, the sector remains capital-intensive and highly competitive globally.

Overall, the industry is in a developing stage with strong growth potential supported by policy backing and rising domestic demand.

Source: *India Semiconductor Market Report*, *India Semiconductor Materials Market Report*, *India Semiconductor Sector Outlook*

SUMMARY OF OUR BUSINESS:

Our Company operates in the semiconductor materials, high-technology manufacturing, and electronic design automation (EDA) sectors. We are primarily engaged in the manufacturing and processing of advanced semiconductor materials, including sapphire substrates, silicon carbide (SiC), and silicon ingots. We also manufacture high-precision metrology-grade components used in industrial measurement systems.

Our key activities include:

- Manufacturing of sapphire substrates (ingots and wafers)
- Processing of silicon carbide and silicon materials
- Production of precision sapphire components for coordinate measuring machine (CMM) probe sensors
- Development of semiconductor processing equipment
- Provision of EDA services through our subsidiary

HISTORY OF OUR COMPANY:

Our Company was originally incorporated as a Public Limited Company in 1992 by Mr. Ramesh Jamnadas Shah, Mr. Hasmukh J. Shah, Mr. Chandan Parmar, Mr. Rajesh M. Bhuta, Mr. Rajesh Mankad, Mr. Chaitanya Buch, and Mr. Bhadra Suryakant Shah.

Subsequently, the Company was acquired by Mr. Eswara Rao Nandam and Ms. Uma Nandam pursuant to an open offer made in compliance with the applicable provisions of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011. The Acquirers, Mr. Eswara Rao Nandam and Ms. Uma Nandam, made an open offer to acquire up to 2,94,280 fully paid-up equity shares, representing 26.00% of the voting share capital of the Company, at an offer price of ₹3.25 per equity share, pursuant to the Detailed Public Statement dated 19th October 2021. Pursuant to the open offer, 45,572 equity shares were actually tendered and accepted by the Acquirers.

Mr. Eswara Rao Nandam, Promoter–cum–Non-Executive Director and Chairman of the Company, has over three decades of experience in electronic components manufacturing, automobile components manufacturing, assembly operations, and electronics assembly, including mobile phones, laptops, and tablets. He also has experience in robotics manufacturing and assembly, embedded systems, software development, and integration and automation using artificial intelligence.

Ms. Uma Nandam, Promoter–cum–Whole-time Director of the Company, has over 20 years of extensive experience in accounts, finance, and administration. Mr. Vishaal Nandam, Non-Executive Director of the Company, has more than 5 years of experience in the field of electronics and semiconductors.

Collectively, they oversee the day-to-day operations, strategic planning, and overall management of the Company, contributing significantly to its operational efficiency and long-term growth.

The Company is further supported by a highly experienced Board of Directors and Key Managerial Personnel. Their diverse expertise enables the management to anticipate market trends, expand the product portfolio, manage operations and growth initiatives, nurture customer relationships, and respond effectively to evolving business conditions.

At present, the **Board of Directors** comprises 6 (Six) members, as follows:

- **Mr. Eswara Rao Nandam,** Chairman – cum – Non-Executive Director;
- **Ms. Uma Nandam,** Whole-time Director;
- **Ms. Vishaal Nandam,** Non-Executive and Non - Independent Director;
- **Mr. S Balasubramanian,** Non-Executive and Independent Director;
- **Mr. Alan M Wagner,** Non-Executive and Independent Director; and
- **Ms. Rapala Virtanen Tarja Hannele,** Non-Executive and Independent Director.

The Company also has 3 (Three) **Key Managerial Personnel (KMPs),** namely:

- **Ms. Uma Nandam,** Whole - time Director;
- **Ms. Chayonika Paloi**, Company Secretary and Compliance Officer; and
- **Mr. Girija Sankar Tripathy**, Chief Financial Officer.

*For further details, please refer to the chapter titled **"Our Business"** and **"History and certain Corporate matters"** on page nos. 58 and 62 of this Letter of Offer.*

LOCATION OF OUR COMPANY

Registered and Correspondence Office:

Building No. GB-200B, Green Base Industrial & Logistics Park, Thriveni Nagar, Vadakkupattu, Chengalpattu, Tamil Nadu, India – 603 204.

SWOT Analysis:

Strengths:	**Weaknesses:**
• Established presence in niche segments of semiconductor materials and precision engineering; • Proprietary technology and specialized processing capabilities; and • Strategic alignment with national semiconductor development initiatives and policies.	• Concentration of manufacturing operations at a single facility; • Capital-intensive nature of operations requiring significant ongoing investments; and • Dependence on the availability of specialized raw materials.
Opportunities:	**Threats:**
• Increasing domestic demand for semiconductor materials and related components; • Supportive government policies and incentive schemes for semiconductor manufacturing; and • Potential to expand into export markets and diversify the customer base.	• Competition from established global and domestic players; • Rapid technological advancements requiring continuous upgradation; and • Exposure to supply chain disruptions and geopolitical uncertainties.

Business Strategies:

- Strengthening domestic supply chains in alignment with the "Make in India" initiative;
- Expanding production capacity at our existing facilities;
- Developing advanced materials and larger wafer formats; and
- Building and maintaining long-term relationships with industrial customers.

For further details, please refer to the chapter titled ***"Our Business"*** on page no. 58 of this Letter of Offer.

Promoter and Promoter Group:

The following are Promoters and Members of Promoter Group as on date of this Letter of Offer:

A. Individual Promoters:

1. Ms. Uma Nandam; and
2. Mr. Eswara Rao Nandam

B. Individual Members of Promoter Group:

1. Mr. Vishaal Nandam

C. Body Corporate Members of Promoter Group:

1. M/s. Polymatech Electronics Limited

Objects of the Issue:

We propose to deploy the Net Proceeds towards the Objects in accordance with the estimated schedule of implementation and deployment of funds set forth in the table below:

Sr. No.	Particulars	Amount to be financed from Net Proceeds of the Issue (Rs. in Lakhs)	Estimated deployment in FY 2026-27 (Rs. in Lakhs)	Estimated deployment in FY 2027-28 (Rs. in Lakhs)
1.	Incremental Working Capital requirements	13,000.000	7,436.800	5,563.200
2.	General Corporate Purpose**	[●]	[●]	-
	Net Proceeds*	[●]	[●]	**-**

^Any portion of the Net Proceeds not deployed for the stated objects in FY 2026-27 and FY 2027-28 will be deployed by our Company in FY 2028-29, in compliance with all the applicable laws and regulations.
**Assuming full subscription and allotment with respect to the Rights Equity Shares.*
***The amount utilized for general corporate purposes shall not exceed 25% of the Gross Proceeds.*

For further details, please see chapter titled ***"Objects of the Issue"*** on page no. 43 of this Letter of Offer.

1. Intention and extent of participation by Promoter and Promoter Group

Mr. Eswara Rao Nandam and Ms. Uma Nandam, the Promoters of the Company, and M/s. Polymatech Electronics Limited, a member of the Promoter Group of the Company, have confirmed their intention to participate in the Rights Issue by subscribing to the full extent of their respective Rights Entitlements, in compliance with the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and other applicable laws.

The Promoters and the member of the Promoter Group of the Company have further confirmed that they will not renounce their respective Rights Entitlements in favour of any person and will not apply for any additional Equity Shares over and above their respective Rights Entitlements.

The Company confirms that it is in compliance with Regulation 38 of the SEBI Listing Regulations and shall continue to comply with the applicable minimum public shareholding requirements pursuant to the Issue.

2. **Minimum Subscription:**

The Objects of the Issue are to meet the Company's working capital requirements and for general corporate purposes. The Promoters and members of the Promoter Group of the Company have undertaken that they will subscribe to the full extent of their Rights Entitlements and shall not renounce such Rights Entitlements. Such subscription shall be subject to compliance with the provisions of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 ("SEBI Takeover Regulations"), Regulation 38 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), and Rule 19A of the Securities Contracts (Regulation) Rules, 1957 ("SCRR") relating to the maintenance of minimum public shareholding.

Accordingly, the aggregate shareholding of the Promoters and Promoter Group pursuant to the Issue shall remain in compliance with the applicable provisions of the SEBI Takeover Regulations and the minimum public shareholding requirements prescribed under applicable law.

Accordingly, pursuant to Regulation 86 of the SEBI ICDR Regulations and considering the Objects of the Issue, the requirement of minimum subscription is not applicable to this Issue.

3. **Allotment of under-subscribed portion of the rights issue:**

Our Company does not intend to allot the under-subscribed portion of the Rights Equity Shares in this Issue to any Specific Investor(s). Accordingly, provisions of Regulation 84(1)(f) of the SEBI ICDR Regulations are not applicable to us.

4. **Summary of Outstanding Litigations:**

There are no outstanding litigations, disputes, claims, or proceedings against the Company, its Directors or its Promoters as on the date of this Letter of Offer. Please see the chapter titled ***"Outstanding Litigation and Material Developments"*** on page no. 78 of this Letter of Offer.

5. **Risk Factors**

Please refer the chapter titled **"*Risk Factors*"** on page no. 24 of this Letter of Offer.

6. **Summary of Contingent Liabilities**

For details, please refer **"*Financial Information*"** on page no. 76 of this Letter of Offer.

7. **Summary of Related Party Transactions**

For details, please refer **"*Financial Information*"** on page no. 76 of this Letter of Offer.

8. **Issue of Equity Shares made in last one year for consideration other than cash**

Our Company has not issued any Equity Shares for consideration other than cash in last one year.

9. **Split or consolidation of Equity shares in last one year**

Our Company has not sub-divided or consolidated its Equity Shares in last one year. Hence, this clause is not applicable in this Issue.

An investment in equity shares involves a high degree of risk. You should carefully consider all the information in this Letter of Offer, including the risks and uncertainties described below, before making an investment in the Equity Shares. In making an investment decision, prospective investors must rely on their own examination of our Company and the terms of this issue including the merits and risks involved. Any potential investor in, and subscriber of, the Equity Shares should also pay particular attention to the fact that we are governed in India by a legal and regulatory environment in which some material respects may be different from that which prevails in other countries. The risks and uncertainties described in this section are not the only ones relevant to us or our Equity Shares, the industry in which we operate or to India. Additional risks and uncertainties, not currently known to us or that we currently do not deem material may also adversely affect our business, results of operations, cash flows and financial condition. If any of the following risks, or other risks that are not currently known or are not currently deemed material, actually occur, our business, results of operations, cash flows and financial condition could be adversely affected, the price of our Equity Shares could decline, and investors may lose all or part of their investment.

*Unless otherwise stated in the relevant risk factors set forth below, we are not in a position to specify or quantify the financial or other implications of any of the risks mentioned herein. To obtain a better understanding, you should read this section in conjunction with the chapters titled **"Our Business"** and **"Industry Overview"** on page nos. 58 and 49, respectively of this Letter of Offer as well as other financial information contained herein.*

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

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

*The financial and other related implications of risks concerned, wherever quantifiable, have been disclosed in the risk factors mentioned below. However, there are risk factors where the impact may not be quantifiable and hence the same has not been disclosed in such risk factors. Unless otherwise stated, the financial information of our Company used in this section is derived from our Financial Information prepared in accordance with IND AS and the Companies Act. Unless otherwise stated, we are not in a position to specify or quantify the financial or other risks mentioned herein. For capitalized terms used but not defined in this chapter, refer to the chapter titled **"Definitions and Abbreviations"** on page no. 5 of this Letter of Offer. The numbering of the risk factors has been done to facilitate ease of reading and reference and does not in any manner indicate the importance of one risk factor over another.*

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

A. *INTERNAL RISK FACTORS:*

1. *The Company has outstanding trade receivables from previous transactions yet to be recovered:*

As on 31st March, 2026 and 30th June, 2026, our outstanding trade receivables stood at Rs. 11,248.16 Lakhs and Rs. 4,514.17 Lakhs, respectively, representing approximately 75.00% and 90.27% of our revenue from operations for the financial year ended on 31st March, 2026 and the quarter ended on 30th June, 2026, respectively.

Our top 4 (Four) customers accounted for ₹11,248.16 Lakhs, or 100% of total trade receivables as at 31st March, 2026, with our single largest debtor accounting for ₹5,464.35 Lakhs, or 48.58% of such receivables. Any deterioration in the financial position, creditworthiness, or business operations of these customers could disproportionately affect our ability to recover these amounts.

Our Company continues to pursue recovery of the remaining outstanding amount through follow-up with customers. However, there can be no assurance that we will be able to recover these outstanding trade receivables in a timely manner, or at all, and any failure or delay in such recovery may adversely affect our liquidity, cash flows, financial condition, and results of operations.

2. *Our business is dependent on demand from a limited set of end-use industries such as LED manufacturing, semiconductor applications, power electronics and electric vehicles, and any decline in demand from these industries may have a material adverse effect on our business:*

Our Company derives a substantial majority of its revenue from the manufacturing and processing of semiconductor materials, including sapphire substrates (ingots and wafers), silicon carbide (SiC), and related products, which are primarily used in end-use industries such as LED manufacturing, semiconductor fabrication, power electronics, electric vehicles, and renewable energy applications. Revenue from these business activities contributed approximately 99.17%

and 98.95% of our total revenue from operations for the quarter ended on 30th June, 2026 and the financial year ended on 31st March, 2026, respectively, amounting to ₹5000.60 Lakhs and ₹14,996.73 Lakhs, respectively.

We do not have a diversified revenue base to offset a decline in any single end-use segment. Any reduction in demand for LEDs, delays in the adoption of SiC-based technologies, reduced investments in electric vehicles or renewable energy, or the emergence of alternative materials or technologies specific to these segments could reduce demand for our products. As a result, any decline in demand from these end-use industries could materially and adversely affect our business, financial condition, results of operations and cash flows.

3. ***We are dependent on a limited number of suppliers for our material requirements, and any disruption in the supply of materials may adversely affect our business:***

We source a significant portion of our raw material requirements, including [sapphire/ SiC/ silicon and other precision-grade inputs], from a limited number of suppliers. While we have maintained long-term relationships with many of our suppliers, we do not have long-term supply agreements or formal written contracts with any of them. Our credit terms with suppliers are based on relationships built over time, driven by continuity of orders, order size, and timely payments, and we cannot assure you that such favourable terms will continue in the future.

For the financial year ended on 31st March, 2026 and the quarter ended on 30th June, 2026, our top 8 suppliers accounted for ₹11,177.74 Lakhs and ₹3,457.55 Lakhs, or 100% of our total procurement, respectively. Our single largest supplier accounted for 49.35% of our total procurement for the financial year ended on 31st March, 2026. Certain of these raw materials require specific technical specifications, and in the event of disruption in supply from our key suppliers, we may not have readily available alternate sources that meet our required technical and quality standards.

We are also exposed to fluctuations in the prices of the raw materials we procure, and we may be unable to control the factors affecting such prices. If we are unable to pass on an increase in the cost of production to our customers, our margins may be adversely affected; conversely, if we pass on such increases through a corresponding rise in the price of our products, our products may become less competitive or unaffordable to customers seeking to maintain their own margins. Any upward fluctuation in raw material prices may thereby affect our margins and profitability, and could have a material adverse effect on our business, financial condition and results of operations.

4. ***We are dependent on orders from our customers, and our loss of, or reduction in orders from, significant customers may adversely affect our business:***

We do not have long-term agreements with our customers, and our revenue is derived on the basis of purchase orders placed by them from time to time. Our top 3 customers accounted for ₹14,996.73 Lakhs and ₹5,000.60 Lakhs, or 100% of our revenue from operations, for the financial year ended 31st March, 2026 and the quarter ended 30th June, 2026, respectively. Our single largest customer accounted for 54.40% of our revenue from operations for the financial year ended 31st March, 2026

In the absence of long-term agreements or exclusivity arrangements, our customers are under no obligation to continue placing orders with us and may choose to reduce or discontinue sourcing our products at any time, for reasons that may include competitive pricing, changes in their own sourcing strategies, or a shift to alternate suppliers. We cannot assure you that we will continue to receive orders from our existing customers at current levels, or at all.

Further, any deterioration in the financial condition or business prospects of our key customers may reduce their demand for our products or affect their ability to make timely payments, which could adversely impact our revenue and cash flows. The loss of, or a material reduction in orders from, one or more significant customers could have a material adverse effect on our business, financial condition, cash flows, and results of operations.

5. ***Our business is dependent on the semiconductor and electronics industries, and industry downturns may adversely affect our business:***

Our operations are closely linked to the semiconductor and electronics industries. Demand for our products is influenced by capital expenditure patterns of semiconductor fabrication units, capacity expansion plans of manufacturers, and consumption trends in downstream industries.

Any slowdown in semiconductor manufacturing activities, supply-demand imbalances in global semiconductor markets, or adverse macroeconomic conditions affecting our customers could result in reduced demand for our products. Any such adverse developments, or any inability on our part to anticipate or adapt to changes in the semiconductor industry, could materially and adversely affect our business, financial condition, results of operations, and cash flows.

6. ***Our business is dependent on the availability of high-purity raw materials, and any disruption in supply or price fluctuation may adversely affect our operations and profitability:***

Our manufacturing processes require consistent availability of high-purity and specialized raw materials such as sapphire, silicon carbide (SiC), silicon, and other precision-grade inputs, which are critical to the quality and performance of our products. Raw materials costs constituted approximately 100% of our total cost of materials consumed for the financial year ended on 31st March, 2026. These materials are procured from a limited base of suppliers as per Risk Factor No. 3, and for certain of these materials, readily available alternate sources meeting our required technical specifications may not exist. Any disruption in supply, delays in procurement, supplier capacity constraints, or inability to source materials of the required quality may adversely affect our production schedules, operational efficiency, and ability to meet customer demand, which could have a material adverse effect on our business and results of operations.

In addition, we are exposed to fluctuations in raw materials prices arising from demand-supply dynamics, commodity price volatility, or other macroeconomic factors, which are outside our control. If we are unable to pass on such increased costs to our customers in a timely manner, or at all, our margins, profitability, and overall financial performance may be adversely affected.

7. ***Our Company requires significant working capital for its business and continued growth, and any inability to meet our working capital requirement may adversely affect our results of operations:***

Our business is working capital intensive on account of the nature of our operations, including the credit period extended to our customers (*see Risk Factor No. 1: "outstanding trade receivables"*) and the level of inventory required to be maintained to service customer orders. For details of the proposed utilisation of the proceeds of the Issue towards funding our working capital requirements, including inventory and other working capital requirements, see ***"Objects of the Issue"*** - Chapter V on page no. 43 of this letter of offer. Our working capital requirements may increase further with the growth of our business and revenues.

In the event we are unable to generate sufficient cash flows or arrange additional credit facilities or other sources of funds in a timely manner and on commercially acceptable terms, our ability to meet our working capital requirements, service our debt obligations and make timely payments to our suppliers may be adversely affected. Any such failure could have a material adverse effect on our financial condition, results of operations, cash flows and reputation with our suppliers and lenders.

8. ***We operate in a rapidly evolving industry and are exposed to risks of technological obsolescence.***

The semiconductor materials and precision engineering industries are characterized by continuous technological advancements, and evolving customer requirements. Changes in material technologies, wafer sizes, manufacturing processes, and performance standards may impact the relevance of existing products over time. Our ability to remain competitive depends on our capacity to continuously upgrade our technology, enhance manufacturing processes, and develop new products. Failure to do so may result in reduced demand, pricing pressure, loss of market share, and adverse impact on our business and results of operations.

9. ***Our business depends on maintaining high standards of quality and precision.***

Our products are used in critical and high-precision applications, including semiconductor manufacturing, metrology, and other industrial uses, where stringent quality standards, dimensional accuracy, and performance reliability are essential. Accordingly, we are required to maintain consistent quality control across all stages of our manufacturing process. Any failure to adhere to prescribed quality standards, occurrence of defects, variations in product specifications, or inconsistencies in manufacturing processes may result in rejection of products by customers, rework or replacement costs, delays in deliveries, and increased operational expenses. Such issues may also lead to customer dissatisfaction, damage to our reputation, loss of customer relationships, and reduced future business opportunities, which may adversely affect our business, financial condition, and results of operations.

10. ***The Registered Office from which we operate is not owned by the Company:***

Our Registered Office is situated at Building No. GB-200B, Green Base Industrial & Logistics Park, Thriveni Nagar, Vadakkupattu, Chengalpattu, Tamil Nadu, India – 603 204, India. The said premises have been taken on lease from a third-party lessor for a period of three (3) years, commencing from 25th July, 2025 and expiring on 25th July, 2028, with an option for renewal on terms to be mutually agreed with the lessor.

As the Company does not own the premises, any termination, non-renewal, or disruption of the lease arrangement may require us to relocate our Registered Office to an alternate location. Such relocation may require us to comply with additional regulatory filings, including intimation to the Stock Exchange, Registrar of Companies and other statutory authorities, and may lead to administrative and operational disruptions, which could adversely affect our business operations, financial condition, and results of operations.

11. ***Our success depends significantly on the continued services of our Promoters, who are also part of the Board of Directors, along with the Key Managerial Personnels and Senior Management, and any loss of such personnel may adversely affect our business:***

Our Promoters, Mr. Eswara Rao Nandam, Ms. Uma Nandam and Mr. Vishaal Nandam, are also Directors of our Company. Mr. Eswara Rao Nandam and Ms. Uma Nandam are husband and wife, and Mr. Vishaal Nandam is their son. Our Promoters collectively hold 12.53% of the pre-Issue paid-up equity share capital of our Company. Our Promoters possess significant technological know-how and experience across electronic components manufacturing, automotive components, electronics assembly, automation systems, and integration of software with advanced technologies, including artificial intelligence.

Mr. Eswara Rao Nandam, our Promoter and Non-Executive Director-cum-Chairman, has over three decades of experience in these areas. Mr. Vishaal Nandam, our Promoter and Non-Executive Director, heads our Research and Development division, and has experience in electronics and semiconductor-related design and development, including training in CAD tools, 3D modelling, animation, and robotics operations and programming. Ms. Uma Nandam, our Promoter and Whole-time Director, oversees the accounts, finance, and administration functions of our Company. Our management team is further supported by our Board of Directors, including Independent Directors, and our other Key Managerial Personnel and Senior Management Personnel. see ***"Our Management"*** on page no. 66 of this Letter of Offer.

Our business and future growth are significantly dependent on the continued services and performance of our Promoters, Directors, Key Managerial Personnel, and Senior Management Personnel. The loss of the services of any of them, whether due to resignation, incapacity, or otherwise, may adversely affect our operations, profitability, financial condition, profitability, and the confidence of our other stakeholders. Further, any inability on our part to effectively attract, retain, and manage qualified human resources could adversely impact our ability to implement new projects and execute our business expansion plans.

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

Our operations, particularly in relation to the manufacturing and quality control of our products, depend on our employees adhering to prescribed processes and standards. Employee misconduct or unintentional errors, including in relation to production processes, quality control, financial reporting, could expose us to business risks or losses, including customer claims, regulatory sanctions, and serious harm to our reputation.

While we have implemented internal controls, there can be no assurance that we will be able to detect or deter all instances of misconduct or error, or that our precautions will be effective in all cases. As of the date of this Letter of Offer, there have been no instances of material employee misconduct or fraud identified by our Company.

Any future instances of employee misconduct or error could subject us to claims and proceedings for alleged negligence, as well as regulatory action, and could adversely affect our business, financial condition, results of operations and goodwill.

13. ***Intense competition in the semiconductor materials and precision components industry could adversely affect our pricing, market share, and profitability:***

We operate in a niche but competitive industry and face competition from international manufacturers of semiconductor materials and precision components, some of whom have greater financial resources, advanced technologies, and broader product portfolios. Competition is driven by factors such as product quality, technology, pricing, supply chain efficiency, and customer relationships. Our competitors may benefit from economies of scale or consolidate through mergers and acquisitions, further strengthening their market position. If we are unable to compete effectively on pricing, technology, or customer service, it may result in loss of customers, pricing pressures, reduced margins, and could adversely affect our business, financial condition, and results of operations.

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

Our ability to pay dividends in the future will depend on our future earnings, financial condition, cash flows, and working capital requirements. We have not declared or paid any dividends on our Equity Shares in the past. There can be no assurance that we will pay dividends to our shareholders in the future. We may be unable to pay dividends in the near or medium term, and our future dividend policy will depend on our capital requirements, financing arrangements for our business plans, financial condition, and results of operations.

Under the current Indian tax regime, dividends distributed by us are taxable in the hands of our shareholders at their applicable rates, and we are required to deduct tax at source ("TDS") on such dividend payments in accordance with

Section 194 of the Income-tax Act, 1961 [and corresponding provisions under the Income Tax Act, 2025, to the extent applicable], where the dividend paid to a resident shareholder exceeds the prescribed threshold in a financial year.

15. ***Our Company has in the past entered into related party transactions and may continue to do so in the future:***

We have entered into and may in the ordinary course of our business continue to enter into transactions with related parties that include our Promoters, Directors and Promoter Group entities.

All the related party transactions undertaken by the Company are in compliance with the applicable provisions of the Companies Act, 2013 and all other applicable laws. While we believe that all such transactions have been conducted on an arm's length basis and in the ordinary course of business, there can be no assurance that we could not have achieved more favourable terms had such transactions not been entered into with related parties. Furthermore, it is likely that we may enter into related party transactions in the future. The Companies Act, 2013 has brought into effect significant changes to the Indian Company law framework, including specific compliance requirements such as obtaining prior approval from audit committee, the board of directors and shareholders for certain related party transactions. There can be no assurance that such transactions, individually or in the aggregate, will not have a material effect on our financial condition and results of operations.

16. ***Our actual results could differ from the estimates and projections used to prepare our financial statements.***

The estimates and projections are based on and reflect our current expectations, assumptions and/or projections as well as our perception of historical trends and current conditions, as well as other factors that we believe are appropriate and reasonable under the circumstances. There can be no assurance that our expectations, estimates, assumptions and/or projections, including with respect to the future earnings and performance will prove to be correct or that any of our expectations, estimates or projections will be achieved.

17. ***Our business may be affected by changes in government policies and regulations relating to the semiconductor sector.***

Our operations and growth prospects are significantly influenced by government policies and regulatory frameworks applicable to the semiconductor and advanced manufacturing sectors. These include incentive schemes, subsidies, tax benefits, import and export regulations, customs duties, and other industry-specific guidelines aimed at promoting domestic manufacturing and reducing import dependence. Any change, withdrawal, or modification of such policies or incentives, including reduction in fiscal benefits, increase in duties, or imposition of additional compliance requirements, may adversely impact our cost structure, pricing competitiveness, and expansion plans. Further, stricter environmental, industrial, or operational regulatory requirements may result in additional compliance costs or operational adjustments. Accordingly, any adverse changes in government policies or regulations may have a material adverse effect on our business, financial condition, cash flows, and results of operations.

18. ***Our proposed semiconductor materials manufacturing facility at Nava Raipur, Chhattisgarh is at an early stage and is subject to execution, and regulatory approval risks:***

Our Company has acquired land within the notified SEZ at Kosala Industrial Park, Nava Raipur, Atal Nagar, Chhattisgarh, for a proposed sapphire ingot and wafer manufacturing facility as part of the next phase of our expansion. Although the SEZ notification has been completed, other requisite approvals and formalities in relation to the proposed facility are still under process. Further, there can be no assurance that we will receive the requisite approvals and incentives within the expected timelines, and the proposed facility will be eligible for, or receive, the anticipated benefits under applicable State Government and Central Government schemes.

We propose to finance the proposed project through a combination of internal accruals, borrowings and State and Central Government incentive schemes. The proposed project is not proposed to be funded from the proceeds of this Issue, which are proposed to be utilised for the purposes set out in ***"Objects of the Issue"*** on page no. 43 of this Letter of Offer.

Any delay in, or failure to, complete and operationalise the proposed facility, or any inability to achieve the anticipated benefits from the project, could result in increased costs, additional funding requirements, lower-than-expected revenues and profitability, and loss or impairment of our investments in the project.

19. ***Our funding requirements and the proposed deployment of Net Proceeds have not been appraised by a public financial institution or a scheduled commercial bank and our management will have broad discretion over utilization of the Net Proceeds.***

Our Company proposes to utilize the Net Issue Proceeds towards funding its working capital requirements and for general corporate purposes has been determined by the management of the Company based on its business requirements, estimated funding needs, and future growth plans. The working capital fund requirement of the Company shall be met through the proposed fund raising and internal accruals**.** The proposed deployment of Net Proceeds has not been appraised by any public financial institution or scheduled commercial bank.

We cannot assure you that the deployment of the Net Issue Proceeds will result in the expected growth of our business, improved profitability, or an increase in the value of our Company. Any variation in the proposed deployment of the Net Issue Proceeds may adversely affect our business, financial condition, results of operations, and cash flows.

20. Statistical and industry data in this Letter of Offer may be inaccurate, incomplete or unreliable:

We have not independently verified data obtained from industry publications and other sources referred to in this Letter of Offer. This Letter of Offer includes information that is derived from relevant sources. Neither we nor any other person connected with the Issue has verified the information in the website of relevant sources. This information does not guarantee the accuracy, adequacy or completeness of the information and disclaims responsibility for any errors or omissions in the information or for the results obtained from the use of the information. There are no standard data gathering methodologies in the industry in which we conduct our business, and methodologies and assumptions vary widely among different industry sources. Further, such assumptions may change based on various factors. We cannot assure you that information from website of relevant sources is correct or will not change and accordingly, our position in the market may differ from that presented in this Letter of Offer. Further, Prospective Investors are advised not to unduly rely on the information of relevant sources or extracts thereof as included in this Letter of Offer, when making their investment decisions.

B. EXTERNAL RISK FACTORS:

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

The Companies Act, 2013 has brought into effect significant changes to the Indian company law framework, such as in the provisions related to issue of capital, disclosures in Letter of Offer, corporate governance norms, audit matters, related party transactions, introduction of a provision allowing the initiation of class action suits in India against companies by shareholders or depositors, a restriction on investment by an Indian Company through more than two layers of subsidiary investment companies (subject to certain permitted exceptions), prohibitions on loans to directors and insider trading and restrictions on Director(s) and Key Managerial Personnel(s) from engaging in forward dealing. Further, Companies meeting certain financial thresholds are also required to constitute a committee of the Board of Directors for corporate social responsibility activities and ensure that at least 2% of the average net profits of the Company during three immediately preceding financial years are utilized for corporate social responsibility activities. Penalties for instances of non-compliance have been prescribed under the Companies Act, 2013, which may result in, inter alia, our Company, Director(s) and Key Managerial Personnel(s) being subject to such penalties and formal actions as prescribed under the Companies Act, 2013, should we not be able to comply with the provisions of the New Companies Act within the prescribed timelines, and this could also affect our reputation.

To ensure compliance with the requirements of the Companies Act, 2013 within the prescribed timelines, we may need to allocate additional resources, which may increase our regulatory compliance costs and divert management attention. While we shall endeavour to comply with the prescribed framework and procedures, we may not be in a position to do so in a timely manner.

2. Political, economic, or other factors that are beyond our control may adversely affect our business and results of operations:

The Indian economy is influenced by economic developments in other countries. These factors could depress economic activity which could have an adverse effect on our business, financial condition, and results of operations. Any financial disruption could have an adverse effect on our business and future financial performance.

We are dependent on domestic, regional, and global economic and market conditions. Our performance, growth and market price of our Equity Shares are and will be dependent to a large extent on the health of the economy in which we operate. There have been periods of slowdown in the economic growth of India. Demand for our services may be adversely affected by an economic downturn in domestic, regional, and global economies.

Economic growth is affected by various factors including domestic consumption and savings, balance of trade movements, namely export demand and movements in key imports, global economic uncertainty and liquidity crisis, and volatility in exchange currency rates, and annual rainfall which affects agricultural production.

Consequently, any future slowdown in the Indian economy could harm our business, results of operations and financial condition. Also, a change in the government or a change in the economic and deregulation policies could adversely affect economic conditions prevalent in the areas in which we operate in general and our business in particular and high rates of inflation in India could increase our costs without proportionately increasing our revenues, and as such decrease our operating margins.

3. ***Changing laws, rules and regulations and legal uncertainties, including adverse application of corporate and tax laws, may adversely affect our business, prospects, and results of operations.***

The regulatory and policy environment in which we operate is evolving and subject to change. Such changes, including the instances mentioned below, may adversely affect our business, results of operations and prospects, to the extent that we are unable to suitably respond to and comply with any such changes in applicable law and policy.

In addition, unfavourable changes in or interpretations of existing, or the promulgation of new laws, rules and regulations including foreign investment laws governing our business, operations and group structure could result in us being deemed to be in contravention of such laws or may require us to apply for additional approvals. We may incur increased costs and other burdens relating to compliance with such new requirements, which may also require significant management time and other resources, and any failure to comply may adversely affect our business, results of operations and prospects. Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy, 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 affect the viability of our current business or restrict our ability to grow our business in the future.

Any increase in taxes and levies, or the imposition of new taxes and levies in the future, could increase the cost of production and operating expenses. Taxes and other levies imposed by the central or state governments in India that affect our industry include customs duties, excise duties, sales tax, income tax and other taxes, duties or surcharges introduced on a permanent or temporary basis from time to time. The central and state tax scheme in India is extensive and subject to change from time to time. Any adverse changes in any of the taxes levied by the central or state governments may adversely affect our competitive position and profitability.

4. ***Financial instability in both Indian and International financial markets could adversely affect our results of operations and financial condition.***

The Indian financial market and the Indian economy are influenced by economic and market conditions in other countries, particularly in emerging market in Asian countries. Financial turmoil in Asia, Europe, the United States and elsewhere in the world in recent years has affected the Indian economy. Although economic conditions are different in each country, investors' reactions to developments in one country can have an adverse effect on the securities of Companies in other countries. A loss in investor confidence in the financial systems of other emerging markets may cause increased volatility in the Indian economy in general. Any global financial instability, including further deterioration of credit conditions in the U.S. market, could also have a negative impact on the Indian economy. Financial disruptions may occur again and could harm our results of operations and financial condition.

The Indian economy is also influenced by economic and market conditions in other countries. This includes, but is not limited to, the conditions in the United States, Europe and certain economies in Asia. Financial turmoil in Asia and elsewhere in the world in recent years has affected the Indian economy. Any worldwide financial instability may cause increased volatility in the Indian financial markets and, directly or indirectly, adversely affect the Indian economy and financial sector and its business.

Although economic conditions vary across markets, loss of investor confidence in one emerging economy may cause increased volatility across other economies, including India. Financial instability in other parts of the world could have a global influence and thereby impact the Indian economy. Financial disruptions in the future could adversely affect our business, prospects, financial condition and results of operations. The global credit and equity markets have experienced substantial dislocations, liquidity disruptions and market corrections.

There are concerns that a tightening of monetary policy in emerging markets and some developed markets will lead to a moderation in global growth. In response to such developments, legislators and financial regulators in the United States and other jurisdictions, including India, have implemented a number of policy measures designed to add stability to the financial markets. However, the overall long-term impact of these and other legislative and regulatory efforts on the global financial markets is uncertain, and they may not have had the intended stabilizing effects. Any significant financial disruption in the future could have an adverse effect on our cost of funding, business, future financial performance, and the trading price of the Equity Shares.

5. ***Inflation in India could have an adverse effect on our profitability and if significant, on our financial condition.***

Inflation rates in India have been volatile in recent years, and such volatility may continue in the future. India has experienced high inflation in the recent past. Increased inflation can contribute to an increase in interest rates and increased costs to our business, including increased costs of salaries, and other expenses relevant to our business.

High fluctuations in inflation rates may make it more difficult for us to accurately estimate or control our costs. Any increase in inflation in India can increase our expenses, which we may not be able to pass on to our customers, whether entirely or in part, and the same may adversely affect our business and financial condition. In particular, we might not be able to reduce our costs or increase our rates to pass the increase in costs on to our customers. In such case, our business, results of operations, cash flows and financial condition may be adversely affected.

Further, the GOI has previously initiated economic measures to combat high inflation rates, and it is unclear whether these measures will remain in effect. There can be no assurance that Indian inflation levels will not worsen in the future.

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

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

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

Terrorist attacks and other acts of violence or war may negatively affect the Indian markets on which our Equity Shares will trade and also adversely affect the worldwide financial markets. These acts may also result in a loss of business confidence, impede travel and other services and ultimately adversely affect our business. In addition, any deterioration in relations between India and Pakistan might result in investor concern about stability in the region, which could adversely affect the price of our Equity Shares.

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 a negative impact on the value of share prices generally as well as the price of our Equity Shares. 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 our Equity Shares.

8. Any further downgrading of our debt ratings or of India's sovereign debt rating may adversely affect our business.

Any downgrading of our credit ratings may increase interest rates on our outstanding debt, increase interest rates for refinancing our outstanding debt, which would increase our financing costs, and materially and adversely affect our ability to raise new capital on a competitive basis, which may adversely affect our profitability and future growth. In addition, any adverse revisions to India's credit ratings for domestic and international debt by international rating agencies may adversely affect our ability to raise additional financing and the interest rates and other commercial terms at which such financing is available. This may materially and adversely affect our capital expenditure plans, business and future financial performance and our ability to fund our growth in future.

9. The ability of Indian companies to raise foreign capital may be constrained by Indian law.

As an Indian Company, we are subject to exchange controls that regulate borrowing in foreign currencies, including those specified under FEMA. Such regulatory restrictions limit our financing sources for our projects under development and hence could constrain our ability to obtain financing on competitive terms and refinance existing indebtedness. In addition, we cannot assure you that the required approvals will be granted to us without onerous conditions, or at all. Limitations on foreign debt may adversely affect our business growth, results of operations and financial condition.

10. A slowdown in economic growth in India could cause our business to suffer.

We are incorporated in India, and all our assets and employees are located in India. As a result, we are highly dependent on prevailing economic conditions in India, and our results of operations are significantly affected by factors influencing the Indian economy. A slowdown in the Indian economy could adversely affect our business, including our ability to grow our revenue and production capacity, maintain our order book, and implement our business strategy.

Factors that may adversely affect the Indian economy, and hence our results of operations, may include:

i. any increase in Indian interest rates or inflation;
ii. any scarcity of credit or other financing in India;
iii. prevailing income conditions among Indian consumers and Indian corporations;
iv. changes in India's tax, trade, fiscal or monetary policies;
v. political instability, terrorism or military conflict in India or in countries in the region or globally, including in India's various neighbouring countries;

vi. prevailing regional or global economic conditions; and
vii. other significant regulatory or economic developments in or affecting India.

Any slowdown in the Indian economy, or in the growth of the sectors in which we operate, or future volatility in global commodity prices, could adversely affect our customers and suppliers. This, in turn, could adversely affect our business, financial performance, and the price of our Equity Shares.

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

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

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

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

C. RISK FACTORS RELATED TO ISSUE:

1. ***Our Company will not distribute this Letter of Offer, the Rights Entitlement Letter and the Application Form to overseas Shareholders who have not provided an address in India for service of documents.***

Our Company will dispatch this Letter of Offer, the Rights Entitlement Letter and the Application Form **(collectively referred to as the "Issuing Materials")** through electronic mode to such eligible shareholders as on the Record Date (to be determined by the Board of Directors), whose email address are available in record of the Depositories.

The Letter of Offer shall be provided to any existing shareholder who makes a request for a copy thereof. The Issuing Materials shall not be distributed to addresses outside India on account of restrictions applicable to the circulation of such materials in various overseas jurisdictions.

2. ***The Rights Entitlements of Eligible Equity Shareholders holding Equity Shares in physical form may lapse and stand extinguished if they fail to furnish their demat account details to the Registrar within the prescribed timeline, and unexercised Rights Entitlements generally will lapse after the Issue Closing Date.***

In accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI ICDR Master Circular, the credit of Rights Entitlements and Allotment of Equity Shares in this Issue shall be made in dematerialised form only.

Prior to the Issue Opening Date, our Company shall credit Rights Entitlements to (i) the demat accounts of Eligible Equity Shareholders holding Equity Shares in dematerialised form as on the Record Date i.e. [•]; and (ii) a demat suspense escrow account opened by our Company, in respect of Equity Shares that are held in physical form ("Physical Shareholders") or linked to a demat account that is frozen or whose details are otherwise unavailable with our Company or the Registrar as on the Record Date.

Physical Shareholders desirous of subscribing to, renouncing, or trading their Rights Entitlements are required to furnish their demat account details to the Registrar or our Company, in the manner set out on the Registrar's website at www.in.mpms.mufg.com, at least two working days prior to the Issue Closing Date i.e. [•], to enable credit of their Rights Entitlements from the suspense escrow account to their demat account at least one day before the Issue Closing Date. Physical Shareholders may contact the Registrar on its helpline number +91-8108114949 or at artificialelectronics.rights@in.mpms.mufg.com. A Physical Shareholder cannot renounce their Rights Entitlements until this transfer from the suspense escrow account has taken place.

The Rights Entitlements, credited under a separate ISIN, will be eligible for trading on the stock exchange through on-market renunciation (T+1 rolling settlement) as well as off-market renunciation, until the exchanges suspend the ISIN for transfer, which our Company will cause to happen from the Issue Closing Date (with intimation to the depositories at least one day in advance).

Physical Shareholders who do not furnish their demat account details within the timeline above may still apply for Rights Equity Shares during the Issue Period, subject to the procedure described in ***"Terms of the Issue – Procedure***

for Application by Eligible Equity Shareholders holding Equity Shares in physical form" and ***"Credit and Transfer of Rights Equity Shares in case of Shareholders holding Equity Shares in Physical Form and disposal of Rights Equity Shares for non-receipt of demat account details in a timely manner"*** on page nos. 93 and 111, respectively, of this Letter of Offer.

Rights Entitlements that are neither renounced nor subscribed by an Eligible Equity Shareholder (including Physical Shareholders who have not completed the steps above) on or before the Issue Closing Date shall lapse and stand extinguished after the Issue Closing Date, and such shareholders will not be entitled to any compensation for the lapsed Rights Entitlements.

3. ***Failure to exercise or sell the Rights Entitlements will cause the Rights Entitlements to lapse without compensation and result in a dilution of shareholding.***

   Rights Entitlements that are not exercised prior to the end of the Issue Closing Date will expire and become null and void, and Eligible Equity Shareholders will not receive any consideration for them. The proportionate ownership and voting interest in our Company of Eligible Equity Shareholders who fail (or are not able) to exercise their Rights Entitlements will be diluted. Even if you elect to sell your unexercised Rights Entitlements, the consideration you receive for them may not be sufficient to fully compensate you for the dilution of your percentage ownership of the equity share capital of our Company that may be caused as a result of the Issue. Renouncees may not be able to apply in case of failure in completion of renunciation through off-market transfer in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees prior to the Issue Closing Date. Further, in case, the Rights Entitlements do not get credited in time, in case of On Market Renunciation, such Renouncee will not be able to apply in this Issue with respect to such Rights Entitlements. For details, please refer to ***"Terms of the Issue"*** on page no. 87 of this Letter of Offer.

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

   Under current Indian tax laws, unless specifically exempted, capital gains arising from the sale of equity shares of an Indian Company are generally taxable in India. Accordingly, you may be subject to payment of long-term capital gains tax in India, in addition to payment of STT, on the sale of any Equity Shares held for more than 12 months. STT will be levied on and collected by a domestic stock exchange on which the Equity Shares are sold. Further, any gain realized on the sale of listed equity shares held for a period of 12 months or less will be subject to short-term capital gains tax in India. Capital gains arising from the sale of the Equity Shares may be partially or completely exempt from taxation in India in cases where such exemption 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 jurisdiction on gains made upon the sale of the Equity Shares.

5. ***You may not receive the Equity Shares that you subscribe into the Issue until the receipt of trading approval from the Stock Exchange(s), which will subject you to market risk.***

   The Equity Shares that you subscribe into the Issue may not be credited to your demat account with the depository participants until the receipt of trading approval from the stock exchange(s). You can start trading such Equity Shares only after receipt of the listing and trading approval in respect thereof. There can be no assurance that the Equity Shares allocated to you will be credited to your demat account, or that trading in the Equity Shares will commence within the specified time period, subjecting you to market risk for such period.

6. ***There is no guarantee that our Equity Shares will be listed in a timely manner or at all, which may adversely affect the trading price of our Equity Shares.***

   In accordance with Indian law and practice, approval for listing and trading of the Equity Shares will not be granted by the Stock Exchange until after those Equity Shares have been issued and allotted. Approval will require all relevant documents authorizing the issuing of Equity Shares to be submitted. There could be a failure or delay in listing the Equity Shares on Stock Exchange. Any failure or delay in obtaining the approval would restrict your ability to dispose of your Equity Shares. Further, historical trading prices, therefore, may not be indicative of the prices at which the Equity Shares will trade in the future which may adversely impact the ability of our shareholders to sell the Equity Shares or the price at which shareholders may be able to sell their Equity Shares at that point of time.

7. ***No market for the Rights Entitlements may develop and the price of the Rights Entitlements may be volatile.***

   No assurance can be given that an active trading market for the Rights Entitlements will develop on the Stock Exchange during the Renunciation Period or that there will be sufficient liquidity in Rights Entitlements trading during this period. The trading price of the Rights will not only depend on supply and demand for the Rights Entitlements, which may be affected by factors unrelated to the trading in the Equity Shares, but also on the Equity Share price. Factors affecting the volatility of the Share price, as described herein, may magnify the volatility of the trading price of the Rights Entitlements, and a decline in the Equity Share price will have an adverse impact on the trading price of the Rights

Entitlements. The trading price of the Rights Entitlements may be subject to greater price fluctuations than that of the Equity Shares.

8. ***Applicants to this Issue are not allowed to withdraw their Applications after the Issue Closing Date.***

In terms of the SEBI ICDR Regulations, Applicants in this Issue are not allowed to withdraw their Applications after the Issue Closing Date. The Allotment in this Issue and the credit of such Equity Shares to the Applicant's demat account with its depository participant shall be completed within such period as prescribed under the applicable laws. There is no assurance, however, that material adverse changes in the international or national monetary, financial, political or economic conditions or other events in the nature of force majeure, material adverse changes in our business, results of operation or financial condition, or other events affecting the Applicant's decision to invest in our Equity Shares, would not arise between the Issue Closing Date and the date of Allotment in this Issue. Occurrence of any such events after the Issue Closing Date could also impact the market price of our Equity Shares. The Applicants shall not have the right to withdraw their applications in the event of any such occurrence. We cannot assure you that the market price of the Equity Shares will not decline below the Issue Price. To the extent the market price for the Equity Shares declines below the Issue Price after the Issue Closing Date, the shareholder will be required to purchase Rights Equity Shares at a price that will be higher than the actual market price for the Equity Shares at that time. Should that occur, the shareholder will suffer an immediate unrealized loss as a result. We may complete the Allotment even if such events may limit the Applicants' ability to sell our Equity Shares after this Issue or cause the trading price of our Equity Shares to decline.

9. ***Investors will be subject to market risks until our Equity Shares credited to the investor's demat account are listed and permitted to trade.***

Investors can start trading our Equity Shares allotted to them only after they have been credited to an investor's demat account, are listed and permitted to trade. Since our Equity Shares are currently traded on the Stock Exchange, investors will be subject to market risk from the date they pay for our Equity Shares to the date when trading approval is granted for the same. Further, there can be no assurance that our Equity Shares allocated to an investor will be credited to the investor's demat account or that trading in such Equity Shares will commence in a timely manner.

10. ***Rights of shareholders under Indian laws may be more limited than under the laws of other jurisdictions.***

Indian legal principles related to corporate procedures, directors' fiduciary duties and liabilities, and shareholders' rights may differ from those that would apply to a Company in another jurisdiction. Shareholders' rights including in relation to class actions, under Indian law may not be as extensive as shareholders' rights under the laws of other countries or jurisdictions. Investors may have more difficulty in asserting their rights as shareholder in an Indian company than as shareholder of a corporation in another jurisdiction.

SECTION IV - INTRODUCTION

This Issue has been authorized through a resolution passed by our Board at its meeting held on 17th September, 2026, pursuant to Section 62(1)(a) of the Companies Act, 2013 and the issue details such as price, number of shares, ratio etc. finalized and approved by the Board of Directors in their meeting held on **[•]**. The following is a summary of this Issue and should be read in conjunction with and is qualified entirely by the information detailed in the chapter titled ***"Terms of the Issue"*** on page no. 87 of this Letter of Offer.

SUMMARY OF THE ISSUE

Equity shares offered through the Issue	Upto [•]# Equity Shares.
Rights Entitlements	Upto [•] Rights Equity Shares for every [•] Fully Paid-up Equity Shares held by the existing eligible equity shareholders on the Record Date i.e. [•].
Record Date	[•]
Face value per Equity share	Rs. 10.00/- per share.
Issue price per Equity share	Rs. [•] per share (including Rs. [•] as share premium).
Issue Size	Upto [•]# Equity Shares of face value of Rs. 10.00/- each for cash at a price of Rs. [•] per share (including a share premium of Rs. [•] each) aggregating upto Rs. 16,601.754 Lakhs.
Voting Rights and Dividend	The Equity Shares issued pursuant to this Issue shall rank pari passu in all respects with the existing Equity shares of our Company.
Equity Shares issued, subscribed and paid up prior to the Issue	2,76,69,590 fully paid-up equity shares having face value of Rs. 10.00/- each.
Equity Shares subscribed and paid-up after the Issue (assuming full subscription for and allotment of the Rights Entitlement)	Upto [•] # Equity Shares.
Scrip and Series Details	**ISIN:** INE072B01027 **BSE Script Code:** 526443 **Symbol:** AEIM
Terms of the Issue	Please refer to the section titled **"*Terms of the Issue*"** on page no. 87 of this Letter of Offer.
Use of Issue Proceeds	Please refer to the section titled ***"Objects of the Issue"*** on page no. 43 of this Letter of Offer.
Fractional Entitlement	For details in relation fractional entitlements, see ***"Terms of the Issue"*** on page no. 87 of this Letter of Offer.

#Assuming full subscription of the Issue subject to finalization of Basis of Allotment.

**The Rights Equity Shares are being offered on a rights basis to Eligible Equity Shareholders in the ratio of [•] Rights Equity Shares for every [•] Fully Paid-up Equity Shares held by the eligible equity shareholders of our Company on the Record date i.e. [•]. For Equity Shares being offered on a rights basis under the Issue, if the shareholding of any of the Eligible Equity Shareholders is less than [•] Equity Shares or is not in multiples of [•], the fractional entitlement of such Eligible Equity Shareholders shall be ignored for computation of the Rights Entitlements. However, Eligible Equity Shareholders whose fractional entitlements are being ignored earlier will be given preference in the Allotment of one additional Equity Share each, if such Eligible Equity Shareholders have applied for additional Equity Shares over and above their Rights Entitlement, if any.*

Please refer to the chapter titled **"*Terms of the Issue*"** on page no. 87 of this Letter of Offer.

GENERAL INFORMATION

Pursuant to the resolution passed by our Board at its meeting held on 17th September, 2026, our Company has been authorized to make the following Rights Issue to the Equity Shareholders of our Company. Further, the issue details such as price, number of shares, ratio etc. finalized and approved by the Board of Directors in their meeting held on [•].

Issue of upto [•]# Fully Paid-up Equity Shares of face value of Rs. 10.00/- each for cash at an issue price of Rs. [•] per equity share (including a share premium of Rs. [•] each) aggregating upto Rs. 16601.754 Lakhs on a rights basis to the existing equity shareholders of our Company in the ratio of [•] Rights Equity Shares for every [•] Fully Paid-up Equity Shares held by the eligible equity shareholders on the record date, i.e. [•]. The issue price is [•] times of face value of the Equity shares.
#*Assuming full subscription of the Issue subject to finalization of Basis of Allotment.*

For further details, please refer to the chapter titled ***"Terms of the Issue"*** on page no. 87 of this Letter of Offer.

REGISTERED OFFICE OF OUR COMPANY

Artificial Electronics Intelligent Material Limited
Registered and Correspondence Office: Building No. GB-200B, Green Base Industrial & Logistics Park, Thriveni Nagar, Vadakkupattu, Chengalpattu, Tamil Nadu, India – 603 204.
Contact No.: +91-9500520263;
Email id: cos@aeim.co;
Website: www.aeim.co;
CIN: L31100TN1992PLC156105; and
Registration No.: 156105.

BOARD OF DIRECTORS

The following table sets out the current details regarding our Board of Directors as on the date of filing of this Letter of Offer:

Name of the Director	Designation	DIN	Other Directorship
Ms. Uma Nandam	Whole-time Director	02220048	• Polymatech Electronics Limited; • Polymatech Interstellar Private Limited; • Polymatech Enterprise Private Limited; • Tomori Works Private Limited; and • Nandam Oen Foundation.
Mr. Eswara Rao Nandam	Chairman & Non – Executive and Non - Independent Director	02220039	• Polymatech Interstellar Private Limited; • Polymatech Gijutsu Private Limited; • Polymatech Enterprise Private Limited; • AIMOTO Works Private Limited; • TOMORI Works Private Limited; • Nandam Oen Foundation; and • Polymatech Electronics Limited.
Mr. Vishaal Nandam	Non – Executive and Non - Independent Director	07318680	• Polymatech Gijutsu Private Limited; • AIMOTO Works Private Limited; and • Polymatech Electronics Limited.
Ms. Rapala Virtanen Tarja Hannele	Non – Executive and Independent Director	09528399	• Polymatech Electronics Limited
Mr. S Balasubramanian	Non – Executive and Independent Director	11097149	NIL
Mr. Alan M Wagner	Non – Executive and Independent Director	10946669	NIL

For further details of our Board of Directors, see ***"Our Management"*** on page no. 66 of this Letter of Offer.

THE REGISTRAR OF COMPANIES

Our Company is registered with the ROC, Chennai, Tamil Nadu which is situated at the following address:

Registrar of Companies,
Chennai, Tamil Nadu,
Address: Block No. 6, B Wing, 2nd Floor, Shastri Bhawan 26, Haddows Road, Chennai, Tamil Nadu, India – 600 034;
Contact No.: 044-28270071 / 28276654; and
Email id: roc.chennai@mca.gov.in

COMPANY SECRETARY AND COMPLIANCE OFFICER

Ms. Chayonika Paloi,
Company Secretary & Compliance Officer;
Registered Address: Building No. GB-200B, Green Base Industrial & Logistics Park, Thriveni Nagar, Vadakkupattu, Chengalpattu, Tamil Nadu, India – 603 204.
Email id: cos@aeim.co; and
Website: www.aeim.co

Investors may contact Compliance Officer or Registrar to the Issue for any pre-issue/ post-issue related matters such as non-receipt of letters of allotment/ share certificates/ refund orders, etc. All grievances relating to the ASBA process may be addressed to the Registrar to the Issue, with a copy to the SCSBs for grievances related to ASBA, giving full details such as name, address of the applicant, e-mail id of the first holder, folio number or demat account number, number of Rights Equity Shares applied for, amount blocked (in case of ASBA process), ASBA account number and the Designated Branch of the SCSBs where the plain paper application was submitted by the ASBA Investors along with a photocopy of the acknowledgement slip (in case of ASBA process). For further details on the ASBA process, please refer to the section titled ***"Terms of the Issue"*** on page no. 87 of this Letter of Offer.

REGISTRAR TO THE ISSUE / COMPANY

MUFG Intime India Private Limited
(Formerly Link intime India Private Limited)
Address: C-101, Embassy 247, LBS Marg, Surya Nagar, Gandhi Nagar Vikhroli (West), Mumbai, Maharashtra – 400 083.
Telephone: +91-8108114949;
E-mail: artificialelectronics.rights@in.mpms.mufg.com;
Website: www.in.mpms.mufg.com;
Investor Grievance E-mail: artificialelectronics.rights@in.mpms.mufg.com;
Contact Person: Shanti Gopalakrishnan; and
SEBI Registration Number: INR000004058.

STATUTORY AUDITORS OF OUR COMPANY

M/s. D G M S & Co.
Chartered Accountants
Address: Office No. 10, Vihang Vihar, Opp. Gautam Park, Panchpakhadi, Thane (West), Maharashtra, India – 400 602;
Contact No.: +91-9320268900;
Email id: hirenmaru@yahoo.co.uk;
Contact Person: Mr. Hiren J. Maru;
Membership No.: 115279; and
Firm Registration No.: 0112187W.

BANKERS TO THE ISSUE

Name of Bank: ICICI Bank Limited
Address: Capital Market division, 5th Floor, HT Parekh Marg, Backbay Reclamation, Churchgate, Mumbai, Maharashtra – 400 020;
Branch: Backbay reclamation;
Contact Person: Mr. Varun Badai;
Contact number: +022-66818911/ 923/ 924;
Email id: ipocmg@icici.bank.in; and
Website: www.icici.bank.in

Experts

Except for the reports of the Statutory Auditor of our Company on the Audited Financial Information and Statement of Tax Benefits, included in the Letter of Offer, our Company has not obtained any expert opinions.

Designated Intermediaries

Self-Certified Syndicate Bankers

The list of banks that have been notified by SEBI to act as SCSBs for the ASBA process is provided at the website of the SEBI https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes and updated from time to time. For details on Designated Branches of SCSBs collecting the Application Forms, refer to the website of the SEBI https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes. On Allotment, the amount will be unblocked and the account will be debited only to the extent required to pay for the Rights Equity Shares Allotted.

For further details on the ASBA process, please refer to the details given in ASBA form and to the chapter titled ***"Terms of the Issue"*** on page no. 87 of this Letter of Offer.

Investor grievances

Investors may contact the Compliance Officer for any pre-issue/ post-issue related matters such as non-receipt of letters of Allotment/ share certificates/ demat credit/ refund orders, etc.

Investors are advised to contact the Registrar to the Issue or Compliance Officer for any pre-issue or post-issue related problems such as non-receipt of Application Form and Rights Entitlement Letter/ Letter of Allotment, Split Application Forms, Share Certificate(s) or Refund orders, etc. All grievances relating to the ASBA process may be addressed to the Registrar to the Issue, with a copy to the SCSBs, giving full details such as name, address of the applicant, ASBA Account number and the Designated Branch of the SCSBs, number of Equity Shares applied for, amount blocked, where the Application Form and Rights Entitlement Letter or the plain paper application, in case of Eligible Equity Shareholder was submitted by the ASBA Investors through ASBA process.

Credit Rating

This being an issue of Equity Shares, no credit rating is required.

Inter-se allocation of Responsibilities for the Issue

The Company has not appointed any Merchant Banker to the Issue (except for the purpose of obtaining pricing certificate, as may be required,) and hence there is no inter-se allocation of responsibilities.

Debenture Trustees

This being an issue of Equity Shares, the appointment of Debenture Trustees is not required.

Monitoring Agency

Our Company has appointed **M/s. Brickwork Ratings India Private Limited** to monitor the Utilization of the Issue Proceeds in terms of Regulation 82 of the SEBI ICDR Regulations.

M/s. Brickwork Ratings India Private Limited
Address: 3rd Floor, Raj Alkaa Park, Kalena Agrahara, Bannerghatta Road, Bangalore – 560076, Karnataka
Contact number: +91-08040409940/ 40409999
Website: www.brickworkratings.com

Underwriting Agreement

This Issue is not underwritten and our Company has not entered into any underwriting arrangement.

Appraising Entity

None of the purposes for which the Issue Proceeds are proposed to be utilized have been financially is appraised by any Bank or Financial Institution.

Changes in Auditors during the last three years:

There are no changes in Auditors during the last three years.

Issue Schedule

Last date for credit of Rights Entitlements	[•]
Issue Opening Date	[•]
Last date for On-market renunciation of rights/ Date of closure of trading of Rights Entitlements#	[•]
Issue Closing Date*	[•]
Finalising the basis of allotment with the Designated Stock Exchange (on or about)	[•]
Date of Allotment (on or about)	[•]
Date of Credit (on or about)	[•]
Date of Listing (on or about)	[•]

#Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees on or prior to the Issue Closing Date.

**Our Board or a duly authorized committee thereof 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 (inclusive of the Issue Opening Date). Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.*

***Investors are advised to ensure that the Application Forms are submitted on or before the Issue Closing Date. Our Company and/ or the Registrar to the Issue will not be liable for any loss on account of non-submission of Application Forms or on before the Issue Closing Date.*

Filing

This Draft Letter of Offer is being filed with the BSE Limited **("BSE"),** in accordance with the provisions of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018.

Further, the Final Letter of Offer shall be filed with the Stock Exchange and the Securities and Exchange Board of India **("SEBI")** in accordance with the provisions of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018.

CAPITAL STRUCTURE

Our Company's share capital, as on the date of this Letter of Offer, is set forth below:

(Amount in Lakhs except share data)

Sr. No.	Particulars	Aggregate value at Face value	Aggregate value at Issue Price
A	**AUTHORISED SHARE CAPITAL**		
	10,00,00,000 Equity Shares of face value of Rs. 10.00/- each*	10,000.00	N.A.
B	**ISSUED, SUBSCRIBED AND PAID-UP EQUITY SHARE CAPITAL BEFORE THE ISSUE**		
	2,76,69,590 Equity Shares of face value of Rs. 10.00/- each	2,766.96	N.A.
C	**PRESENT ISSUE BEING OFFERED TO THE EXISTING EQUITY SHAREHOLDERS THROUGH THIS LETTER OF OFFER** (1)		
	Upto [•]# Rights Equity Shares of face value of Rs. 10.00/- each for cash at a price of Rs. [•] per equity share	[•]	[•]
D	**ISSUED SUBSCRIBED AND PAID-UP SHARE CAPITAL AFTER THE ISSUE**(2)		
	[•] Fully Paid-up Equity Shares having face value of Rs. 10.00/- each at a price of Rs. [•]	[•]	[•]
E	**SECURITIES PREMIUM ACCOUNT**		
	Before this Issue	[•]	
	After this Issue(3)	[•]	

(1) *This Issue has been authorised by a resolution passed by our Board at its meeting held on 17th September, 2026 pursuant to Section 62(1)(a) and other applicable provisions of the Companies Act, 2013.*

(2) *Assuming full subscription for and Allotment of the Rights Entitlements.*

(3) *Assuming full subscription and allotment with respect to the Rights Equity Shares.*

******Assuming full acceptance and subject to finalization of Basis of Allotment, Allotment and deduction of Issue Expenses.*

Notes to the Capital Structure:

1. Our Company does not have any employee stock option scheme or employee stock purchase scheme.

2. Our Company has outstanding convertible warrants as on the date of this Letter of Offer, as detailed below. The Company does not have any outstanding options, convertible loans, debentures or any other securities that are convertible into equity shares at a later date and which would entitle the holders thereof to acquire further equity shares.

   The Board of Directors of our Company had allotted 1,18,00,000 convertible warrants to allottees belonging to the Promoter and Promoter Group on 17th November, 2025. Out of the total warrants allotted, 1,08,50,000 convertible warrants remain outstanding as on the date of this Letter of Offer and are yet to be converted into equity shares.

3. All the Equity Shares of our Company are fully paid-up and there are no partly paid-up equity shares outstanding as on the date of this Letter of Offer. For further details on the terms of the Issue, please see the chapter *titled* ***"Terms of the Issue"*** on page no. 87 of this Letter of Offer.

A. Shareholding of Promoter and Promoter Group:

The details of Equity Shares held by the Promoter and Promoter Group including the details of lock-in, pledge and encumbrance on such Equity Shares as on **30th June, 2026** are set forth below:

Sr. No.	Name of the Promoter & Promoter Group	Number of fully paid-up Equity Shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957)	Details of Equity Shares pledged / encumbered		Details of Equity Shares locked-in	
				No. of Equity Shares	% of total shares held	No. of Equity Shares	% of total shares held
1.	Mr. Eswara Rao Nandam	11,95,572	4.32	0	0.00	0	0.00
2.	Ms. Uma Nandam	22,70,812	8.21	0	0.00	9,50,000	41.84

3.	Mr. Vishaal Nandam	0	0	0	0.00	0	0.00
4.	M/s. Polymatech Electronics Limited	34,45,000	12.45	0	0.00	0	0.00
	Total	**69,11,384**	**24.98**	**0**	**0.00**	**9,50,000**	**13.75**

None of the Equity Shares held by our Promoter and Promoter Group are pledged with any bank or institution, or otherwise encumbered.

B. Details of Equity Shares acquired by Promoter or Promoter Group in the last one year

The Board of Directors of our Company, at its meeting held on 30th January, 2026, allotted 9,50,000 equity shares to Ms. Uma Nandam, a Promoter of our Company, pursuant to the conversion of warrants into equity shares through a preferential issue at a price of Rs. 40.00 per share (face value of Rs. 10.00 each and a premium of Rs. 30.00 each).

C. Intention and extent of participation in the Issue by the Promoter and Promoter Group

Mr. Eswara Rao Nandam and Ms. Uma Nandam, the Promoters of the Company, and M/s. Polymatech Electronics Limited, a member of the Promoter Group of the Company, have confirmed their intention to participate in the Rights Issue by subscribing to the full extent of their respective Rights Entitlements, in compliance with the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and other applicable laws.

The Promoters and the member of the Promoter Group of the Company have further confirmed that they will not renounce their respective Rights Entitlements in favour of any person and will not apply for any additional Equity Shares over and above their respective Rights Entitlements.

The Company confirms that it is in compliance with Regulation 38 of the SEBI Listing Regulations and shall continue to comply with the applicable minimum public shareholding requirements pursuant to the Issue.

D. Minimum Subscription:

The Objects of the Issue are to meet the Company's working capital requirements and for general corporate purposes. The Promoters and members of the Promoter Group of the Company have undertaken that they will subscribe to the full extent of their Rights Entitlements and shall not renounce such Rights Entitlements. Such subscription shall be subject to compliance with the provisions of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 ("SEBI Takeover Regulations"), Regulation 38 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), and Rule 19A of the Securities Contracts (Regulation) Rules, 1957 ("SCRR") relating to the maintenance of minimum public shareholding.

Accordingly, the aggregate shareholding of the Promoters and Promoter Group pursuant to the Issue shall remain in compliance with the applicable provisions of the SEBI Takeover Regulations and the minimum public shareholding requirements prescribed under applicable law.

Accordingly, pursuant to Regulation 86 of the SEBI ICDR Regulations and considering the Objects of the Issue, the requirement of minimum subscription is not applicable to this Issue.

E. The ex-rights price per equity share arrived in accordance with Regulation 10(4)(b) of the SEBI Takeover Regulations is Rs. [•].

F. At any given time, there shall be only one denomination of the Equity Shares.

G. Shareholding Pattern of our Company as per the last filing with the Stock Exchange in compliance with the provisions of the SEBI Listing Regulations:

- Shareholding Pattern of the Equity Shares of our Company as per the last filing with the Stock Exchange, i.e., as on **30th June, 2026** is available on the website of **BSE** at https://www.bseindia.com/stock-share-price/artificial-electronics-intelligent-material-ltd/aeim/526443/qtrid/130.00/shareholding-pattern/jun-2026

- Statement showing holding of the Equity Shares of the **"Promoters and Promoter Group"** including details of lock-in, pledge of and encumbrance thereon as on **30th June, 2026** can be accessed on the website of **BSE** at https://www.bseindia.com/corporates/shppromoterngroup?scripcd=526443&qtrid=130.00&QtrName=Jun-26

- The statement showing holding of Equity Shares belonging to the category **"Public"** including the details of lock-in, pledge of and encumbrance thereon as on **30th June, 2026** can be accessed on the website of **BSE** at https://www.bseindia.com/corporates/shppublicshareholder?scripcd=526443&qtrid=130.00&QtrName=Jun-26

- Statement showing shareholding pattern of the **"Non-Promoter - Non-Public"** shareholder of our Company as on **30th June, 2026** can be accessed on the website of **BSE** at https://www.bseindia.com/corporates/shpnonpropublic?scripcd=526443&qtrid=130.00&QtrName=Jun-26

H. Details of the Shareholders holding more than one per cent of the share capital of the Issuer

Details of the shareholders holding more than one per cent of the share capital of the Company as on the quarter ended on **30th June, 2026** may be accessed on the website of the exchange at **BSE** at https://www.bseindia.com/corporates/shpdrpercnt?scripcd=526443&qtrid=130.00&CompName=Artificial%20Electronics%20Intelligent%20Material%20Ltd&QtrName=Jun-26&Type=TM

I. Issue of Equity Shares made in last one year for consideration other than cash

Our Company has not issued any Equity Shares for consideration other than cash in last one year.

OBJECTS OF THE ISSUE

Our Company intends to utilize the proceeds raised through the Issue **("Gross Proceeds")**, after deducting issue-related expenses **("Net Proceeds")**, for the following objects (collectively referred to as the **"Objects"**):

1. Incremental working capital requirements; and
2. General Corporate Purposes.

The main objects clause and the objects incidental or ancillary to the main objects, as set out in the Memorandum of Association, enable our Company to undertake its existing activities and the activities for which funds are being raised through the Issue.

ISSUE PROCEEDS

The details of Issue proceeds and its utilization are as under:

Particulars	Estimated Amount (in Lakhs)
Gross Proceeds to be raised through the Issue*	**16,601.754**
Less: Issue related expenses	[•]
Net Proceeds to be raised through the issue	**[•]**
Utilization of the net proceeds	
(a) Incremental working capital requirements	13,000.000
(b) General Corporate Purposes**	[•]
Net Proceeds	**[•]**

**Assuming full subscription and allotment with respect to the Rights Equity Shares.*
***The amount utilized for general corporate purposes shall not exceed 25% of the Gross Proceeds.*

UTILISATION OF NET ISSUE PROCEEDS

We propose to deploy the Net Proceeds towards the Objects in accordance with the estimated schedule of implementation and deployment of funds set forth in the table below.

Sr. No.	Particulars	Amount to be financed from Net Proceeds of the Issue (Rs. in Lakhs)	Estimated deployment in FY 2026-27 (Rs. in Lakhs)	Estimated deployment in FY 2027-28 (Rs. in Lakhs)
1.	Incremental working capital requirements	13,000.000	7,436.800	5,563.200
2.	General Corporate Purposes**	[●]	[●]	[•]
	Net Proceeds*	[●]	[●]	[•]

^Any portion of the Net Proceeds not deployed for the stated objects in FY 2026-27 and FY 2027-28 will be deployed by our Company in FY 2028-29, in compliance with all the applicable laws and regulations.
**Assuming full subscription and allotment with respect to the Rights Equity Shares.*
***The amount utilized for general corporate purposes shall not exceed 25% of the Gross Proceeds.*

The above fund requirements are based on our current business plan, internal management estimates and have not been appraised by any Bank or Financial Institution. The deployment of funds raised through this Issue is at the discretion of the Management and the Board of Directors of our Company and utilization of the issue proceeds will be monitored by the monitoring agency. In view of the competitive environment of the industry in which we operate, we may have to revise our business plan from time to time and consequently, our funding requirements may also change. Our historical funding requirements may not be reflective of our future funding plans. We may have to revise our funding requirements and deployment from time to time due to various factors such as economic and business conditions, increased competition, and other external factors beyond our controls. This may entail rescheduling the proposed utilization of the Net Proceeds and changing the allocation of funds from its planned allocation at the discretion of our management, subject to compliance with applicable laws and regulations.

In case of any increase in the actual utilization of funds earmarked for any of the Objects of the Issue or a shortfall in raising requisite capital from the Net Proceeds, such additional funds for a particular activity will be met by means available to us, including by way of incremental debt and/ or internal accruals. If the actual utilization towards any of the objects is lower than the proposed deployment, such balance will be used towards general corporate purposes to the extent that the total amount to be utilized towards general corporate purposes will not exceed 25% of the Gross Proceeds from the Issue, in compliance with the applicable laws and regulations.

Means of Finance

The fund requirements set out above are proposed to be entirely funded from the Net Proceeds of the Rights Issue. Accordingly, we confirm that there is no requirement to make firm arrangements of finance under Regulation 62(1)(c) of the SEBI ICDR Regulations through verifiable means towards 75.00% of the stated means of finance, excluding the amount to be raised to be issue and through existing identifiable accruals.

As we operate in a competitive environment, our Company may have to revise our expenditure and fund requirements as a result of variations in cost estimates, exchange rate fluctuations, and external factors which may not be within the control of our management. This may entail rescheduling & revising the planned expenditures and fund requirements and increasing or decreasing expenditures for a particular purpose at the discretion of our management, within the objects, in compliance with all applicable laws and regulations.

For further details on the risks involved in our business plans and executing our business strategies, please see the section titled ***"Risk Factors"*** on page no. 25 of this Letter of Offer.

DETAILS OF USE OF ISSUE PROCEEDS

The details of the Objects of the Issue are set out below:

1. Incremental Working Capital Requirements

Our business is working capital intensive, and we meet our working capital requirement through internal accruals and other available sources. Considering the existing and future growth, the incremental working capital needs of our Company, as assessed based on the internal workings of our Company is expected to reach Rs. 13,000.00 Lakhs.

Based on internal assessment and considering our current operations and anticipated future growth, the incremental working capital requirement of the Company is estimated to reach Rs. 13,000.00 Lakhs.

The projected operating working-capital balances have been calculated using the approved inventory, receivable and supplier-advance days set out below.

A. Basis of estimation of working capital:

(Rs. In Lakhs)

Particulars	2023-24 (Audited)	2024-25 (Audited)	2025-26 (Audited)	2026-27 (Projected)	2027-28 (Projected)
A. Current Assets					
Current Investment	0.00	2,571.60	0.00	0.00	0.00
Closing stock	0.00	0.00	0.00	4,346.79	3,641.42
Debtors	0.00	2,473.32	11,248.16	5,141.37	5,969.53
Advance paid to creditors and advances	0.00	0.00	0.00	1,304.04	1,986.23
Other current assets and loans & advance	2.09	3.57	4,417.62	300.00	300.00
Cash & cash equivalents	87.64	385.96	816.87	0.00	0.00
Total Current Assets (A)	***89.73***	***5,434.45***	**16,482.65**	**11,092.20**	**11,897.19**
B. Current Liabilities					
Sundry Creditors	3.96	2,260.43	2,266.24	0.00	0.00
Advance from customers	0.00	0.00	0.00	0.00	0.00
Statutory Liabilities and other current liabilities	11.16	111.64	18.32	1400.00	1400.00
Provisions	0.00	11.62	3.51	0.00	0.00
Other financial liabilities	0.00	99.69	6,036.65	0.00	0.00
Total Current Liabilities (B)	***15.12***	***2,483.38***	***8,324.72***	***1,400.00***	***1,400.00***
Working Capital requirement (A-B)	***74.61***	***2,951.07***	***8,157.93***	**9,692.20**	**10,497.19**

Sourced by internal accruals	***74.61***	***2,951.07***	***8,157.93***	**2,255.40**	**4,933.99**
Sourced by Rights Issue	***0.00***	***0.00***	***0.00***	**7,436.80**	**5,563.20**

B. <u>Assumptions for Working Capital Requirements:</u>

Particulars	No. of outstanding or holding level for the following period (in Days)				
	2023-24 (Audited)	2024-25 (Audited)	2025-26 (Audited)	2026-27 (Projected)	2027-28 (Projected)
Trade Receivables	0.00	99	117	110	110
Advances to suppliers	0.00	0.00	0.00	45	60
Inventory	0.00	0.00	0.00	150	110

Particulars	Assumption made and Justification
Current Assets	
Inventories	Inventory has been projected using 150 days of material consumption for FY2026-27 and 110 days for FY2027-28. Based on projected material consumption, the resulting balances are Rs. 4,346.79 Lakhs and Rs. 3,641.42 Lakhs, respectively. The assumptions reflect advance procurement for continuity of operations followed by normalization of the holding period.
Trade Receivable	Trade receivables have been projected at 110 days of sales for both forecast years. The resulting receivable balances are Rs. 5,141.37 Lakhs in FY2026-27 and Rs. 5,969.53 Lakhs in FY2027-28.
Short Term Loans and Advances	Supplier advances have been projected at 45 days of material consumption in FY2026-27 and 60 days in FY2027-28. The resulting balances are Rs. 1,304.04 Lakhs and Rs. 1,986.23 Lakhs, respectively.
Other Current Assets	Other current assets are projected at Rs. 300.00 Lakhs in each forecast year, based on management estimates of recurring operating advances and receivables.
Current Liabilities	
Trade Payable	The forecast does not carry a separate trade-payable balance for FY2026-27 and FY2027-28. This assumption should be confirmed by the Chief Financial Officer and statutory auditor before filing.
Other Current Liability	Statutory liabilities and other current liabilities are projected at Rs. 1,400.00 lakh in each forecast year.
Short Term Provisions	No separate short-term provisions are projected for FY2026-27 and FY2027-28.

<u>Justification of increase in working capital requirement:</u>

- **Business Growth and Expansion:** Projected sales increase from Rs. 14,996.73 Lakhs in FY2025-26 to Rs. 17,060.00 Lakhs in FY2026-27 and Rs. 19,808.00 lakh in FY2027-28. The expansion requires continued funding of inventory, customer credit and supplier advances. Based on the approved operating assumptions, Total Current Assets are projected at Rs. 11,092.20 Lakhs in FY2026-27 and Rs. 11,897.19 Lakhs in FY2027-28.

- **Operating Cycles:** The projections use an inventory holding period of 150 days in FY2026-27 and 110 days in FY2027-28, trade receivable days of 110 days in both years, and supplier-advance days of 45 days and 60 days, respectively. The resulting operating working-capital requirements are Rs. 9,692.20 Lakhs in FY2026-27 and Rs. 10,497.19 Lakhs in FY2027-28.

- **Inventory Planning:** To support continuity of operations and mitigate supply-chain risks, inventory is projected at Rs. 4,346.79 lakh in FY2026-27 and Rs. 3,641.42 lakh in FY2027-28. The decline in the second year reflects normalisation of inventory holding from 150 days to 110 days.

- **Increased Sales Volume:** Trade receivables are projected to increase from Rs. 5,141.37 Lakhs in FY2026-27 to Rs. 5,969.53 Lakhs in FY2027-28, based on a 110-day collection cycle in each year. The Company therefore requires adequate liquidity to sustain operations until customer collections are realised.

2. General Corporate Purpose:

We intend to deploy [●] Lakhs from Gross Proceeds of the Rights Issue towards General Corporate purposes. The General Corporate purposes for which our Company proposes to utilize issue proceeds include but not restricted to entering into brand building exercises and strengthening our marketing capabilities, general maintenance, partnerships, tie-ups or contingencies in ordinary course of business which may not be foreseen or any other purposes as approved by our Board of Directors. Our management, in accordance with the policies of our Board, will have flexibility in utilizing the proceeds ear marked for General Corporate purposes. Further, the amount for General Corporate purposes, as mentioned in this Letter of Offer, shall not exceed 25.00% of the amount raised by our Company through this Issue.

ISSUE EXPENSES

The total expenses of the Issue are estimated to be approximately [•] Lakhs*. The expenses of the Issue include among others, fees of the Registrar to the Issue, fees of the other advisors, printing and stationery expenses, advertising, marketing expenses and other expenses.

The Estimated Issue Expenses are as under:

Particulars	Expenses (`in Lakhs)	% of Estimated Issue Size	% of the Issue Expenses
Fees payable to the Banker to the Issue, Registrar to the Issue, Registrar to the Company, Monitoring Agency, Auditors, and other intermediaries, including out-of-pocket expenses	[•]	[•]	[•]
Regulatory fees, filing fees, listing fees, depository fees, charges related to registrar and other miscellaneous statutory expenses	[•]	[•]	[•]
Advertising, marketing and public notice expenses for this issue	[•]	[•]	[•]
Other expenses, including miscellaneous expenses and stamp duty, etc.	[•]	[•]	[•]
Total	**[•]**	**[•]**	**[•]**

** Subject to finalization of Basis of Allotment and actual Allotment. In case of any difference between the estimated Issue related expenses and actual expenses incurred, the shortfall or excess shall be adjusted with the amount allocated towards Issue Expenses / general corporate purpose. All Issue related expenses will be paid out of the Gross Proceeds from the Issue.*

APPRAISAL OF THE OBJECTS

None of the objects for which the Net Proceeds will be utilized have been appraised by any agency.

INTERIM USE OF FUNDS

Pending utilization for the purposes described above, we intend to deposit the Net Proceeds only in scheduled commercial banks included in the Second Schedule of the Reserve Bank of India Act, 1934 or in any such other manner as permitted under the SEBI ICDR Regulations or as may be permitted by SEBI. Our Company confirms that pending utilization of the Net Proceeds shall not be utilized for any investment in the equity markets, real estate or related products.

MONITORING UTILIZATION OF FUNDS FROM ISSUE

Our Company has appointed M/s. Brickwork Ratings India Private Limited as the Monitoring Agency for the Issue to monitor the utilization of the Gross Proceeds. The Monitoring Agency shall submit a report to our Board, till 100.00% of the Gross Proceeds has been utilised, as required under the SEBI ICDR Regulations. Our Company will disclose the utilization of the Gross Proceeds under a separate head in our balance sheet along with the relevant details, for all such amounts that have not been utilized. Our Company will indicate instances, if any, of unutilized Gross Proceeds in the balance sheet of our Company for the relevant Fiscals subsequent to receipt of listing and trading approvals from the Stock Exchange.

Pursuant to Regulation 32(3) of the SEBI LODR Regulations, our Company shall, on a quarterly basis, disclose to the Audit Committee the uses and applications of the Gross Proceeds. Further, pursuant to Regulation 32(5) of the SEBI LODR Regulations, our Company shall, on an annual basis, prepare a statement of funds utilized for purposes other than those stated in this Letter of Offer and place it before the Audit Committee and make other disclosures as may be required until such time as the Net Proceeds remain unutilized. Such disclosure shall be made only until such time that all the Gross Proceeds have been utilised in full. The statement shall be certified by the Statutory Auditor(s) of our Company or a peer reviewed independent chartered accountant, which shall be submitted by our Company with the Monitoring Agency.

Furthermore, in accordance with Regulation 32(1) of the SEBI LODR Regulations, our Company shall furnish to the Stock Exchange on a quarterly basis, a statement indicating (i) deviations, if any, in the actual utilisation of the proceeds of the Issue from the objects of the Issue as stated above; and (ii) details of category wise variations in the actual utilisation of the proceeds of the Issue from the objects of the Issue as stated above. This information will also be published on our website and explanation for such variation (if any) will be included in our Directors' report, after placing it before the Audit Committee.

STRATEGIC AND FINANCIAL PARTNERS TO THE OBJECTS OF THE ISSUE

There are no strategic or financial partners to the Objects of the Issue.

KEY INDUSTRY REGULATIONS FOR THE OBJECTS OF THE ISSUE

No additional provisions of any acts, regulations, rules and other laws are or will be applicable to the Company for the proposed Objects of the Issue.

OTHER CONFIRMATIONS

No part of the Net Proceeds will be paid by us as consideration to our Promoter & Promoter Group, our Directors, Associates or Key Managerial Personnels and in the normal course of business and in compliance with the applicable laws.

VARIATION IN OBJECTS

In accordance with Section 27 of the Companies Act, 2013, our Company shall not vary the objects of the Issue without our Company being authorized to do so by the Shareholders by way of a special resolution. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution shall specify the prescribed details as required under the Companies Act and shall be published in accordance with the Companies Act, 2013 and the rules there under. As per the current provisions of the Companies Act, our Promoters or controlling Shareholders would be required to provide an exit opportunity to such shareholders who do not agree to the proposal to vary the objects, at such price, and in such manner, as may be prescribed by SEBI, in this regard.

STATEMENT OF POSSIBLE TAX BENEFITS

To
The Board of Directors,
Artificial Electronics Intelligent Material Limited,
Building No. GB-200B, Green Base Industrial & Logistics Park,
Thriveni Nagar, Vadakapattu Village, Oragadam, Vadakkupattu,
Kanchipuram, Chengalpattu, Tamil Nadu, India – 603 204.

Dear Sir,

Reference – Rights Offer of Equity Shares by Artificial Electronics Intelligent Material Limited
Subject - Statement of possible tax benefits ("the statement") available to Artificial Electronics Intelligent Material Limited ("the Company") and its shareholders.

1. We hereby confirm that the enclosed Annexure 1 and 2 (together **"the Annexures"**), prepared by **Artificial Electronics Intelligent Material Limited ('the Company')**, provides the possible tax benefits available to the Company and to the shareholders of the Company under the Income tax Act, 1961 **('the Act')** as amended by the Finance Act 2026, circular and notifications issued from time to time, i.e. applicable for the Financial Year 2026-27 relevant to the assessment year 2027-28. The Central Goods and Services Tax Act, 2017 and the Integrated Goods and Services Tax Act, 2017, circular and notifications issued from time to time, i.e., applicable for the Financial Year 2026-27 relevant to the assessment year 2027-28 **('the Indirect Tax Act')**, presently in force in India (together, the **"Tax Laws"**), several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Tax Laws. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon their fulfilling such conditions which based on business imperatives the Company faces in the future, the Company or its shareholders may or may not choose to fulfil.

2. The benefits discussed in the enclosed Annexures are not exhaustive and the preparation of the contents stated is the responsibility of the Company's management. We are informed that these Annexures are only intended to provide information to the investors and are neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the proposed Rights Issue.

3. This certificate is provided solely for the purpose of assisting the addressee Company in discharging its responsibility under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 20I8 for inclusion in the Letter of Offer/ Offer Documents in connection with the proposed issue of equity shares and is not be used, referred to or distributed for any other purpose without our written consent.

4. The statement showing the current position of special tax benefits available to the Company and the shareholders of the Company as per the provisions of Income-tax Act 1961 ("IT Act") and Indirect Tax Regulations (which are together, the "Tax laws") as amended by Finance Act, 2026, i.e. applicable for the assessment year AY 2027-28 relevant to the financial year 2026-27 for inclusion in the Letter of Offer ("LOF") for the issue of rights shares is annexed herewith.

5. These possible special tax benefits are dependent on the Company, its Certain Material Subsidiaries and the shareholders of the Company fulfilling the conditions prescribed under the relevant provisions of the corresponding Tax laws. Hence, the ability of the Company is Certain Material Subsidiaries and the shareholders of the Company to derive these possible special tax benefits is dependent upon their fulfilling such conditions, which is based on business imperatives, the Company and its Certain Material Subsidiaries may face in the future and accordingly, the Company, its Certain Material Subsidiaries and the shareholders of the Company may or may not choose to fulfill. Further, certain tax benefits may be optional and it would be at the discretion of the Company or its Certain Material Subsidiaries or the shareholders of the Company to exercise the option by fulfilling the conditions prescribed under the Tax laws.

6. The benefits discussed in the enclosed statement are neither exhaustive nor conclusive. The contents stated in the Annexure I and Annexure II are based on the information and explanations obtained from the Company. This statement is only intended to provide general information to guide the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws. We are neither suggesting nor are we advising the investor to Invest money or not to invest money based on this statement.

7. We do not express any opinion or provide any assurance whether:

   (i) The Company or its Certain Material Subsidiaries or the shareholders of the Company will continue to obtain these benefits in future;
   (ii) The conditions prescribed for availing the benefits have been/ would be met;
   (iii) The revenue authorities/ courts will concur with the views expressed herein.

The statement is intended solely for information and the inclusion in the Letter of Offer in connection with the rights issue of equity shares of the Company and is not be used, referred to or distributed for any other purpose, without our prior consent, provided the below statement of limitation is included in the Offer Letter.

Limitation

Our views expressed herein are based on the facts and assumptions indicated to us. No assurance is given that the revenue authorities/ courts will concur with the views expressed herein. Our views are based on the existing provisions of the Tax Laws 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 to the Company for any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. We will not be liable to the Company and any other person in respect of this Statement, as per applicable law.

For D GM S & CO.
Chartered Accountants
Firm Regn. No. 0112187W

SD/-
Hiren J. Maru
Partner
Membership No. 115279
UDIN: 26115279PFUYEO6551

Date: 17th September, 2026
Place: Mumbai

ANNEXURE 1 TO THE STATEMENT OF TAX BENEFITS

The information provided below sets out the possible special tax benefits available to the Company and the Equity Shareholders under the Act presently in force in India. It is not exhaustive or comprehensive and is not intended to be a substitute for professional advice.

A. Special Tax Benefits to the Company

(i) Lower Corporate tax rate under section 115BAA

Section 115BAA was inserted in the Income-tax Act, 1961 ("IT Act) by the Taxation Laws (Amendment) Act, 2019 w.e.f. April 1, 2020. The Section provides an option to domestic Companies to pay income tax at a concessional rate of 22% plus applicable surcharge and cess, resulting in an effective tax rate of 25.168%, subject to fulfillment of prescribed conditions. Further, domestic companies opting for taxation under Section 115BAA are exempt from the applicability of Minimum Alternate Tax ("MAT") under Section 115JB of the IT Act.

However, companies opting for Section 115BAA are not eligible to claim certain exemptions, deductions and incentives prescribed under the IT Act. In addition, MAT credit available under Section 115JAA cannot be utilized once the option under Section 115BAA is exercised. Further, brought forward losses attributable to specified deductions and incentives cannot be set off.

The tax expenses of the Company for the financial year ended March 31, 2025 have been recognized by applying the tax rate prescribed under Section 115BAA of the IT Act.

B. Special Tax Benefits to the Shareholder

The Shareholders of the Company are not entitled to any special tax benefits under the Income Tax Act, 1961.

Note:

1. The above benefits are available subject to the provisions of the applicable tax laws and judicial interpretations thereof.
2. The above statement sets out the possible special tax benefits available under the direct tax laws presently in force in India and does not cover indirect tax laws or benefits under any other law.

For D GM S & CO.
Chartered Accountants
Firm Regn. No. 0112187W

SD/-
Hiren J. Maru
Partner
Membership No. 115279
UDIN: 26115279PFUYEO6551

Date: 17th September, 2026
Place: Mumbai

ANNEXURE 2 TO THE STATEMENT OF TAX BENEFITS

The information provided below sets out the possible special tax benefits available to the Company and the Equity Shareholders under the Goods and Services Tax Act, presently in force in India. It is not exhaustive or comprehensive and is not intended to be a substitute for professional advice.

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

A. Special Tax Benefits to the Company

(i) Input Tax Credit availment:

Under the Central Goods and Service Tax Act, 2017 and Rules framed thereunder and Integrated Goods and Service Tax Act, 2017 and Rules framed thereunder (collectively "GST regime"), the company is eligible to adjust the amount of tax paid at the time of purchase with the amount of output tax and balance liability has to be paid to the Government.

ITC can be claimed by a person registered under GST only if he fulfills all the conditions as prescribed:

1. The dealer should be in possession of tax invoice.
2. The said goods/ services have been received
3. Returns have been filed by the supplier.
4. The tax charged has been paid to the government by the supplier.
5. When goods are received in installments ITC can be claimed only when the last lot is received.
6. No ITC will be allowed if depreciation has been claimed on tax component of a capital good.

B. Special Tax Benefits to The Shareholder

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

Note:

1. All the above benefits are as per the current tax laws and will be available only to the sole/ first name holder where the shares are held by joint holders.

2. The above statement covers only certain relevant GST law benefits and does not cover any direct tax law benefits or benefit under any other law.

We hereby give our consent to include our above referred opinion regarding the tax benefits available to the Company and to its shareholders in the Letter of Offer/ Offer Documents.

This statement is solely prepared in connection with the Rights Issue under the Regulations as amended.

For D GM S & CO.
Chartered Accountants
Firm Regn. No. 0112187W

SD/-
Hiren J. Maru
Partner
Membership No. 115279
UDIN: 26115279PFUYEO6551

Date: 17th September, 2026
Place: Mumbai

INDUSTRY OVERVIEW

*The information in this section includes extracts from publicly available information, data and statistics and has been derived from various government publications and industry sources. Neither we, nor any of our or their respective affiliates or advisors nor any other person connected with Issue have verified this information. The data may have been re-classified by us for the purposes of presentation. The information may not be consistent with other information compiled by third parties within or outside India. Industry sources and publications generally state that the information contained therein has been obtained from sources it believes to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed, and their reliability cannot be assured. Industry and government publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry and government sources and publications may also base their information on estimates, forecasts and assumptions which may prove to be incorrect. Before deciding to invest in the Equity Shares, prospective investors should read this entire Letter of Offer, including the information in the sections **'Risk Factors'** and **'Financial Information'** on page nos. 24 and 76, respectively, of this Letter of Offer. An investment in the Equity Shares involves a high degree of risk. For a discussion of certain risks in connection with an investment in the Equity Shares, please see the section **'Risk Factors'** on page no. 24 of this Letter of Offer. Accordingly, investment decisions should not be based on such information.*

WORLD ECONOMIC OUTLOOK

Global Economy: Tenuous Resilience amid Persistent Uncertainty

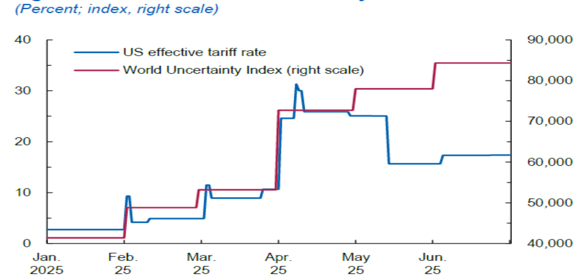
Global growth is projected at 3.0 percent for 2025 and 3.1 percent in 2026. The forecast for 2025 is 0.2 percentage point higher than that in the reference forecast of the April 2025 World Economic Outlook (WEO) and 0.1 percentage point higher for 2026. This reflects stronger-than-expected front-loading in anticipation of higher tariffs; lower average effective US tariff rates than announced in April; an improvement in financial conditions, including due to a weaker US dollar; and fiscal expansion in some major jurisdictions. Global headline inflation is expected to fall to 4.2 percent in 2025 and 3.6 percent in 2026, a path similar to the one projected in April. The overall picture hides notable cross-country differences, with forecasts predicting inflation will remain above target in the United States and be more subdued in other large economies.

Risks to the outlook are tilted to the downside, as they were in the April 2025 WEO. A rebound in effective tariff rates could lead to weaker growth. Elevated uncertainty could start weighing more heavily on activity, also as deadlines for additional tariffs expire without progress on substantial, permanent agreements. Geopolitical tensions could disrupt global supply chains and push commodity prices up. Larger fiscal deficits or increased risk aversion could raise long-term interest rates and tighten global financial conditions. Combined with fragmentation concerns, this could reignite volatility in financial markets. On the upside, global growth could be lifted if trade negotiations lead to a predictable framework and to a decline in tariffs. Policies need to bring confidence, predictability, and sustainability by calming tensions, preserving price and financial stability, restoring fiscal buffers, and implementing much-needed structural reforms.

So Far, So Resilient

Since the April 2025 WEO, *uncertainty* has remained elevated even as effective tariff rates have come down (Figure 1). Most notably, China and the United States on May 12 agreed to lower for 90 days (until August 12) tariffs that had resulted from post–April 2 escalation. The US pause on higher tariffs for most of its trading partners is now set to expire on August 1, pushing back the original deadline of July 9. Letters issued by the US administration in July to some trading partners threaten to impose tariffs even higher than those announced on April 2. Legal proceedings are currently underway in the United States concerning the use of the International Emergency Economic Powers Act as a legal basis for the imposition of tariffs. Although the passage of the One Big Beautiful Bill Act (OBBBA) in July brought clarity to the near-term path of US fiscal policy, it has added to uncertainty about longer-term fiscal sustainability.

Figure 1. Tariffs and Global Uncertainty
(Percent; index, right scale)

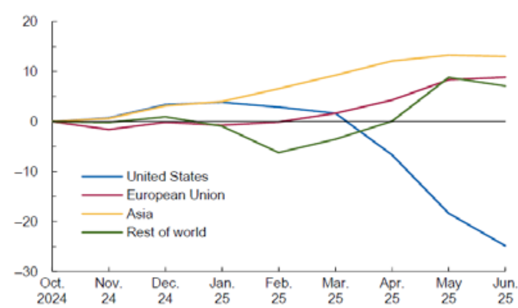


Sources: World Trade Organization; World Uncertainty Index (WUI) database; and IMF staff calculations.
Note: US effective tariff rates include the tariffs announced April 2, until April 9, when they were paused, and additional tariffs on China announced April 8 and afterward, until May 10, when they were paused. These effective tariff rates are based on a pre-2025 United States-Mexico-Canada Agreement compliance rate. The WUI database is constructed based on methodology in Ahir, H., N. Bloom, D. Furceri. 2022. "The World Uncertainty Index." NBER Working Paper 29763. The WUI is calculated by counting the frequency of the word "uncertain" in Economist Intelligence Unit country reports and normalizing by the total number of words. The index is then rescaled by multiplying by 1,000,000 and weighted using the 5-year moving average of nominal GDP in US dollar.

Global financial conditions have eased (Box 1). US equity markets have largely rebounded, erasing losses from the April 2 tariff fallout and reaching new heights. Other global equity markets have also rallied, swayed by tariff-related announcements and releases of macroeconomic data that turned out to be better than expected. Notably, *the US dollar* has depreciated further, defying expectations that tariffs and larger fiscal deficits would cause the currency to appreciate. Implied paths for policy rates have flattened for advanced economies, while continued dollar weakness has provided some monetary policy space for emerging market and developing economies. Yield curves have steepened in the context of fiscal concerns, although the steepening thus far is not unusual by historical standards despite very high debt and deficit levels in many countries.

With these forces in place, the global economy has continued to hold steady, but the composition of activity points to distortions from tariffs, rather than underlying robustness. *Global growth* in the first quarter of 2025 was 0.3 percentage point above that predicted in the April WEO. International trade and investment drove activity, while private consumption was more subdued across major jurisdictions. Real GDP decreased in the United States, at an annualized rate of 0.5 percent, marking the first quarterly contraction in three years. Consumer spending rose only by 0.5 percent, but this came after remarkably fast growth of 4.0 percent in the fourth quarter of 2024. Imports and business investment surged—especially in information processing equipment. Taken together, these patterns were consistent with aggressive front-loading by US firms and households ahead of expected higher prices induced by tariffs. In the euro area, GDP accelerated to 2.5 percent, driven by investment and net exports, even as private consumption lost steam. Ireland largely led the spurt, with growth shrinking to 1.4 percent when Ireland is excluded. China's real GDP growth, at an annualized rate of 6.0 percent, exceeded expectations. This was mainly driven by exports, propped up by a depreciating renminbi closely tracking the dollar and with declining sales to the United States more than offset by strong sales to the rest of the world (Figure 2), and, to a smaller extent, by consumption, supported by fiscal measures. Japan's economy contracted by an annualized 0.2 percent, as soft private consumption and weak net exports weighed on growth while strong private investment helped cushion the decline. *Global trade* grew robustly in the first quarter, but high-frequency indicators point to an unwinding of front-loading in the second quarter.

Figure 2. China's Cumulative Export Growth by Destination
(Percent)



Sources: General Administration of Customs, China; Haver Analytics; and IMF staff calculations.
Note: Growth rates are calculated using three-month moving averages of seasonally adjusted goods exports, which are valued on free-on-board basis. Asia does not include Oceania.

Global inflation is showing mixed signs. The global median of sequential headline inflation has increased a notch, but core inflation has eased considerably and is now below 2 percent. Several economies, including the euro area, have seen downside surprises. In the United States, inflation has ticked up, with tentative signs of pass-through from tariffs and a weaker dollar to consumer prices in some import-sensitive categories, and intermediate goods costs for producers have risen.

(Source: World Economic Outlook Update, International Monetary Fund, July, 2025)

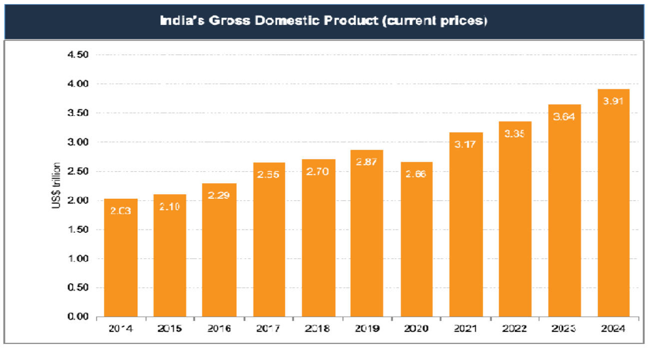
INDIA ECONOMIC OUTLOOK

Introduction:

India's economic journey over the past few years has been marked by remarkable growth and a steady rise in its position on the global stage. After overtaking the United Kingdom (UK) to become the fifth largest economy in Q1 FY23, India has continued this upward trajectory to surpass Japan in June 2025 to become the fourth largest economy in the world. With a nominal Gross Domestic Product (GDP) of Rs. 3,31,03,000 crore (US$ 3.78 trillion), India's growth reflects a combination of strong domestic demand and policy reforms positioning the country as a key destination for global capital.

Further, India is projected to reach a GDP of Rs. 4,26,45,000 crore (US$ 5 trillion) by 2027 and is on course to surpass Germany by 2028. Rising employment and increasing private consumption, supported by rising consumer sentiment, will support GDP growth in the coming months.

Market Overview:



India's economy shows robust expansion, with real GDP for FY25 estimated at Rs. 1,87,97,000 crore (US$ 2.20 trillion), from Rs. 1,76,51,000 crore (US$ 2.06 trillion) in FY24 with a growth rate of 6.5%. This growth is driven by rising employment and stronger private consumption, supported by improving consumer sentiment, which is expected to keep the momentum going in the near future.

Trade remains a critical pillar of India's growth story with exports reaching Rs. 37,31,000 crore (US$ 436.6 billion) in FY25, led by Engineering Goods (26.88%), Petroleum Products (13.86%) and Electronic Goods (8.89%). These exports helped the economy stay resilient during the pandemic when other sectors slowed. Union Minister of Commerce and Industry, Mr. Piyush Goyal projects exports to reach Rs. 85,44,000 crore (US$ 1 trillion) by 2030.

India's ability to attract Foreign Direct Investment (FDI) has also strengthened. The country received record FDI inflows amounting to Rs. 4,21,929 crore (US$ 49.3 billion) in FY25 a 15% increase over FY24, supported by a stable policy environment, a large domestic market and steady economic growth positioning the country as a key destination for global capital. This capital inflow also complements government plans for increased investment in infrastructure and asset-building projects to further boost economic growth.

India's external economic position is improving. The current account deficit narrowed to Rs. 1,98,726 crore (US$ 23.30 billion), or 0.6% of GDP, in FY25 from Rs. 2,21,754 crore (US$ 26.00 billion), or 0.7% of GDP, in FY24. This improvement was due to higher net receipts from services and secondary income, according to the Reserve Bank of India (RBI).

Recent Developments:

India is primarily a domestic demand-driven economy, with consumption and investments contributing to 70% of the economic activity. With India's economy showing resilient growth, supported by strong domestic demand, policy reforms, and a healthy investment pipeline, several new projects and developments are underway across key sectors. This positive development across key sectors is evident from following key economic data points.

- According to the Department for Promotion of Industry and Internal Trade (DPIIT), India's cumulative FDI inflow stood at Rs. 91,45,988 crore (US$ 1.07 trillion) between April 2000-March 2025 with major share coming from Mauritius at Rs. 15,36,849 crore (US$ 180.19 billion) with a total share of 25%, followed by Singapore at 24% with Rs. 14,91,603 crore (US$ 174.88 billion), the United States (US) at 10% with Rs. 6,02,574 crore (US$ 70.65 billion), the Netherlands at 7% with Rs. 4,54,613 crore (US$ 53.3 billion), and Japan at 6% with Rs. 3,78,653 crore (US$ 44.39 billion).
- As of July 4, 2025, India's foreign exchange reserves stood at Rs. 59,68,048 crore (US$ 699.74 billion).
- In May 2025, private equity (PE) and venture capital (VC) investments reached Rs. 20,470 crore (US$ 2.4 billion) across 97 deals.
- Foreign Institutional Investors (FII) outflows in FY25 were close to Rs. 1,27,000 crore (US$ 14.89 billion), while Domestic Institutional Investors (DII) bought in Rs. 6,00,000 crore (US$ 70.34 billion) in the same period.
- The HSBC India Manufacturing Purchasing Managers' Index (PMI) rose to a 14-month high of 58.4 in June 2025 from 57.6 in May, indicating a strong improvement in manufacturing conditions. Robust domestic and international demand drove sharp increases in output and new orders, while employment saw a record rise as firms expanded their workforce to meet rising workloads. New export orders surged, marking the third-fastest growth since the survey began in 2005. Although input cost inflation eased, producer prices increased as companies passed on higher freight and labour costs to customers.
- India saw a robust 10.35% growth in passengers carried by domestic airlines at 431.98 lakh in FY25, from 391.46 lakh in FY24, according to the Directorate General of Civil Aviation (DGCA).
- India secured 39th position out of 133 economies in the Global Innovation Index 2024. India rose from 81st position in 2015 to 39th position in 2024. India ranks third position in the global number of scientific publications.
- In FY25, the Goods and Services Tax (GST) recorded its highest-ever gross collection at Rs. 22,08,000 crore (US$ 258 billion), registering a YoY growth of 9.4%. The average monthly collection stood at Rs. 1,84,000 crore (US$ 21.57 billion).
- In May 2025, the overall Index of Industrial Production (IIP) stood at 156.6 (base 2011–12 = 100), reflecting a YoY growth of 1.2%. The mining, manufacturing and electricity sectors stood at 136.6, 154.3 and 216, respectively.

- According to data released by the Ministry of Statistics & Programme Implementation (MoSPI), India's Consumer Price Index (CPI) - Combined inflation was 3.34% in March 2025 against 4.85% in March 2024.
- India's wheat procurement for FY26 has reached 29.7 million tonnes as of May 22, 2025, the highest in four years and up 13.5% YoY. Strong production of 115.43 million tonnes, favourable weather, and bonuses above the Minimum Support Price (MSP) in key states have driven this growth. The Food Corporation of India expects procurement to hit 32.5 million tonnes by season end, raising stocks to 44 million tonnes, well above the 18.4 million tonnes needed for the Public Distribution System.

Government Initiatives:

Over the years, the Indian government has introduced many initiatives to strengthen the nation's economy. The Indian government has been effective in developing policies and programmes that are not only beneficial for citizens to improve their financial stability but also for the overall growth of the economy. Over recent decades, India's rapid economic growth has led to a substantial increase in its demand for exports. Besides this, several of the government's flagship programmes, including Make in India, Start-up India, Digital India, the Smart City Mission, and the Atal Mission for Rejuvenation and Urban Transformation, is aimed at creating immense opportunities in India. In this regard, some of the initiatives taken by the government to improve the economic condition of the country are mentioned below:

- On July 5, 2025, the Union Cabinet approved the Rs. 1,00,000 crore (US$ 11.72 billion) Research, Development and Innovation (RDI) Scheme, launching long-term, low- or zero-interest funding via a special purpose fund under the ANRF to jump-start India's R&D ecosystem and support deep-tech and startup innovation.
- On March 27, 2025, the Reserve Bank of India proposed doubling the investment cap for individual foreign investors in listed firms from 5% to 10%, with a combined foreign individual limit increasing to 24%, to counter Foreign Portfolio Investment (FPI) outflows.
- According to a report by Wood Mackenzie in January 2025, India, the US, and West Asia are expected to collectively add 100 Gigawatts (GW) of solar capacity by 2025, while China is anticipated to continue its leadership in the solar industry.
- In July 2024, the Ministry of Finance held the Union Budget and announced that for 2024-25, the total receipts other than borrowings and the total expenditure are estimated at Rs. 32,07,000 crore (US$ 375 billion) and Rs. 48,21,000 crore (US$ 564 billion), respectively.
- In February 2024, the Finance Ministry announced the total expenditure in Interim 2024-25 estimated at Rs. 47,65,768 crore (US$ 571.64 billion) of which total capital expenditure is Rs. 11,11,111 crore (US$ 133.27 billion).
- On January 22, 2024, Prime Minister Mr. Narendra Modi announced the 'Pradhan Mantri Suryodaya Yojana'. Under this scheme, one crore households will receive rooftop solar installations.
- On September 17, 2023, Prime Minister Mr. Narendra Modi launched the Central Sector Scheme PM-VISHWAKARMA in New Delhi. The new scheme aims to provide recognition and comprehensive support to traditional artisans & craftsmen who work with their hands and basic tools. This initiative is designed to enhance the quality, scale, and reach of their products, as well as to integrate them with Micro, Small and Medium Enterprises (MSME) value chains.
- On August 6, 2023, Amrit Bharat Station Scheme was launched to transform and revitalize 1,309 railway stations across the nation. This scheme envisages development of stations on a continuous basis with a long-term vision.
- On June 28, 2023, the Ministry of Environment, Forests, and Climate Change introduced the 'Draft Carbon Credit Trading Scheme, 2023'.
- From April 1, 2023, Foreign Trade Policy 2023 was unveiled to create an enabling ecosystem to support the philosophy of 'Aatmanirbhar Bharat' and 'Local goes Global'.
- To enhance India's manufacturing capabilities by increasing investment and production in the sector, the government of India has introduced the Production Linked Incentive Scheme (PLI) for Pharmaceuticals.
- Prime Minister's Development Initiative for North-East Region (PM-DevINE) was announced in the Union Budget 2022-23 with a financial outlay of Rs. 1,500 crore (US$ 182.35 million).
- Prime Minister Mr Narendra Modi has inaugurated a new food security scheme for providing free food grains to Antyodaya Ann Yojna (AAY) & Primary Household (PHH) beneficiaries, called Pradhan Mantri Garib Kalyan Ann Yojana (PMGKAY) from January 1, 2023.

Road Ahead:

India’s economy grew by 6.5% in FY25. With a 7.4% growth rate in Q4 FY25, with RBI projecting a growth rate of 6.5% in FY26 as well. India's comparatively strong position in the external sector reflects the country's positive outlook for economic growth and rising employment rates. In 2024, India rose to 15th place globally in FDI rankings and retained its position as South Asia’s top recipient.

In H1 FY25, India’s growth-focused approach was underscored by the government’s capital expenditure outlay of Rs. 15,02,000 crore (US$ 176 billion), reinforcing its commitment to infrastructure-led development.

In the Union Budget of FY26, capital expenditure took lead by steeply increasing the capital expenditure outlay by 10% to Rs. 11,21,000 crore (US$ 131 billion) over Rs. 10,18,000 crore (US$ 119 billion) in FY25. Stronger revenue generation because of improved tax compliance, increased profitability of the company, and increasing economic activity also contributed to rising capital spending levels.

India’s total goods and service exports surged by 76% over the past decade, touching Rs. 70,36,425 crore (US$ 825 billion) in FY25, driven by strong performance in engineering goods, electronics, and pharmaceuticals. With a reduction in port congestion, supply networks are being restored.

With a proactive set of administrative actions by the government, flexible monetary policy, and a softening of global commodity prices and supply-chain bottlenecks, inflationary pressures in India look to be on the decline overall.

(Source: https://www.ibef.org/economy/indian-economy-overview)

INDUSTRY OVERVIEW OF SEMICONDUCTOR MATERIALS AND HIGH-TECHNOLOGY MANUFACTURING SECTOR:

The Company operates within the semiconductor materials and high-technology manufacturing industry, which forms a critical part of the global electronics value chain. Semiconductor materials such as silicon, silicon carbide (SiC), and sapphire substrates are essential inputs in the manufacturing of electronic components used across industries including consumer electronics, automotive, telecommunications, aerospace, and defence.

The semiconductor industry in India has witnessed significant growth in recent years, driven by increasing demand for electronic devices, rapid digitalization, and the adoption of emerging technologies such as 5G, artificial intelligence (AI), electric vehicles (EVs), and the Internet of Things (IoT). The Indian semiconductor market was valued at approximately USD 59.78 billion in 2025 and is projected to grow at a CAGR of around 11.95% to reach USD 180.20 billion by 2034.

The semiconductor materials segment, which includes substrates, wafers, and specialty materials, is also experiencing steady growth. The India semiconductor materials market reached approximately USD 5.3 billion in 2025 and is expected to grow to around USD 8.3 billion by 2034, supported by increasing domestic manufacturing and favorable government initiatives.

The Government of India has undertaken several initiatives to promote domestic semiconductor manufacturing and reduce dependence on imports, including the Production Linked Incentive (PLI) scheme and the India Semiconductor Mission (ISM). These initiatives aim to develop a comprehensive ecosystem covering semiconductor design, fabrication, materials, and equipment, thereby strengthening the domestic supply chain.

Additionally, there is a growing focus on import substitution and localization of semiconductor materials and components, creating opportunities for domestic manufacturers. Materials such as silicon carbide are witnessing increased demand due to their application in high-performance and energy-efficient devices, particularly in electric vehicles and renewable energy systems.

Despite strong growth prospects, the industry remains capital-intensive and technology-driven, requiring continuous innovation and significant investments in infrastructure and research and development. The sector also faces competition from established global players with advanced technological capabilities and economies of scale.

Overall, the Indian semiconductor materials and high-technology manufacturing industry is at a developing stage but offers substantial growth potential, supported by policy initiatives, increasing domestic demand, and a gradual shift towards localized production.

Source:

- India Semiconductor Market Report
- India Semiconductor Materials Market Report
- India Semiconductor Sector Outlook

*The following information is qualified in its entirety by, and should be read together with, the more detailed financial and other information included in the Letter of Offer, including the section titled **"Risk Factors"** on page no. 24 of the Letter of Offer. In this chapter, unless the context otherwise requires, reference to the terms "We", "Us", "Artificial Electronics Intelligent Material Limited", "AEIM" and "Our" refers to our Company. Unless stated otherwise, the financial data in this section is derived from our financial statements prepared in accordance with Indian Accounting Standards, as set forth in the Letter of Offer.*

COMPANY'S BACKGROUND:

Our Company was originally incorporated as **"Datasoft Application Software (India) Limited"** under the provisions of the Companies Act, 1956, pursuant to a Certificate of Incorporation dated 2nd June, 1992, issued by the Registrar of Companies, Bombay, Maharashtra. The equity shares of the Company were subsequently listed and admitted to dealings on the Capital Market Segment (Main Board) of BSE Limited on 13th May, 1994. Thereafter, the registered office of the Company was shifted from the **"State of Maharashtra"** to the **"State of Tamil Nadu"** pursuant to an order dated 5th September, 2022, passed by the Regional Director, and the consequent Certificate of Registration of such order for change of State dated 18th October, 2022, issued by the Registrar of Companies, Chennai. Subsequently, the name of the Company was changed to **"Artificial Electronics Intelligent Material Limited"**, and a fresh Certificate of Incorporation pursuant to such change of name dated 19th June, 2024 was issued by the Registrar of Companies, Central Processing Centre, and such change of name was approved by BSE Limited on 8th July, 2024.

Our Company was originally incorporated as a Public Limited Company in 1992 by Mr. Ramesh Jamnadas Shah, Mr. Hasmukh J. Shah, Mr. Chandan Parmar, Mr. Rajesh M. Bhuta, Mr. Rajesh Mankad, Mr. Chaitanya Buch, and Mr. Bhadra Suryakant Shah.

Subsequently, the Company was acquired by Mr. Eswara Rao Nandam and Ms. Uma Nandam pursuant to an open offer made in compliance with the applicable provisions of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011. The Acquirers, Mr. Eswara Rao Nandam and Ms. Uma Nandam, made an open offer to acquire up to 2,94,280 fully paid-up equity shares, representing 26.00% of the voting share capital of the Company, at an offer price of ₹3.25 per equity share, pursuant to the Detailed Public Statement dated 19th October 2021. Pursuant to the open offer, 45,572 equity shares were actually tendered and accepted by the Acquirers.

Mr. Eswara Rao Nandam, Promoter–cum–Non-Executive Director and Chairman of the Company, has over three decades of experience in electronic components manufacturing, automobile components manufacturing, assembly operations, and electronics assembly, including mobile phones, laptops, and tablets. He also has experience in robotics manufacturing and assembly, embedded systems, software development, and integration and automation using artificial intelligence.

Ms. Uma Nandam, Promoter–cum–Whole-time Director of the Company, has over 20 years of extensive experience in accounts, finance, and administration. Mr. Vishaal Nandam, Non - Executive Director of the Company, has more than 5 years of experience in the field of electronics and semiconductors.

Collectively, they oversee the day-to-day operations, strategic planning, and overall management of the Company, contributing significantly to its operational efficiency and long-term growth.

The Company is further supported by a highly experienced Board of Directors and Key Managerial Personnel. Their diverse expertise enables the management to anticipate market trends, expand the product portfolio, manage operations and growth initiatives, nurture customer relationships, and respond effectively to evolving business conditions.

At present, the **Board of Directors** comprises 6 (Six) members, as follows:

- **Mr. Eswara Rao Nandam,** Chairman – cum – Non - Executive Director;
- **Ms. Uma Nandam,** Whole-time Director;
- **Ms. Vishaal Nandam,** Non - Executive Director;
- **Mr. S Balasubramanian,** Non - Executive and Independent Director;
- **Mr. Alan M Wagner,** Non - Executive and Independent Director; and
- **Ms. Rapala Virtanen Tarja Hannele,** Non - Executive and Independent Director.

The Company also has 3 (Three) **Key Managerial Personnel (KMPs),** namely:

- **Ms. Uma Nandam,** Whole-time Director;
- **Ms. Chayonika Paloi**, Company Secretary and Compliance Officer; and
- **Mr. Girija Sankar Tripathy**, Chief Financial Officer.

BUSINESS OF THE COMPANY:

Our Company operates in the semiconductor materials, high-technology manufacturing, and electronic design automation (EDA) sectors, focusing on the precision processing and manufacturing of advanced engineered inorganic materials such as synthetic sapphire, ruby, silicon carbide (SiC), silicon ingots, and sapphire substrates, along with high-precision metrology-grade components used in industrial measurement systems, serving applications across medical, optical, analytical, and semiconductor industries.

Our key business activities include:

- Manufacturing of sapphire substrates (ingots and wafers);
- Processing of silicon carbide and silicon materials;
- Production of precision sapphire components for coordinate measuring machine (CMM) probe sensors;
- Development of semiconductor processing equipment; and
- Provision of EDA services through our subsidiary.

Our revenue is primarily generated from the sale of semiconductor substrates, precision consumables, and job-work contracts. We operate on a business-to-business (B2B) model, catering to semiconductor fabrication units, LED manufacturers, metrology equipment companies, and industries such as automotive, defence, and aerospace.

Products and Services:

We offer a range of advanced semiconductor and precision engineering products, including:

- Sapphire Substrates (Ingots and Wafers);
- Metrology-Grade Sapphire Components; and
- Silver Paste for Electronic Applications.

These products are used in semiconductor fabrication, medical electronics, cutting tools, and high-precision measurement systems. Our products are characterized by high purity, thermal stability, durability, and precision engineering.

Details of Our Products:

We manufacture and supply the following product categories:

1. ***Medical and Surgical Components:*** Ruby disks used in diagnostic equipment and ophthalmic ruby knives designed for surgical applications.

2. ***Analytical Instrument Components:*** Precision ruby plungers used in analytical and laboratory instruments requiring high durability and dimensional accuracy.

3. ***Optical Components:*** Custom-designed optical lenses and specialized glass components manufactured in accordance with client specifications.

4. ***Semiconductor Materials:*** Sapphire wafers and substrates processed to meet specified thickness and precise dimensional tolerances for semiconductor and related applications.

Manufacturing Process:

We follow a structured, precision-driven manufacturing process carried out in controlled environments to meet stringent quality and semiconductor industry standards.

The Key stages include following:

1. ***Raw Material Procurement and Inspection:***

   High-quality synthetic sapphire and ruby ingots are sourced from specialized suppliers and undergo thorough inspection to ensure conformity with required specifications.

2. ***Ingot Preparation and Sizing:***

   Ingots are initially sized, cored, and prepared using advanced diamond grinding and precision cutting techniques to obtain suitable dimensions for further processing.

3. ***Machining and Shaping:***

   The prepared material is processed using CNC and other precision machining tools to achieve the desired geometries and component structures, including wafer slicing where required.

4. ***Surface Finishing:***

   Components undergo grinding, lapping, and polishing processes to achieve tight dimensional tolerances and superior surface finish.

5. ***Thin Film Processing (where applicable):***

   Select products are subjected to thin film deposition or related processes to meet specific functional or application requirements.

6. ***Quality Control and Testing:***

   Inspection and testing are conducted using advanced metrology instruments to ensure compliance with defined standards and performance criteria.

7. ***Cleaning, Packaging, and Dispatch:***

   Finished products are cleaned in controlled conditions, carefully inspected, and packaged in cleanroom environments prior to final dispatch.

Manufacturing Facilities and Machinery:

We operate a manufacturing facility in Tamil Nadu, India, located at Building No. GB-200B, Green Base Industrial & Logistics Park, Thriveni Nagar, Vadakapattu Village, Oragadam, Vadakkupattu, Kanchipuram, Chengalpattu – 603 204. The facility has an aggregate area of approximately 67,005 square feet and is leased from a third-party lessor for a period of three (3) years, from 25th July, 2025 to 25th July, 2028.

Our manufacturing operations are supported by well-developed infrastructure, including cleanroom environments for critical processes and established systems for efficient material handling and production flow. These controlled environments enable consistent product quality and operational efficiency.

The facility is equipped with specialized machinery for processing advanced semiconductor materials.

Key Machinery and Equipment include:

1. Precision cutting and slicing machines;
2. CNC machining equipment;
3. Diamond cutting and grinding machines;
4. Grinding, lapping, and polishing systems, including Chemical Mechanical Polishing (CMP) units;
5. Precision lapping and polishing systems;
6. Coordinate Measuring Machines (CMM) with high-precision probes for dimensional inspection; and
7. Advanced metrology, inspection, and calibration instruments.

In addition, we have developed proprietary equipment, including a sapphire staging system, to further enhance production capabilities.

<u>OUR BUSINESS STRATEGIES:</u>

Our business strategy focuses on import substitution, capacity expansion, and technological advancement.

Key elements of our strategy include:

- Strengthening domestic supply chains in alignment with the "Make in India" initiative;
- Expanding production capacity at our existing facilities;
- Developing advanced materials and larger wafer formats; and

- Building and maintaining long-term relationships with industrial customers.

We primarily undertake sales through a direct B2B model, focusing on long-term arrangements with enterprise customers. Our marketing efforts include technical demonstrations, participation in industry platforms, and targeted engagement with high-technology manufacturers.

SWOT ANALYSIS:

The SWOT Analysis of the Company is briefly summarized below:

<table>
<tr><td>Strengths:
Established presence in niche segments of semiconductor materials and precision engineering;
Proprietary technology and specialized processing capabilities; and
Strategic alignment with national semiconductor development initiatives and policies.</td><td>Weaknesses:
Concentration of manufacturing operations at a single facility;
Capital-intensive nature of operations requiring significant ongoing investments; and
Dependence on the availability of specialized raw materials.</td></tr>
<tr><td>Opportunities:
Increasing domestic demand for semiconductor materials and related components;
Supportive government policies and incentive schemes for semiconductor manufacturing; and
Potential to expand into export markets and diversify the customer base.</td><td>Threats:
Competition from established global and domestic players;
Rapid technological advancements requiring continuous upgradation; and
Exposure to supply chain disruptions and geopolitical uncertainties.</td></tr>
</table>

COMPETITION:

We operate in a niche segment with limited domestic competition and primarily compete with international suppliers of semiconductor materials and precision components. Some competitors may have larger financial resources and broader product offerings. The key factors affecting competition in our business include product quality, technological capabilities, cost competitiveness, supply chain efficiency, and customer relationships. Our early entry into the domestic semiconductor materials segment, localized manufacturing, and proprietary processing technologies provide us with a competitive advantage by reducing import dependency and enabling efficient, cost-effective operations. While the industry is competitive with both domestic and global participants, the domestic market remains relatively underpenetrated, resulting in comparatively lower competition within India.

SALES & MARKETING:

Our sales and marketing strategy is focused on building long-term customer relationships, expanding our presence in the domestic market, and strengthening our position in the semiconductor materials segment. We primarily cater to customers through a direct sales approach, enabling us to understand specific requirements and offer customized solutions. We leverage our early market presence, localized manufacturing capabilities, and cost competitiveness to attract and retain customers. Our marketing efforts are driven by product quality, reliability of supply, and responsiveness to customer needs. We also focus on maintaining strong relationships with existing clients while exploring opportunities to expand our customer base across relevant industries. Through efficient supply chain management and consistent product performance, we aim to enhance customer satisfaction and strengthen our market position.

HISTORY AND CERTAIN CORPORATE MATTERS

Our Company was originally incorporated as **"Datasoft Application Software (India) Limited"** under the provisions of the Companies Act, 1956, pursuant to a Certificate of Incorporation dated 2nd June, 1992, issued by the Registrar of Companies, Bombay, Maharashtra. The equity shares of the Company were subsequently listed and admitted to dealings on the Capital Market Segment (Main Board) of BSE Limited on 13th May, 1994. Thereafter, the registered office of the Company was shifted from the **"State of Maharashtra"** to the **"State of Tamil Nadu"** pursuant to an order dated 5th September, 2022, passed by the Regional Director, and the consequent Certificate of Registration of such order for change of State dated 18th October, 2022, issued by the Registrar of Companies, Chennai. Subsequently, the name of the Company was changed to **"Artificial Electronics Intelligent Material Limited"**, and a fresh Certificate of Incorporation pursuant to such change of name dated 19th June, 2024 was issued by the Registrar of Companies, Central Processing Centre, and such change of name was approved by BSE Limited on 8th July, 2024. For further details about our Company, please refer to the chapter titled ***"General Information"*** on page no. 36 of this Letter of Offer.

<u>REGISTERED OFFICE:</u>

The Registered Office of the Company is presently situated at Building No. GB-200B, Green Base Industrial & Logistics Park, Thriveni Nagar, Vadakapattu Village, Oragadam, Vadakkupattu, Kanchipuram, Chengalpattu, Tamil Nadu, India – 603 204.

The Registered office of our Company has been changed from time to time since incorporation, details of which are given hereunder:

Date of Change of Registered office	Registered Office	
	Changed from	Changed to
On Incorporation	116, Apollo Estate, Mogra Road, Andheri (East), Bombay, Maharashtra, India – 400 069.	
4th September, 1993	116, Apollo Estate, Mogra Road, Andheri (East), Bombay, Maharashtra, India – 400 069.	Casa Mariana, Ground Floor, Laxman Mhatre Marg, Borivali (West), Mumbai, India, 400103.
23th May, 2005	Casa Mariana, Ground Floor, Laxman Mhatre Marg, Borivali (West), Mumbai, Maharashtra, India, 400103.	314, Dimple Arcade, Asha Nagar, behind Sai Dham, Kandivali (East), Mumbai, Maharashtra, India – 400 101.
13th September, 2007	314, Dimple Arcade, Asha Nagar, behind Sai Dham, Kandivali (East), Mumbai, Maharashtra, India – 400 101.	217, Blue Rose Industrial Estate, Western Express Highway, Borivali (East), Mumbai, Maharashtra, India – 400 066.
1st December, 2009	217, Blue Rose Industrial Estate, Western Express Highway, Borivali (East), Mumbai, Maharashtra, India – 400 066.	22, Blue Rose Industrial Estate, Western Express Highway, Borivali (East), Mumbai, Maharashtra, India – 400 066.
27th June, 2017	22, Blue Rose Industrial Estate, Western Express Highway, Borivali (East), Mumbai, Maharashtra, India – 400 066.	442, Blue Rose Industrial Estate, Western Express Highway, Borivali (East), Mumbai, Maharashtra, India – 400 066.
21st February, 2022	442, Blue Rose Industrial Estate, Western Express Highway, Borivali (East), Mumbai, Maharashtra, India – 400 066.	Hot Desk, 2nd Floor, Apeejay Business Centre, Apeejay House 3, Dinshaw Vacha Road, Churchgate, Mumbai, Maharashtra, India – 400 020.
19th September, 2022	Hot Desk, 2nd Floor, Apeejay Business Centre, Apeejay House 3, Dinshaw Vacha Road, Churchgate, Mumbai, Maharashtra, India – 400 020.	Plot No. OZ-13, Sipcot Hi-Tech SEZ, Oragadam, Sriperumbudur, Kancheepuram, Tamil Nadu, India – 602 105.
1st January, 2024	Plot No. OZ-13, Sipcot Hi-Tech SEZ, Oragadam, Sriperumbudur, Kancheepuram, Tamil Nadu, India – 602 105.	No - 42, Commercial Complex, Hiranandani Parks, Senthamangalam Village, Chengalpattu, Greater Chennai, Kanchipuram, Tamil Nadu, India – 603 204.
15th August, 2025	No - 42, Commercial Complex, Hiranandani Parks, Senthamangalam Village, Chengalpattu, Greater Chennai, Kanchipuram, Tamil Nadu, India – 603 204.	Building No. GB-200B, Green Base Industrial & Logistics Park, Thriveni Nagar, Vadakapattu Village, Oragadam, Vadakkupattu, Kanchipuram, Chengalpattu, Tamil Nadu, India – 603 204.

AMENDMENTS TO THE MEMORANDUM AND ARTICLES OF ASSOCIATION OF OUR COMPANY:

Sr. No.	Date of change	Nature of amendment
1.	30th September, 1993	**Amendment to Articles of Association:** The Articles of Association were amended by alteration of Clauses Nos. 51, 52, 56, 76 and 196 pursuant to a Special Resolution passed at the Annual General Meeting held on 30th September, 1993.
2.	28th January, 2000	**Increase in Authorised Share Capital:** The Capital Clause of the Memorandum of Association was amended to increase the authorised share capital of the Company from Rs. 5,00,00,000/- (Rupees Five Crores Only), divided into 50,00,000 (Fifty Lakhs) equity shares of Rs. 10/- each, to Rs. 15,00,00,000/- (Rupees Fifteen Crores Only), divided into 1,50,00,000 (One Crore Fifty Lakhs) equity shares of Rs. 10/- each.
3.	15th April, 2022	**Alteration in Main Object Clause:** The Main Object Clause, i.e., Clause III(A)(I) and III(A)(II) of the Memorandum of Association, was altered by replacing the existing objects pursuant to a Special Resolution passed by the shareholders at the Extra-Ordinary General Meeting held on 15th April, 2022.
4.	15th April, 2022	**Alteration of Registered Office Clause:** The situation clause in the Memorandum of Association was altered pursuant to change of Registered Office from the State of Maharashtra to the State of Tamil Nadu, pursuant to a Special Resolution passed by the shareholders at the Extra-Ordinary General Meeting held on 15th April, 2022.
5.	11th May, 2024	**Adoption of New Set of Memorandum of Association and Articles of Association:** The Company adopted a new set of Memorandum of Association and Articles of Association to align the same with the provisions of the Companies Act, 2013.
6.	11th May, 2024	**Change in Name of the Company:** The name of the Company was changed to **"Artificial Electronics Intelligent Material Limited"** vide Special Resolution passed at the Extra-Ordinary General Meeting held on 11th May, 2024. A Fresh Certificate of Incorporation consequent upon change of name dated 19th June, 2024 was issued by the Registrar of Companies, Central Processing Centre. The said change of name was approved by BSE Limited on 8th July, 2024.
7.	20th September, 2024	**Increase in Authorised Share Capital:** The Capital Clause (Clause V) of the Memorandum of Association was amended to increase the authorised share capital of the Company from Rs. 15,00,00,000/- (Rupees Fifteen Crores Only), divided into 1,50,00,000 (One Crore Fifty Lakhs) equity shares of Rs. 10/- each, to Rs. 100,00,00,000/- (Rupees One Hundred Crores Only), divided into 10,00,00,000 (Ten Crores) equity shares of Rs. 10/- each, pursuant to an Ordinary Resolution passed at the Annual General Meeting held on 20th September, 2024.

AUTHORIZED SHARE CAPITAL:

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

Date of Amendment	Particulars
28th January, 2000	The Capital Clause of the Memorandum of Association was amended to increase the authorised share capital of the Company from Rs. 5,00,00,000/- (Rupees Five Crores Only), divided into 50,00,000 (Fifty Lakhs) equity shares of Rs. 10/- each, to Rs. 15,00,00,000/- (Rupees Fifteen Crores Only), divided into 1,50,00,000 (One Crore Fifty Lakhs) equity shares of Rs. 10/- each.
20th September, 2024	The Capital Clause (Clause V) of the Memorandum of Association was amended to increase the authorised share capital of the Company from Rs. 15,00,00,000/- (Rupees Fifteen Crores Only), divided into 1,50,00,000 (One Crore Fifty Lakhs) equity shares of Rs. 10/- each, to Rs. 100,00,00,000/- (Rupees One Hundred Crores Only), divided into 10,00,00,000 (Ten Crores) equity shares of Rs. 10/- each, pursuant to an Ordinary Resolution passed at the Annual General Meeting held on 20th September, 2024.

PAID-UP SHARE CAPITAL:

The following changes have been made in Paid-up Share Capital of our Company during the last three years:

Sr. No.	Date of Allotment	Number of equity shares allotted	Face value per equity share (Rs.)	Issue price per equity share (Rs.)	Nature of consideration	Nature of allotment
1.	19th October, 2024	1,58,34,000	10.00	18.00	Cash	Preferential Issue
2.	17th November, 2025	97,53,750	10.00	40.00	Cash	Preferential Issue
3.	30th January, 2026	9,50,000	10.00	40.00	Cash	Preferential Issue

MAJOR EVENTS:

The major events of the Company since its inception are as under:

Sr. No.	Calendar Year	Event/ Milestone
1.	1992	Our Company was incorporated as **"Datasoft Application Software (India) Limited"** on 2nd June, 1992.
2.	1994	The equity shares of our Company were listed and admitted to trading on the Capital Market Segment (Main Board) of BSE Limited **("BSE")** in year 1994.
3.	2010	The Suspension of trading of equity shares of the Company was revoked w.e.f. 24th December, 2010.
4.	2020	The Hon'ble National Company Law Tribunal **("NCLT")**, Mumbai Bench approved the reduction of share capital from Rs. 4,33,09,500/- to Rs. 1,13,18,400/-, divided into 11,31,840 equity shares of Rs. 10/- each, vide Order dated 6th February, 2020 in CP No. 1701 of 2018.
5.	2021	The Promoters, Mr. Eswara Rao Nandam and Ms. Uma Nandam, made an open offer to the public shareholders in compliance with Regulations 3(1) and 4 of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
6.	2022	The Registered Office of the Company was shifted from the **"State of Maharashtra"** to the **"State of Tamil Nadu"**.
7.	2024	The suspension of trading in the equity shares of the Company was revoked with effect from 15th January, 2024.
8.		The name of the Company was changed from **"Datasoft Application Software (India) Limited"** to **"Artificial Electronics Intelligent Material Limited"**. A Certificate of Incorporation pursuant to change of name was issued on 19th June, 2024 by the Central Processing Centre, Manesar, Haryana.

Holding / Subsidiary / Associate Company and Joint Venture

M/s. AIMOTO Works Private Limited is a Subsidiary Company of our Company.

Raising of capital in form of Equity

For details of increase in Equity Share Capital of our Company, please refer section ***"Capital Structure"*** on page no. 40 of this Letter of Offer.

Injunction and restraining order

Our Company is not under any injunction or restraining order, as on date of filing of this Letter of Offer.

Managerial Competence

For Managerial Competence, please refer to the section ***"Our Management"*** on page no. 66 of this Letter of Offer.

Acquisitions/ Amalgamations/ Mergers/ Revaluation of assets

Artificial Electronics Intelligent Material Limited has acquired equity shares of M/s. AIMOTO Works Private Limited and accordingly holds 53.00% of its shareholding.

Total number of Shareholders of our Company

As on the date of filing of this Letter of Offer, the total number of Equity Shareholders are 13.146. For more details on the shareholding, please see the section titled ***"Capital Structure"*** at page no. 40 of this Letter of Offer.

Main Object as set out in the Memorandum of Association of the Company:

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

The objects for which our Company is established are:

1. To carry on the business of designing, manufacturing, packaging, assembling, trade, import, export or service of SMT components including all type of semiconductor chips, chip modules, sensors, Transducers, Actuators, Discrete semiconductor devices, display Assembly and Touch Panels, Micro and Nano-electronic components, assembly, testing, marking and packaging (ATMP) of electronics, mechanics (plastic and metal parts) for electronic applications, Semiconductor Wafers, Display fabrication units including Liquid Crystal Displays (LCD), Light Emitting Diode (LED), Organic Light Emitting Diode (OLEO), etc. for electronic applications.

2. To carry on the business of trading, import, export or service of semiconductors, components and parts for electronic and electrical equipment of every description including Space, Defense, mobile phones, Automobile applications and home appliances, multimedia equipment, including any other business incidental thereto.

Shareholders' Agreements

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

Other Agreements

Our Company has not entered into any agreement as on the date of filing this Letter of Offer.

Strategic Partners

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

Financial Partners

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

BOARD OF DIRECTORS

The Articles of Association require our Board to have at least 3 (Three) Directors and not more than 15 (Fifteen) Directors. Our Board presently comprises of 6 (Six) Directors, which consists of 1 (One) Executive Director, 2 (Two) Non – Executive and Non – Independent Directors and 3 (Three) Non – Executive and Independent Directors.

The following table sets forth details regarding the Board of Directors of our Company as on the date of filing the Letter of Offer:

Sr. No.	Particulars	Date of Appointment	DIN	Other Directorships
1.	**Ms. Uma Nandam** **DOB:** 26/04/1972 (54 Years) **Address:** Flat 2A Amara Sattva 2/27A Gilchrist Avenue, Harrington Road, Near Subway and Pazhamudir Nilayam, Chetpet, Chennai, Tamil Nadu – 600 031. **Nationality:** Indian **Occupation:** Business **Designation:** Whole-time Director **Term:** Appointed for term of 5 consecutive years from 29/09/2023 to 28/09/2028.	17/01/2022	02220048	• Polymatech Electronics Limited; • Polymatech Interstellar Private Limited; • Polymatech Enterprise Private Limited; • Tomori Works Private Limited; and • Nandam Oen Foundation.
2.	**Mr. Eswara Rao Nandam** **DOB:** 18/08/1969 (56 Years) **Address:** Flat 2A Amara Sattva 2/27A Gilchrist Avenue, Harrington Road, Near Subway and Pazhamudir Nilayam, Chetpet, Chennai, Tamil Nadu – 600 031. **Nationality:** Indian **Occupation:** Business **Designation:** Chairman – cum – Non – Exectuive Director **Term:** Liable to retire by rotation	23/03/2024	02220039	• Polymatech Electronics Limited; • Polymatech Interstellar Private Limited; • Polymatech Gijutsu Private Limited; • Polymatech Enterprise Private Limited; • AIMOTO Works Private Limited; • Tomori Works Private Limited; and • Nandam Oen Foundation.
3.	**Mr. Vishaal Nandam** **DOB:** 08/01/1996 (30 Years) **Address:** Flat 2A Amara Sattva 2/27A Gilchrist Avenue, Harrington Road, Near Subway and Pazhamudir Nilayam, Chetpet, Chennai, Tamil Nadu – 600 031. **Nationality:** Indian **Occupation:** Business **Designation:** Non – Exectuive Director **Term:** Liable to retire by rotation	23/03/2024	07318680	• Polymatech Electronics Limited; • Polymatech Gijutsu Private Limited; and • Aimoto Works Private Limited.
4.	**Mr. S Balasubramanian** **DOB:** 08/05/1964 (62 Years) **Address:** 1/420D, Vijayalaxmi Nagar, 1st Cross Street, Nanmangalam, Old Pallavaram, Kancheepuram, Tamil Nadu – 600 117. **Nationality:** Indian **Occupation:** Business **Designation:** Non – Executive and Independent Director **Term:** Appointed for term of 5 consecutive years from 12/06/2025 to 11/06/2030.	12/06/2025	11097149	NIL

5.	**Mr. Alan M Wagner** **DOB:** 27/03/1960 (66 Years) **Address:** Po Box 2814, Watsonville, CA 95077-2814 **Nationality:** United States **Occupation:** Business **Designation:** Non – Executive and Independent Director **Term:** Appointed for term of 5 consecutive years from 12/06/2025 to 11/06/2030.	12/06/2025	10946669	NIL
6.	**Ms. Rapala Virtanen Tarja Hannele** **DOB:** 19/08/1960 (65 Years) **Address:** Laukantie 374, Pernio, Finland - 25500 **Nationality:** Finland **Occupation:** Business **Designation:** Non – Executive and Independent Director **Term:** For a period of five years from 16/12/2025 up to 15/12/2030.	09/10/2025	09528399	Polymatech Electronics Limited

Brief Profiles of Directors:

Ms. Uma Nandam

Ms. Uma Nandam is the Promoter and Whole-time Director of the Company. She is a Commerce graduate and brings over 20 years of extensive experience in accounts, finance, and administration.

Mr. Eswara Rao Nandam

Mr. Eswara Rao Nandam is the Promoter - Chairman & Non-Executive Director of our Company. He has more than three decades of experience in electronic components manufacturing, automobile components manufacturing, assembling, electronics assembling including mobile phones, laptops, tablets, robot manufacturing and assembling, embedding, development of software, integration and automation with artificial intelligence. He has worked in technical and managerial roles in renowned organizations such as Berkeley Process Incorporation, USA, Earlsdon Technology, Coventry, London, UK, Rane Group, Hero Group, Pricol, Nokia, Suzlon, GMR, etc. A life member of the Indian Institute of Plant Engineers, Mr. Eswara Rao Nandam is an alumnus of BITS Pilani and is a certified Six Sigma practitioner. He has acquired multiple other certifications such as ‘Lean Manufacturing’ from Leancost Solutions, ‘Certified System Integrator’ from Allen Bradley, trained in Siemens CNC integration in Germany, trained in the Toyota Production System at Hamamatsu, Japan, and certified Leader by LMI, UK.

Mr. Vishaal Nandam

Mr. Vishaal Nandam belongs to the Promoter Group and Non-Executive Director of our Company. He has more than 5 years of experience in the field of electronics and semiconductors. After graduating in B. Tech degree from SRM University, Chennai, he completed multiple certifications to enhance his knowledge and calibre. He completed ‘Embedded Systems Internship Program’ by Simple Labs, secured top ranks in competitions such as ‘Modelling & Animation of Mechanical Parts’ held by SAEINDIA, and won multiple state level science competitions. He also learnt 3D Printing, ANSYS, AutoCAD 2D, Revit Architecture from CADD Centre, world’s largest CAD training network. He is also certified VFX Professional and holds certificates in 3D Max, Advanced Animation (Maya) from Arena Animation. During his college he attended workshops on robotics and later got certification on Robot Operation & Programming Arc Tool from FANUC. Has been trained on Optosemiconductors by Liren International, Kyoto, Japan.

Mr. S Balasubramanian

Mr. S Balasubramanian is the Non-Executive and Independent Director of the Company. He is an Ex-Defense person having more than 30 years’ experience in Projects, Operations, Facility Administration & Management. He has expertise in vendor resources, vendor management, cost control, customer focus and operational excellence, including expertise in management of real estate organizations, overall operations, control of all aspects of multiple projects from scratch, including land search, heading the organization / engineering and operations, project administration / construction & contracts management, techno-commercial requirements, vendor management, concept-to-completion modalities of projects, quality assurance / quality control & health, safety and environment responsibilities, liaisoning, leasing, sales, CRM and overall maintenance, tenant relationship, overall responsibility encompassing admin, finance & projects, managing MEP, and all other services & client management.

Mr. Alan M Wagner

Mr. Alan M Wagner is a Non-Executive and Independent Director of our Company. He is Alumini of Santa Clara University, California. He is the Chief Executive Officer of Nisene Technology Group, Inc., a company based in Royal Oaks, California. Nisene Technology Group specializes in manufacturing equipment for the semiconductor industry, particularly in decapsulation processes. In addition to his executive role, He is listed as an inventor on patents assigned to Nisene Technology Group. One such patent involves Microwave Induced Plasma Decapsulation Using a Dielectric Plasma Discharge Tube".

Ms. Rapala Virtanen Tarja Hannele

Ms. Rapala Virtanen Tarja Hannele is a Non-Executive and Independent Director of our Company. She is a seasoned professional with extensive experience in the electronics and PCB industries, spanning over 30 years. She has been an interconnection specialist since 2018, supporting growth strategies and enhancing market leadership through her own company. As the Technical Director at the European Institute for the PCB Community (EIPC), she plays a pivotal role in developing industry roadmaps, organizing technical conferences, and fostering international collaboration through the World Electronic Circuits Council (WECC). Tarja's earlier roles include serving as VP of Advanced Development at TTM Technologies (formerly Meadville Group) from 2011 to 2018, where she led key technology projects such as SAP, mSAP, and RF technology. Prior to this, she held leadership positions at Meadville Enterprises and Aspocomp Group, managing R&D teams, harmonizing project management systems, and driving technological innovation. Her early career included roles at Nokia, Tikkurila Oy, and Neste Oy, giving her a solid foundation in process engineering and R&D.

FAMILY RELATIONSHIP BETWEEN OUR DIRECTORS

Mr. Eswara Rao Nandam and Ms. Uma Nandam are husband and wife. Mr. Vishaal Nandam is their son. Accordingly, all three directors are related to each other.

Except as stated above, none of the other directors of our Company are related to each other.

PROMOTER AND PROMOTER GROUP

The following are Promoters and Members of Promoter Group as on date of this Letter of Offer:

A. Individual Promoters:

1. Ms. Uma Nandam; and
2. Mr. Eswara Rao Nandam

B. Individual Members of Promoter Group:

1. Mr. Vishaal Nandam

C. Body Corporate Members of Promoter Group:

1. M/s. Polymatech Electronics Limited

The brief details of Promoters are as follows:

	Mr. Eswara Rao Nandam is the Promoter - Chairman & Non-Executive Director of our Company. He has more than three decades of experience in electronic components manufacturing, automobile components manufacturing, assembling, electronics assembling including mobile phones, laptops, tablets, robot manufacturing and assembling, embedding, development of software, integration and automation with artificial intelligence. He has worked in technical and managerial roles in renowned organizations such as Berkeley Process Incorporation, USA, Earlsdon Technology, Coventry, London, UK, Rane Group, Hero Group, Pricol, Nokia, Suzlon, GMR, etc. A life member of the Indian Institute of Plant Engineers, Mr. Eswara Rao Nandam is an alumnus of BITS Pilani and is a certified Six Sigma practitioner. He has acquired multiple other certifications such as 'Lean Manufacturing' from Leancost Solutions, 'Certified System Integrator' from Allen Bradley, trained in Siemens CNC integration in Germany, trained in the Toyota Production System at Hamamatsu, Japan, and certified Leader by LMI, UK.
Date of Birth	18th August, 1969
Qualification	He has completed his Graduation in Electrical and Electronic Engineering and Post Graduation in Manufacturing Management from BITS Pilani.
Experience	He has more than three decades of experience.
Occupation	Business
No. of Equity Shares held in [% of Shareholding]	11,95,572 Equity Shares representing 4.32% of the Paid-up Equity Share Capital of the Company.

	Ms. Uma Nandam is the Promoter and Whole-time Director of the Company. She is a Commerce graduate and brings over 20 years of extensive experience in accounts, finance, and administration.
Date of Birth	26th April, 1972
Qualification	She is a Commerce graduate
Experience	She brings over 20 years of experience.
Occupation	Business
No. of Equity Shares held in [% of Shareholding]	22,70,812 Equity Shares representing 8.21% of the Paid-up Equity Share Capital of the Company

PAYMENT OR BENEFIT TO PROMOTERS OF OUR COMPANY

Except as disclosed herein and as stated in the section titled ***"Financial information"*** on page no. 76 of this Letter of Offer, there has been no amount paid or benefits granted by our Company to our Promoters or any of the members of the Promoter Group in the preceding two years nor is there any intention to pay any amount or provide any benefit to our Promoters or Promoter Group as on the date of this Letter of Offer.

OTHER CONFIRMATIONS

No material guarantees have been given to third parties by our Promoter(s) with respect to Equity Shares of our Company.

Our Promoter(s) have not been declared as wilful defaulter by the Reserve Bank of India (RBI) or any other Governmental authority and there are no violations of securities laws committed by them in the past or are pending against them.

Our Promoter(s) have not been debarred or prohibited from accessing or operating in Capital Market under any order or direction passed by SEBI or any other regulatory or Governmental authority. Our Promoter(s) are not and have never been a Promoter, Director or Person in control of any other Company which is debarred or prohibited from accessing or operating in Capital Market under any order or direction passed by SEBI or any other regulatory or Governmental authority.

For details on litigations and disputes pending against the Promoter(s), please refer to the section titled ***"Outstanding Litigations and Material Development"*** on page no. 78 of the Letter of Offer.

DETAILS OF CURRENT AND PAST DIRECTORSHIP(S) OF THE ABOVE DIRECTORS IN LISTED COMPANIES WHOSE SHARES HAVE BEEN/ WERE SUSPENDED FROM BEING TRADED ON ANY OF THE STOCK EXCHANGE, DURING HIS/ HER TENURE.

None of our Directors is or was a Director of any Company listed on any Stock Exchange, whose shares have been or were suspended from being traded during the five years preceding the date of this Letter of Offer, during the term of his/ her directorship in such Company.

DETAILS OF CURRENT AND PAST DIRECTORSHIP(S) OF THE ABOVE DIRECTORS IN LISTED COMPANIES WHICH HAVE BEEN/ WERE DELISTED FROM THE STOCK EXCHANGE(S), DURING HIS/ HER TENURE.

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 his/ her directorship in such Company.

➢ ***Audit Committee***

Our Company has formed the Audit Committee as per the applicable provisions of the Section 177 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 (as amended) and also to comply with Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 applicable upon listing of Company's Equity Shares on BSE Limited **('BSE').**

The constituted Audit Committee comprises following members:

Name of the Director	Status in Committee	Nature of Directorship
Ms. Rapala Virtanen Tarja Hannele	Chairperson	Non - Executive and Independent Director
Mr. Alan M Wagner	Member	Non - Executive and Independent Director
Mr. Eswara Rao Nandam	Member	Non – Executive Director

The Company Secretary of our Company shall act as a Secretary of the Audit Committee. The Chairman of the Audit Committee shall attend the Annual General Meeting of our Company to furnish clarifications to the shareholders in any matter relating to financial statements. The scope and function of the Audit Committee and its terms of reference shall include the following:

A. **Tenure**: The Audit Committee shall continue to be in function as a Committee of the Board until otherwise resolved by the Board to carry out the functions of the Audit Committee as approved by the Board.

B. **Meetings of the Committee**: The Committee shall meet at least 4 (Four) times in a year and not more than 120 days shall elapse between any two meetings. The quorum for the meeting shall be either two members or one third of the members of the Committee, whichever is higher but there shall be presence of at least one Independent Director at each meeting.

C. **Role and Powers**: The Role of Audit Committee together with its powers as Part C of Schedule II of SEBI Listing Regulation, 2015 and Companies Act, 2013 shall be as under:

i. Recommendation for appointment, remuneration and terms of appointment of Internal and Statutory Auditors' of the Company;
ii. Review and monitoring of the Auditors' independence and performance, an effectiveness of the Audit process;
iii. Review and examination of the, the quarterly, half yearly and yearly financial statements and report of the Auditors' thereon;
iv. Overview of the Company's financial reporting process and the disclosure of its Financial Information to ensure that financial information is correct, sufficient and credible;
v. Reviewing, with the management, financial statements before submission to the board for approval, with particular reference to:
    a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause 134 of the Companies Act, 2013;
    b. Changes, if any, in accounting policies and practices and reasons for the same;
    c. Major accounting entries involving estimates based on the exercise of judgment by management;
    d. Significant adjustments made in the financial statements arising out of audit findings;
    e. Compliance with listing and other legal requirements relating to financial statements;
    f. Disclosure of any related party transactions; and
    g. Qualifications in the audit report.
vi. Approval or any subsequent modification of transaction of the Company with the related parties;
vii. Scrutiny of Inter corporate loans and investments;
viii. Valuation of the undertakings or assets of the Company, wherever it is necessary;
ix. Reviewing, with the management, the statement of uses/ application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/ prospectus/ notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
x. Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems;
xi. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

xii. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
xiii. To recommend and review the functioning of the vigil mechanism/ Whistle Blower mechanism;
xiv. To recommend the appointment of CFO (i.e. the Whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate;
xv. To obtain outside legal or other professional advice wherever required;
xvi. To attend to any other responsibility as may be entrusted by the Board within the terms of reference.

➢ ***Stakeholders Relationship Committee:***

Our Company has formed the Stakeholders Relationship Committee as per Section 178 and other applicable provisions of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 (as amended) and also to comply with Regulation 20 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 applicable upon listing of Company's Equity Shares on BSE Limited **('BSE').**

The constituted Stakeholders Relationship Committee comprises the following:

Name of the Director	Status in Committee	Nature of Directorship
Ms. Rapala Virtanen Tarja Hannele	Chairperson	Non - Executive and Independent Director
Mr. Alan M Wagner	Member	Non - Executive and Independent Director
Mr. Vishaal Nandam	Member	Non - Executive Director

The Company Secretary of our Company shall act as a Secretary to the Stakeholders Relationship Committee. The scope and function of the Stakeholders Relationship Committee and its terms of reference shall include the following:

A. **Tenure:** The Stakeholders Relationship Committee shall continue to be in function as a committee of the Board until otherwise resolved by the Board, to carry out the functions of the Stakeholders Relationship Committee as approved by the Board.

B. **Meetings:** The Stakeholders Relationship Committee shall meet at least once a year with maximum interval of four months between two meetings and shall report to the Board on a quarterly basis regarding the status of redressal of complaints received from the shareholders of the Company. The quorum shall be minimum 2 (Two) members, out of which at least 1 (One) shall be an Independent Director.

C. **Scope and Terms of Reference:** Redressal of shareholders' and investors' complaints, including and in respect of:

i. To ensure effective and efficient system for transfer, transmission, dematerialization, re-materialization, splitting and consolidation of shares and other securities;
ii. To ensure effective and efficient system for time attendance and resolution to the grievances of all securities holders of the Company and resolve all the grievances of securities holders of the Company;
iii. To monitoring the transfers, transmissions, dematerialization, re-materialization, splitting and consolidation of shares and other securities issued by the Company;
iv. To issue of duplicate/ split/ consolidated share and other securities certificates;
v. To do all such acts, things or deeds as may be necessary or incidental to the exercise of all the above powers; and
vi. To attend to any other responsibility as may be entrusted by the Board within the terms of Reference.

➢ ***Nomination and Remuneration Committee:***

Our Company has formed the Nomination and Remuneration Committee as per Section 178 and other applicable provisions of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 (as amended) and also to comply with Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 applicable upon listing of Company's Equity Shares on BSE Limited **('BSE').**

The Nomination and Remuneration Committee comprises the following:

Name of the Director	Status in Committee	Nature of Directorship
Mr. S Balasubramanian	Chairperson	Non - Executive and Independent Director
Ms. Rapala Virtanen Tarja Hannele	Member	Non - Executive and Independent Director
Mr. Alan M Wagner	Member	Non - Executive and Independent Director

The Company Secretary of our Company shall act as a Secretary to the Nomination and Remuneration Committee. The scope and function of the Committee and its terms of reference shall include the following:

A. **Tenure:** The Nomination and Remuneration Committee shall continue to be in function as a committee of the Board until otherwise resolved by the Board.

B. **Meetings:** The committee shall meet as and when the need arises for review of Managerial Remuneration. The quorum for the meeting shall be one third of the total strength of the committee or two members, whichever is higher. The Chairperson of the nomination and remuneration committee may be present at the Annual General Meeting, to answer the shareholders' queries; however, it shall be up to the Chairperson to decide who shall answer the queries.

C. **Scope and Terms of Reference:**

i. To ensure formal and transparent procedures for the selection and appointment of new directors and succession plans;
ii. To identified and lay down the criteria and procedures for appointment of senior management and in accordance with the criteria laid down, recommend to the Board their appointment and removal;
iii. To formulate the criteria and policies for determining the qualifications, positive attributes and independence of a Director and recommend to the Board a policy relating to the remuneration for Directors, KMPs and other employees;
iv. To recommend to the Board, the appointment and remuneration for Managing/ Joint Managing/ Deputy Managing/ Whole-time/ Executive Directors and other KMP(s) from time to time;
v. To implement supervise and administer any share or stock option scheme of the Company;
vi. To formulate and implement the policies for evaluation of the performance of the Members of the Board and other KMP(s); and
vii. To attend to any other responsibility as may be trusted by the Board within the terms of reference.

➢ ***Corporate Social Responsibility Committee:***

The Corporate Social Responsibility Committee was constituted by Board of Directord.

The members of the Corporate Social Responsibility Committee are:

Name of the Director	Status in Committee	Nature of Directorship
Ms. Rapala Virtanen Tarja Hannele	Chairperson	Non - Executive and Independent Director
Ms. Uma Nandam	Member	Non - Executive Director
Mr. Eswara Rao Nandam	Member	Whole-time Director

The scope and functions of the Corporate Social Responsibility Committee of our Company are in accordance with Section 135 of the Companies Act, 2013 and the applicable rules thereunder, and have been set out below:

i. Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company in areas or subject, specified in Schedule VII of the Act;

ii. Formulate and recommend to the Board, an annual action plan in pursuance of its CSR policy, which shall include the following, namely:

a) the list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act;
b) the manner of execution of such projects or programmes as specified in sub-rule (1) of rule 4;
c) the modalities of utilisation of funds and implementation schedules for the projects or programmes;
d) monitoring and reporting mechanism for the projects or programmes; and
e) details of need and impact assessment, if any, for the projects undertaken by the company.

iii. Recommend the amount of expenditure to be incurred on the CSR activities; and

iv. Monitor the Corporate Social Responsibility Policy of the company from time to time.

Composition of Board of Directors:

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

Sr. No.	Name of the Director	Designation	DIN
1.	Mr. Eswara Rao Nandam	Chairman & Non-Executive Director	02220039
2.	Ms. Uma Nandam	Whole-time Director	02220048
3.	Mr. Vishaal Nandam	Non – Executive Director	07318680
4.	Ms. Rapala Virtanen Tarja Hannele	Non - Executive and Independent Director	09528399
5.	Mr. Sbalasubramanian	Non - Executive and Independent Director	11097149
6.	Mr. Alan M Wagner	Non - Executive and Independent Director	10946669

Details of Key Managerial Personnels (KMPs)

Following are the Key Managerial Personnels (KMPS) of our Company as on the date of this Letter of Offer:

Sr. No.	Name of Key Managerial Personnel(s)	Designation
1.	Ms. Uma Nandam	Whole-time Director
2.	Ms. Chayonika Paloi	Company Secretary and Compliance Officer (CS)
3.	Mr. Girija Sankar Tripathy	Chief Financial Officer (CFO)

BONUS OR PROFIT-SHARING PLAN FOR OUR KEY MANAGERIAL PERSONNEL(S) (KMPs)

Our Company does not have any bonus or profit-sharing plan for our Key Managerial Personnel(s) (KMPs).

DIVIDEND POLICY

The declaration and payment of final dividends will be recommended by the Board of Directors and approved by the Shareholders, at their discretion, subject to the provisions of the Articles of Association and applicable law, including the Companies Act, 2013. The dividend, if any, will depend on a number of factors, including but not limited, net operating profit after tax, working capital requirements, capital expenditure requirements, cash flow required to meet contingencies, outstanding borrowings, and applicable taxes payable by our Company. In addition, our ability to pay dividends may be impacted by a number of factors, including restrictive covenants under loan or financing arrangements our Company is currently availing of or may enter into finance our fund requirements for our business activities.

The Board of Directors of your Company has approved and adopted the Dividend Distribution Policy of the Company on voluntary basis as per SEBI (LODR) Regulations, 2015. The Dividend Distribution Policy is available on the website of the Company and our Company has not declared any Dividend in the last three financial years.

Dividends are payable within thirty days of approval by the Equity Shareholders at the Annual General Meeting of our Company and in case of interim dividend within thirty days of declaration by the Board of Directors. When dividend is declared, all the Equity Shareholders whose names appear in the register of members of our Company as on the “Record date” are entitled to be paid the dividend declared by our Company. Any Equity Shareholder who ceases to be an Equity Shareholder prior to the record date, or who becomes an Equity Shareholder after the record date, will not be entitled to the dividend declared by our Company.

SECTION VII - FINANCIAL INFORMATION

The Audited Financial Statements of the Company for the years ended March 31, 2026 and March 31, 2025, and the Unaudited Financial Results for the quarter ended June 30, 2026, along with the comparative financial results for the corresponding quarter of the previous year, i.e., June 30, 2025, together with the Limited Review Report, are available on the website of the Stock Exchange, i.e., BSE Limited https://www.bseindia.com, and on the website of the Company at https://www.aeimindia.com/financial-results

Particulars	Weblink
The Audited Standalone and Consolidated Financial Statements along with Independent Auditor's Report for the year ended on 31st March, 2026.	https://www.bseindia.com/xml-data/corpfiling/attachlive/f83a1cb6-e9af-429f-827c-1d73b5a85aac.pdf
The Audited Financial Statements along with Independent Auditor's Report for the year ended on 31st March, 2025.	https://www.bseindia.com/xml-data/corpfiling/attachhis/b95d5d38-e1e6-4b81-accd-cf2999b510c5.pdf
The Un-audited Financial Results along with the Limited Review Report for the quarter ended June 30, 2026.	https://www.bseindia.com/xml-data/corpfiling/AttachHis/264d4567-e0b8-4c11-b42d-84f754826cb0.pdf
The Un-audited Financial Results along with the Limited Review Report for the quarter ended June 30, 2025.	https://www.bseindia.com/xml-data/corpfiling/AttachHis/4e95cb3b-c28d-47b0-bdda-c69ffd429a04.pdf

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SUMMARY OF FINANCIALS

The following table sets forth a summary of the financial information for the years ended March 31, 2026 and March 31, 2025, derived from the Audited Financial Statements, and for the quarters ended June 30, 2026 and June 30, 2025, based on the Unaudited Financial Results for the quarter ended June 30, 2026 and the comparative corresponding period of the previous year, respectively:

(Rupees in Lakhs except EPS and NAV)

Particulars	March 31, 2026		March 31, 2025	June, 2026		June, 2025
	Standalone	Consolidated	Standalone	Standalone	Consolidated	Standalone
Total Revenue from operations	14,996.73	15,010.28	2,609.61	5,000.60	5,028.10	675.00
Net profit/loss before tax and extra-ordinary items	4,919.95	4,922.99	370.99	1,679.05	1,682.17	88.22
Net profit/loss after tax and extra-ordinary items	3,675.20	3,677.47	283.01	1,251.27	1,252.51	60.51
Equity shares capital	2,766.96	2,766.96	1,696.58	2,766.96	2,766.96	1,696.58
Reserves and surplus	9,433.21	9,434.41	1,461.87	10,684.48	10,686.92	1,522.38
Net worth	12,200.17	12,201.37	3,158.46	13,451.44	13,453.88	3,218.96
Basic Earnings per share	17.73	17.73	3.43	4.52	4.53	0.36
Diluted Earnings per share	13.05	13.06	3.43	4.35	4.36	0.36
Return on net worth	30.12%	30.14%	8.96%	9.30%	9.31%	1.88%
Net Asset Value per Share	44.09	34.10	8.62	48.60	48.61	18.97

RATIONALE FOR THE ISSUE PRICE

[•]

OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPMENTS

Except as stated in this section, there are no: (i) criminal proceedings; (ii) actions by statutory or regulatory authorities; (iii) claims relating to direct and indirect taxes; (iv) disciplinary actions including penalties imposed by SEBI or stock exchange against the Promoter in the last five financial years, including outstanding action; or (v) Material Litigation (as defined below); involving the Company, its present Directors and Promoters.

Outstanding legal proceedings involving the Company, its present Directors and Promoters will be considered as material litigation ("Material Litigation") if the aggregate amount involved in such individual litigation exceeds 10% of profit after tax of the Company, as per the last audited financial statements of the Company or such litigations outcome could have a material impact on the business, operations, prospects or reputations of the Company.

A. LITIGATION INVOLVING THE COMPANY

a) **Criminal proceedings against the Company:** Nil

b) **Criminal proceedings filed by the Company:** Nil

c) **Civil proceedings against the Company:** Nil

d) **Civil proceedings filed by the Company:** Nil

e) **Arbitration cases filed by the Company:** Nil

f) **Arbitration cases filed against our Company:** Nil

g) **Tax Proceedings involving our Company:** Nil

h) **Litigations relating to the Promoter of our Company:**

Cases filed by our existing Promoter: Nil

Cases filed against our existing Promoter: Nil

i) **Litigations relating to the Directors other than Promoter of the Company:**

Cases filed against the existing Directors: Nil

Cases filed by the existing Directors: Nil

j) **Litigations relating to Holding / Subsidiary / Associate Company and Joint Venture: Nil**

k) **Litigations relating to the Directors of Holding / Subsidiary / Associate Company and Joint Venture: Nil**

<u>OUTSTANDING DUES TO SMALL SCALE UNDERTAKINGS OR ANY OTHER CREDITORS:</u>

There are no disputes with such entities in relation to payments to be made to our Creditors.

The outstanding amount of the Creditors as on 30th June, 2026 is Rs. Rs. 43,84,211.45/-.

Except as described above, as on date of this Letter of Offer, there are no outstanding litigations involving the Company, or involving any other person or Company whose outcome may have a material adverse effect on the Company's results of operations or financial position.

There are no litigations or legal actions, pending or taken, by any Ministry or Department of the Government or a statutory authority against our Promoters during the last 5 years.

Pending proceedings initiated against our Company for economic offences:

There are no pending proceedings initiated against our Company for economic offences.

Inquiries, investigations etc. instituted under the Companies Act, 2013 or any previous Companies enactment in the last 5 years against our Company:

There are no inquiries, investigations etc. instituted under the Companies Act or any previous Companies enactment since incorporation against our Company.

Material Fraud against our Company in the last five years:

There has been no material fraud committed against our Company since incorporation.

Fines imposed or compounding of offences for default:

There are no fines imposed or compounding of offences for default or outstanding defaults.

Non-Payment of Statutory Dues:

Except as disclosed in the chapter titled **"*Financial Information*"** on page no. 76 of this Letter of Offer, there are have been no defaults or outstanding defaults in the payment of statutory dues payable under the Employees Provident Funds and Miscellaneous Provisions Act, 1952 and the Employees State Insurance Act, 1948.

GOVERNMENT AND OTHER STATUTORY APPROVALS

We have received the necessary consents, licenses, permissions and approvals from the Government and various governmental agencies required for our present business activities (as applicable on date of this Letter of Offer) and except as mentioned below, no further approvals are required for carrying on our present business.

In view of the approvals listed below, we can undertake the Issue and our current/ proposed business activities and no further major approvals from any governmental or regulatory authority or any other entity are required to be undertaken in respect of the Issue or to continue our business activities. It must be distinctly understood that, in granting these approvals, the Government of India and other authority does not take any responsibility for our financial soundness or for the correctness of any of the statements made or opinions expressed in this behalf. Unless otherwise stated, these approvals are all valid as of the date of this Letter of Offer.

The main objects clause of the Memorandum of Association and objects incidental to the main objects enable our Company to carry out its activities. The following statement sets out the details of licenses, permissions and approvals taken by us under various central and state laws for carrying out our business.

A. APPROVALS FOR THE ISSUE:

Corporate Approvals

1. The Issue has been authorized by a resolution of the Board of Directors of our Company passed at their meeting held on 17th September, 2026 pursuant to Section 62(1)(a) of the Companies Act, 2013 and other applicable provisions thereof. The details of the Issue, including the price, number of shares, ratio, and other terms, have been finalized and approved by the Board of Directors in their meeting held on [•].

2. Our Company has received an In-principle approval from BSE Limited dated [•], for listing of Equity Shares proposed to be issued pursuant to the Issue.

3. Our Company's ISIN is "INE072B01027".

B. APPROVALS PERTAINING TO INCORPORATION OF OUR COMPANY:

Sr. No.	Name of Registration	Applicable Law	Issuing Authority	Date of Issue	Validity
1.	Certificate for Incorporation	Companies Act, 1956	Registrar of Companies, Bombay, Maharashtra	2nd June, 1992	Perpetual

C. TAXATION RELATED APPROVALS:

Sr. No.	Name of Registration	Registration Number	Applicable Law	Issuing Authority	Validity
1.	Permanent Account Number (PAN)	AAACD7939A	Income Tax Act, 1961	Income Tax Department, Government of India	Perpetual
2.	TAN (Tax Deduction Account Number)	CHED15378G	Income Tax Act 1961	Income Tax Department, Government of India	Perpetual
3.	Registration under Goods & Service Tax (GSTIN)	33AAACD7939A1Z0	Good and Service Tax Act, 2017	Central Board of Indirect Taxes and Customs	Perpetual

D. OTHER REGISTRATION AND CERTIFICATES OF THE COMPANY:

Sr. No.	Registrations/ Certificates/ License	Licence Number	Applicable Law	Issue date & Validity
1.	Fire License	5257/FL/NMSB/2025	Tamil Nadu Fire and Rescue Service Act 1985	Issued on 10/10/2025 Validity: 3 Years, w.e.f. 23/10/2025 to 22/10/2028

We are not required to obtain any licenses or approvals from any government or regulatory authority for the objects of this Issue.

Authority for this Issue

The Issue has been authorized by a resolution of Board of Directors of our Company passed at their meeting held on 17th September, 2026 pursuant to Section 62(1)(a) of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013, and the issue details such as price, number of shares, ratio etc. has been finalized and approved by the Board of Directors in their meeting held on [•].

Our Board in consultation with the Rights Issue Committee in its meeting held on [•] has approved to issue of [•] fully paid-up equity shares to the eligible equity shareholders on rights basis having face value of Rs. 10.00/- each at Rs. [•] per equity share (including share premium of Rs. [•] per share), in the ratio of [•] Rights Equity Share for every [•] Fully Paid-up Equity Share as held by eligible equity shareholders on the Record Date i.e. [•]. The Issue Price of Rs. [•] per equity share has been arrived at prior to determination of the Record Date i.e. [•].

This Letter of Offer has been approved by our Board pursuant to their resolution dated [•].

Our Company have received "In-Principle Approval" from BSE Limited vide its letter dated [•], in accordance with Regulation 28(1) of the SEBI Listing Regulations for the Rights Equity Shares to be allotted in this Issue. Our Company will make application to BSE Limited to obtain its listing and trading approval for the Rights Entitlements as required under the SEBI Rights Issue Circulars.

Our Company has been allotted the RE-ISIN [•] for the Rights Entitlements to be credited to the respective demat accounts of the Equity Shareholders of our Company. For details, see ***"Terms of the Issue"*** on page no. 87 of the Letter of Offer.

Association of our Directors with Securities Market

We confirm that none of our Director (s), Promoter(s) or Promoter Group are associated with the Securities Market in any manner except for trading on day-to-day basis for the purpose of investment.

Prohibition by SEBI and other Governmental Authorities

Our Company, our Promoters, our Directors and persons in control of our Company have not been prohibited from accessing the Capital Market or debarred from buying or selling or dealing in securities under any order or direction passed by SEBI or any securities market regulator in any jurisdiction or any authority/ court as on date of this Letter of Offer.

Neither our Promoters, nor any of our Director(s) or persons in control of our Company were or are a promoter, director or person in control of any other Company which is debarred from accessing the Capital Market under any order or directions made by the SEBI or any Securities Market Regulator in any other jurisdiction or any other authority/ court. Further, there has been no violation of any securities law committed by any of them in the past and no such proceedings are currently pending against any of them.

None of our Directors or Promoter is associated with the Securities Market in any manner.

Neither our Promoters nor our Directors have been declared as fugitive economic offender under Section 12 of Fugitive Economic Offenders Act, 2018 (17 of 2018).

Prohibition by RBI

Neither our Company, nor our Promoter, and Directors have been categorized or identified as wilful defaulters by any Bank or Financial Institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India. There are no violations of securities laws committed by them in the past or are currently pending against any of them.

Compliance with Companies (Significant Beneficial Ownership) Rules, 2018

Our Company, our Promoter are in compliance with the Companies (Significant Beneficial Ownership) Rules, 2018 to the extent it may be applicable to them as on date of this Letter of Offer.

Eligibility for the Issue

Our Company is a Listed Company incorporated under the Indian Companies Act, 1956. Our Equity Shares are presently listed on BSE Limited **(‘BSE’)**. Our Company undertakes to make an application to BSE Limited **(‘BSE’)** for listing of the Rights Equity Shares proposed to be issued pursuant to the Issue.

Compliance with Part B of Schedule VI of the SEBI ICDR Regulations

Our Company is in compliance with the provisions specified in Clause (1) of Part B of Schedule VI of the SEBI ICDR Regulations as explained below:

1. Our Company has been filing periodic reports, statements and information in compliance with the SEBI Listing Regulations, as applicable for the last one year immediately preceding the date of filing of this Letter of Offer with the Designated Stock Exchange;
2. The reports, statements and information referred to above are available on the website of stock exchange; and
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 B of Schedule VI of SEBI ICDR Regulations, and given that the conditions specified in Clause (3) of Part B of Schedule VI of SEBI ICDR Regulations are not applicable to our Company, the disclosures in this Letter of Offer are in terms of Clause (4) of Part B of Schedule VI of the SEBI ICDR Regulations.

Compliance with Regulations 61 and 62 of the SEBI ICDR Regulations, 2018

Our Company is in compliance with the conditions specified in Regulations 61 and 62 of the SEBI ICDR Regulations, 2018 to the extent applicable. Further, in relation to compliance with Regulation 62(1)(a) of the SEBI ICDR Regulations, 2018, our Company undertakes to make an application to the Stock Exchange and has received the **“In-Principle Approval”** vide its letter dated [•], for listing of Rights Equity Shares proposed to be issued pursuant to this Issue. BSE Limited **(‘BSE’)** is the Designated Stock Exchange for this Issue.

Disclaimer from our Company and our Directors

Our Company accept no responsibility for statements made otherwise in the Letter of Offer or in any advertisement or other material issued by our Company or by any other person at the instance of our Company anyone placing reliance on any other source of information would be doing so at his/ her own risk.

Investors who invest in this Issue will be deemed to have represented by our Company and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire equity shares of our Company and are relying on independent advice/ evaluation as to their ability and quantum of investment in this Issue.

Disclaimer in respect of Jurisdiction

This Letter of Offer has been prepared in accordance with the provisions of Indian law and the applicable rules and regulations thereunder. Any dispute arising out of or in connection with the Issue shall be subject to the exclusive jurisdiction of the competent courts and tribunals at Kanchipuram, Chengalpattu District, Tamil Nadu, India.

Disclaimer clause of BSE

As required, a copy of the Letter of Offer has been submitted to BSE. The Disclaimer Clause as intimated by BSE to us, post scrutiny of the Letter of Offer is set out below:

“BSE Limited **(“the Exchange”)** has given vide their letter reference no. [•] dated [•], permission to this Company to use the Exchange’s name in this Letter of Offer as the stock exchange on which this Company’s securities are proposed to be listed. The Exchange has scrutinized this letter of offer for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Company. The Exchange does not in any manner:

i. Warrant, certify or endorse the correctness or completeness of any of the contents of this letter of offer; or
ii. Warrant that this Company’s securities will be listed or will continue to be listed on the Exchange; or

iii. Take any responsibility for the financial or other soundness of this Company, its promoters, its management or any scheme or project of this Company;

and it should not for any reason be deemed or construed that this letter of offer has been cleared or approved by the Exchange. Every person who desires to apply for or otherwise acquires any securities of this Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/ acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever"

Neither the delivery of this Letter of Offer 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 the date of such information or that the information contained herein is correct as of any time subsequent to this date or the date of such information. Each person who exercises Rights Entitlements and subscribes for Equity Shares, or who purchases Rights Entitlements or Equity Shares shall do so in accordance with the restrictions set out below.

Designated Stock Exchange

The Designated Stock Exchange for the purpose of the Issue is BSE Limited **('BSE')**.

Listing

Our Company will apply to BSE Limited for final approval of listing and trading of the Rights Equity Shares subsequent to its Allotment. No assurance can be given regarding the active or sustained trading in the Rights Equity Shares or the price at which the Rights Equity Shares offered under the Issue will trade after the listing thereof.

Selling Restrictions

The distribution of the Letter of Offer, Application Form & Rights Entitlement Letter and the issue of Rights Entitlement and Rights Equity Shares to persons in certain jurisdictions outside India may be restricted by applicable legal requirements in those jurisdictions. Persons into whose possession this Letter of Offer, Rights Entitlement Letter, or Application Form may come are required to inform themselves of, and comply with, such restrictions. Our Company is making this Issue on a rights basis to the Eligible Equity Shareholders. The Letter of Offer, Application Form, Rights Entitlement Letter and any other Issue related materials (collectively, the **"Issue Materials"**) will be sent electronically by the Registrar, on behalf of the Company, to all Eligible Equity Shareholders who have provided a valid e-mail address. In case, such Eligible Equity Shareholders have not provided a valid e-mail address, the Issue Materials will, on a best-efforts basis, be physically dispatched to their Indian address, provided that they have specifically requested a physical copy from the Company and have furnished an Indian address for such dispatch. Eligible Equity Shareholders who have not provided a valid e-mail address nor requested physical copies may not receive the Issue Materials. Further, overseas shareholders who do not update the Company's records with their Indian address or the address of their duly authorised representative in India, prior to the dispatch of the Issue Materials, will not be sent the Issue Materials.

The Rights Entitlements or Rights Equity Shares may not be offered or sold, directly or indirectly, and Letter of Offer or any offering materials or advertisements in connection with the Issue may not be distributed, in whole or in part, in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction. The receipt of this Letter of Offer, the Rights Entitlement Letter or the Application Form through electronic means shall not constitute an offer, invitation or solicitation in any jurisdiction where such offer, invitation or solicitation is unlawful or unauthorised, or to any person to whom it is unlawful to make such an offer, invitation or solicitation. In such cases, these documents are being provided for information purposes only and must not be relied upon for making an Application. They should not be copied, forwarded, reproduced or redistributed.

Accordingly, persons receiving a copy of this Letter of Offer, the Rights Entitlement Letter or the Application Form should not, in connection with the Rights Issue, distribute or send this Letter of Offer, the Rights Entitlement Letter or the Application Form in or into any jurisdiction where to do so, would, or might, contravene local securities laws or regulations or would subject our Company or its affiliates to any filing or registration requirement (other than in India). If this Letter of Offer, the Rights Entitlement Letter or the Application Form is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to make an application or acquire the Rights Entitlements referred to in this Letter of Offer, the Rights Entitlement Letter or the Application Form.

Any person who makes an application to acquire the Rights Entitlements or the Rights Equity Shares offered in the Issue will be deemed to have declared, represented, warranted and agreed that such person is authorised to acquire the Rights Entitlements or the Rights Equity Shares in compliance with all applicable laws and regulations prevailing in his/ her jurisdiction whether within or outside India. Our Company, the Registrar or any other person acting on behalf of our Company reserves the right to treat any Application Form as invalid where they believe that Application Form is incomplete or acceptance of such Application Form 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 Application Form.

Neither the delivery of this Letter of Offer, Application Form or Rights Entitlement Letter 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 the date of such information or that the information contained herein is correct as at any time subsequent to the date of this Letter of Offer, the Application Form, Rights Entitlement Letter or the date of such information.

THE CONTENTS OF THIS LETTER OF OFFER 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 RIGHTS OF EQUITY SHARES OR RIGHTS ENTITLEMENTS. ACCORDINGLY, EACH INVESTOR SHOULD CONSULT THEIR OWN COUNSEL, BUSINESS ADVISOR AND TAX ADVISOR AS TO THE LEGAL, BUSINESS, TAX AND RELATED MATTERS CONCERNING THE OFFER OF EQUITY SHARES. IN ADDITION, OUR COMPANY IS NOT MAKING ANY REPRESENTATION TO ANY OFFEREE OR PURCHASER OF THE EQUITY SHARES REGARDING THE LEGALITY OF AN INVESTMENT IN THE 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 THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES AND MAY NOT BE OFFERED OR SOLD IN THE UNITED STATES OF AMERICA OR THE TERRITORIES OR POSSESSIONS THEREOF **("UNITED STATES")**, EXCEPT IN A TRANSACTION NOT SUBJECT TO, OR EXEMPT FROM, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS. THE OFFERING TO WHICH THE 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, THE LETTER OF OFFER AND THE ENCLOSED APPLICATION FORM AND RIGHTS ENTITLEMENT LETTER 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 in the United States when the buy order is made. Envelopes containing an Application Form and Rights Entitlement Letter 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 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 Equity Shareholders and the Letter of Offer, Application Form along with Rights Entitlement Letter will be sent electronically by the Registrar, on behalf of the Company, to all Eligible Equity Shareholders who have provided a valid e-mail 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, and (ii) it is authorized to acquire the Rights Entitlements and the Rights Equity Shares in compliance with all applicable laws and regulations. Rights Entitlements may not be transferred or sold to any person in the United States.

The above information is given for the benefit of the Applicants/ Investors. Our Company is not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Letter of Offer. Investors are advised to make their independent investigations and ensure that the number of Rights Equity Shares applied for do not exceed the applicable limits under laws or regulations.

THIS DOCUMENT IS SOLELY FOR THE USE OF THE PERSON WHO RECEIVED IT FROM OUR

COMPANY OR FROM THE REGISTRAR. THIS DOCUMENT IS NOT TO BE REPRODUCED OR DISTRIBUTED TO ANY OTHER PERSON.

NO OFFER IN ANY JURISDICTION OUTSIDE INDIA

NO OFFER OR INVITATION TO PURCHASE RIGHTS ENTITLEMENTS OR RIGHTS EQUITY SHARES IS BEING MADE IN ANY JURISDICTION OUTSIDE OF INDIA, INCLUDING, BUT NOT LIMITED TO AUSTRALIA, BAHRAIN, CANADA, THE EUROPEAN ECONOMIC AREA, GHANA, HONG KONG, INDONESIA, JAPAN, KENYA, KUWAIT, MALAYSIA, NEW ZEALAND, SULTANATE OF OMAN, PEOPLE'S REPUBLIC OF CHINA, QATAR, SINGAPORE, SOUTH AFRICA, SWITZERLAND, THAILAND, THE UNITED ARAB EMIRATES, THE UNITED KINGDOM AND THE UNITED STATES. THE OFFERING TO WHICH THIS 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 ANY JURISDICTION OUTSIDE INDIA OR AS A SOLICIATION THERE IN OF AN OFFER TO BUY ANY OF THE SAID SECURITIES. ACCORDINGLY, THIS LETTER OF OFFER SHOULD NOT BE FORWARDED TO OR TRANSMITTED IN OR IN TO ANY OTHER JURISDICTION AT ANYTIME.

Consents

Consents of our Directors, Company Secretary & Compliance Officer, Chief Financial Officer, Statutory Auditor of the Company, Bankers to the Issue, Registrar to the Company & Issue, and Monitoring Agency to include their names in this Letter of Offer and to act in their respective capacities.

Expert Opinion

Except for the reports of the Auditor of our Company on the Audited Financial Information and Statement of Tax Benefits, included in the Letter of Offer, our Company has not obtained any expert opinions.

Performance vis-a-vis objects – Public/ Rights Issue of our Company

The Company has not undertaken any rights issue during the five years immediately preceding the date of this Letter of Offer.

Performance vis-a-vis objects–last issue of listed Subsidiaries or Associates

As of the date of this Letter of Offer, our Company does not have any Subsidiary or Associate Company.

Filing

This Draft Letter of Offer is being filed with BSE Limited **("BSE)** in accordance with the provisions of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018.

Further, the Final Letter of Offer shall be filed with the Stock Exchange(s) and the Securities and Exchange Board of India **("SEBI")** in accordance with the provisions of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018.

Redressal of Investor grievances

As on the date of this Letter of Offer, there were no outstanding Investor complaints. As mentioned, our Company is registered with the SCORES. Consequently, Investor grievances are tracked online by our Company. The average time taken by the Registrar to the Issue for attending to routine grievances will be within 15 (Fifteen) days from the date of receipt. In case of non-routine grievances where verification at other agencies is involved, it would be the endeavor of the Registrar to the Issue to attend to them as expeditiously as possible. We undertake to resolve the investor grievances in a time bound manner.

Mechanism for redressal of Investor grievances

Our Company has adequate arrangements for redressal of investor grievances in compliance with the SEBI LODR Regulations. 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 our Company.

Our Company has a Stakeholders Relationship Committee which meets at least once a year and as and when required. Its terms of reference include considering and resolving grievances of Shareholders in relation to transfer of shares and effective exercise of voting rights. **MUFG Intime India Private Limited *(Formerly Known as Link***

Intime India Private Limited). All investor grievances received by us have been handled by the Registrar and Share Transfer Agent in consultation with the Company Secretary and Compliance Officer.

Investor complaints received by our Company are typically disposed of within 15 days from the receipt of the complaint.

Investors may contact the Registrar or our Company Secretary and Compliance Officer for any pre-issue or post-issue related matter. All grievances relating to the ASBA process may be addressed to the Registrar, with a copy to the SCSBs (in case of ASBA process), giving full details such as name, address of the Applicant, contact number(s), e-mail address of the sole/ first holder, folio number or demat account number, number of Equity Shares applied for, amount blocked (in case of ASBA process), ASBA Account number and the Designated Branch of the SCSBs where the Application Form or the plain paper application, as the case may be, was submitted by the Investors along with a photo copy of the acknowledgement slip (in case of ASBA process). For details on the ASBA process, see ***"Terms of the Issue"*** on page no. 87 of this Letter of Offer.

The contact details of Registrar to the Issue and our Company Secretary & Compliance Officer are as follows:

REGISTRAR TO THE ISSUE

MUFG Intime India Private Limited
(Formerly Link intime India Private Limited)
Address: C-101, Embassy 247, LBS Marg, Surya Nagar, Gandhi Nagar Vikhroli (West), Mumbai – 400 083, Maharashtra, India;
Telephone: +91-8108114949;
E-mail: artificialelectronics.rights@in.mpms.mufg.com;
Website: www.in.mpms.mufg.com;
Investor Grievance E-mail: artificialelectronics.rights@in.mpms.mufg.com;
Contact Person: Shanti Gopalakrishnan;
SEBI Registration Number: INR000004058.

COMPANY SECRETARY AND COMPLIANCE OFFICER:

Ms. Chayonika Paloi, Company Secretary & Compliance Officer
Address: Building No. GB-200B, Green Base Industrial & Logistics Park, Thriveni Nagar, Vadakapattu Village, Oragadam, Vadakkupattu, Kanchipuram, Chengalpattu, Tamil Nadu, India – 603 204;
Contact No.: +91-9500520263;
Email id: cos@aeim.co

Other Confirmations

Our Company, in accordance with Regulation 79 of the SEBI ICDR Regulations, shall not offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise, to any person for making an Application, and shall not make any payment, whether direct or indirect, whether in the nature of discounts, commission, allowance or otherwise, to any person for making an Application.

TERMS OF THE ISSUE

This section is for the information of the Eligible Equity Shareholders proposing to apply in this Issue. The Eligible Equity Shareholders should carefully read the provisions contained in this Letter of Offer, the Rights Entitlement Letter and the Application Form, before submitting the Application Form. Our Company is not liable for any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of this Letter of Offer. The Eligible Equity Shareholders are advised to make their independent investigation and ensure that the Application Form is accurately filled up in accordance with instructions provided therein and this Letter of Offer. Unless otherwise permitted under the SEBI ICDR Regulations read with the SEBI Relaxation Circulars, the Eligible Equity Shareholders proposing to apply in this Issue can apply only through ASBA or by mechanism as disclosed in this Letter of Offer.

The Eligible Equity Shareholders are requested to note that application in this issue can only be made through ASBA facility.

This Issue is proposed to be undertaken on a rights basis and is subject to the terms and conditions contained in this Letter of Offer, the Rights Entitlement Letter, the Application Form, and the Memorandum of Association and the Articles of Association of our Company, the provisions of the Companies Act, 2013, the FEMA along with rules, the SEBI ICDR Regulations, the SEBI Listing Regulations and the guidelines, notifications, circulars and regulations issued by SEBI, the Government of India and other statutory and regulatory authorities from time to time, approvals, if any, from RBI or other regulatory authorities, the terms of the Listing Agreement entered into by our Company with Stock Exchange and the terms and conditions as stipulated in the Allotment Advice.

IMPORTANT:

1. Dispatch and Availability of Issue Materials

In accordance with the SEBI ICDR Regulations, SEBI Circulars SEBI/HO/CFD/DIL2/CIR/P/2020/78 dated May 6, 2020, SEBI/HO/CFD/DIL1/CIR/P/2020/136 dated July 24, 2020 **("SEBI Rights Issue Circulars")**, the Letter of Offer, Application Form, Rights Entitlement Letter and any other Issue related materials (collectively, the **"Issue Materials"**) will be sent electronically by the Registrar, on behalf of the Company, to all Eligible Equity Shareholders who have provided a valid e-mail address. In case, such Eligible Equity Shareholders have not provided a valid e-mail address, the Issue Materials will, on a best-efforts basis, be physically dispatched to their Indian address, provided that they have specifically requested a physical copy from the Company and have furnished an Indian address for such dispatch. Eligible Equity Shareholders who have not provided a valid e-mail address nor requested physical copies may not receive the Issue Materials. Further, overseas shareholders who do not update the Company's records with their Indian address or the address of their duly authorised representative in India, prior to the dispatch of the Issue Materials, will not be sent the Issue Materials.

Shareholders can access this Letter of Offer and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Equity Shares under applicable laws) on the websites of:

(i) Our Company at www.aeimindia.com;
(ii) The Registrar to the Issue at www.in.mpms.mufg.com; and
(iii) The Stock Exchange at https://www.bseindia.com

Eligible Equity Shareholders can also obtain the details of their respective Rights Entitlements from the website of the Registrar to the Issue (i.e., www.in.mpms.mufg.com) by entering their DP ID and Client ID or Folio Number (in case of Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date) and PAN. The link for the same shall also be available on the website of our Company (i.e., www.aeimindia.com).

To update the respective Indian addresses/ E-mail addresses/ Phone or Mobile numbers in the records maintained by the Registrar to the Company, Eligible Equity Shareholders should visit www.in.mpms.mufg.com

Please note that neither our Company nor the Registrar to the Issue shall be responsible for delay in the receipt of this Letter of Offer, the Rights Entitlement Letter or the Application Form attributable to non - availability of the e-mail addresses of Eligible Equity Shareholders or electronic transmission delays or failures.

The distribution of the Letter of Offer, Application Form & Rights Entitlement Letter and the issue of Rights Entitlement and Rights Equity Shares to persons in certain jurisdictions outside India may be restricted by applicable legal requirements in those jurisdictions. The Rights Entitlements or Rights Equity Shares may not be offered or sold, directly or indirectly, and Letter of Offer or any offering materials or advertisements in connection with the Issue may not be distributed, in whole or in part, in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction. The receipt of this Letter of Offer, the Rights Entitlement Letter or the Application Form through electronic means shall not constitute an offer, invitation or solicitation in any jurisdiction where such offer, invitation or solicitation is unlawful or unauthorised, or to any person to whom it is unlawful to make such an offer, invitation or solicitation. In such cases, these documents are being provided for information purposes only and must not be relied upon for making an Application. They should not be copied, forwarded, reproduced or redistributed.

Accordingly, persons receiving a copy of this Letter of Offer, the Rights Entitlement Letter or the Application Form should not, in connection with the Rights Issue, distribute or send this Letter of Offer, the Rights Entitlement Letter or the Application Form in or into any jurisdiction where to do so, would, or might, contravene local securities laws or regulations or would subject our Company or its affiliates to any filing or registration requirement (other than in India). If this Letter of Offer, the Rights Entitlement Letter or the Application Form is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to make an application or acquire the Rights Entitlements referred to in this Letter of Offer, the Rights Entitlement Letter or the Application Form.

Any person who makes an application to acquire the Rights Entitlements or the Rights Equity Shares offered in the Issue will be deemed to have declared, represented, warranted and agreed that such person is authorised to acquire the Rights Entitlements or the Rights Equity Shares in compliance with all applicable laws and regulations prevailing in his/ her jurisdiction whether within or outside India. Our Company, the Registrar or any other person acting on behalf of our Company reserves the right to treat any Application Form as invalid where they believe that Application Form is incomplete or acceptance of such Application Form 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 Application Form.

Neither the delivery of this Letter of Offer, Application Form or Rights Entitlement Letter 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 the date of such information or that the information contained herein is correct as at any time subsequent to the date of this Letter of Offer, the Application Form, Rights Entitlement Letter or the date of such information.

2. ***Facilities for Application in this Issue:***

In accordance with Regulation 76 of the SEBI ICDR Regulations, SEBI circular, bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020, bearing reference number SEBI/HO/CFD/CIR/CFD/DIL/67/2020 dated April 21, 2020, SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/78 dated May 6, 2020, SEBI circular bearing reference number SEBI/HO/CFD/DIL1/CIR/P/2020/136 dated July 24, 2020 and SEBI circular bearing reference number SEBI/HO/CFD/SSEP/CIR/P/2022/66 dated May 19, 2022 (Collectively hereafter referred to as **"SEBI Rights Issue Circulars")** and SEBI circular SEBI/CFD/DIL/ASBA/1/2009/30/12 dated December 30, 2009, SEBI circular CIR/CFD/DIL/1/2011 dated April 29, 2011 and the SEBI circular, bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020 (Collectively hereafter referred to as **"ASBA Circulars")**, all Investors desiring to make an Application in this Issue are mandatorily required to use the ASBA process. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA.

In accordance with SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2020/78 dated May 6, 2020 and SEBI circular SEBI/HO/CFD/DIL1/CIR/P/2020/136 dated July 24, 2020, our Company will make use of advertisements etc., including in the form of crawlers/ tickers, to disseminate information relating to the Application process in India.

In accordance with Regulation 76 of the SEBI ICDR Regulations, the SEBI Rights Issue Circulars and the ASBA Circulars, all Shareholders desiring to make an Application in this Issue are mandatorily required to use the ASBA process. Shareholders should carefully read the provisions applicable to such Applications before making their Application through ASBA.

The Application Form can be used by the Eligible Equity Shareholders as well as the Renouncee(s), to make Applications in this Issue on the basis the Rights Entitlement credited in their respective demat accounts or demat suspense escrow account, as applicable. For further details on the Rights Entitlements and demat suspense escrow account, refer ***"Credit of Rights Entitlements in demat accounts of Eligible Equity Shareholders"*** on page no. 103 of this Letter of Offer.

Please note that one single Application Form shall be used by Shareholders to make Applications for all Rights Entitlements available in a particular demat account or entire respective portion of the Rights Entitlements in the demat suspense escrow account in case of resident Eligible Equity Shareholders holding shares in physical form as on Record Date and applying in this Issue, as applicable. In case of Shareholders who have provided details of demat account in accordance with the SEBI ICDR Regulations, such Shareholders will have to apply for the Equity Shares from the same demat account in which they are holding the Rights Entitlements and in case of multiple demat accounts, the Shareholders are required to submit a separate Application Form for each demat account.

Shareholders may apply for the Equity Shares by submitting the Application Form to the Designated Branch of the SCSB or online/ electronic Application through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts.

Shareholders are also advised to ensure that the Application Form is correctly filled up stating therein, the ASBA Account (in case of Application through ASBA process) in which an amount equivalent to the amount payable on Application as stated in the Application Form will be blocked by the SCSB.

Applicants should note that they should very carefully fill-in their depository account details and PAN in the Application Form or while submitting application through online/ electronic Application through the website of the SCSBs (if made available by such SCSB). Please note that incorrect depository account details or PAN or Application Forms without depository account details shall be treated as incomplete and shall be rejected. For details, refer *"Grounds for Technical Rejection"* on page no. 96 of this Letter of Offer. Our Company, the Registrar to the Issue and the SCSBs shall not be liable for any incomplete or incorrect demat details provided by the Applicants.

Additionally, in terms of Regulation 78 of the SEBI ICDR Regulations, the Eligible Equity Shareholders may choose to accept the offer to participate in this Issue by making plain paper Applications. Please note that SCSBs shall accept such applications Only if all details required for making the application as per the SEBI ICDR Regulations are specified in the plain paper application and that Eligible Equity Shareholders making an application in this Issue by way of plain paper applications shall not be permitted to renounce any portion of their Rights Entitlements. For details, refer ***"Making of an Application by Eligible Equity Shareholders on Plain Paper under ASBA process"*** on page no. 91 of this Letter of Offer.

Options available to the Eligible Equity Shareholders:

Details of each Eligible Equity Shareholder's Rights Entitlement will be sent to the Eligible Equity Shareholder separately along with the Application Form and would also be available on the website of the Registrar to the Issue at www.in.mpms.mufg.com and link of the same would also be available on the website of our Company at www.aeimindia.com Respective Eligible Equity Shareholder can check their entitlement by keying their requisite details therein. The Eligible Equity Shareholders will have the option to:

- Apply for his Rights Entitlement in full;
- Apply for his Rights Entitlement in part (without renouncing the other part);
- Apply for his Rights Entitlement in full and apply for additional Rights Equity Shares;
- Apply for his Rights Entitlement in part and renounce the other part of the Rights Equity Shares; and
- Renounce his Rights Entitlement in full.

In accordance with the SEBI Rights Issue Circulars, the Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have not furnished the details of their demat account to the Registrar to the Issue or our Company at least two working days prior to the Issue closing date i.e. [●], desirous of subscribing to Rights Equity Shares may also apply in this Issue during the Issue Period. Such resident Eligible Equity Shareholders must check the procedure for Application by and credit of Rights Equity Shares in ***Terms of the Issue - "Procedure for Application by Eligible Equity Shareholders holding Equity Shares in physical form" and "Credit and Transfer of Rights Equity Shares in case of Shareholders holding Equity Shares in Physical Form and disposal of Rights Equity Shares for non-receipt of demat account details in a timely manner" on page nos. 93 and 111, respectively of this Letter of Offer.***

Making of an Application through the ASBA process

A shareholder, wishing to participate in this Issue through the ASBA facility, is required to have an ASBA enabled bank account with an SCSB, prior to making the Application. Shareholders desiring to make an Application in this Issue through ASBA process, may submit the Application Form in physical mode to the Designated Branches of the SCSB or online/ electronic Application through the website of the SCSBs (if made available by such SCSB) for authorizing such SCSB to block Application Money payable on the Application in their respective ASBA Accounts.

Shareholders should ensure that they have correctly submitted the Application Form and have provided an authorization to the SCSB, via the electronic mode for blocking funds in the ASBA Account equivalent to the Application Money mentioned in the Application Form, as the case may be, at the time of submission of the Application.

For the list of banks which have been notified by SEBI to act as SCSBs for the ASBA process, please refer to https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34

Please note that subject to SCSBs complying with the requirements of the SEBI circular bearing reference number CIR/CFD/DIL/13/2012 dated September 25, 2012, within the periods stipulated therein, Applications may be submitted at the Designated Branches of the SCSBs. Further, in terms of the SEBI circular bearing reference number CIR/CFD/DIL/1/2013 dated January 2, 2013, it is clarified that for making Applications by SCSBs on their own account using ASBA facility, each such SCSB should have a separate account in its own name with any other SEBI registered SCSB(s). Such account shall be used solely for the purpose of making an Application in this Issue and clear demarcated funds should be available in such account for such an Application.

Our Company, its Directors, its employees, 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.

Self-Certified Syndicate Banks

For the list of banks which have been notified by SEBI to act as SCSBs for the ASBA process, please refer to https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34. For details, on Designated Branches of SCSBs collecting the Application Form, please refer the above-mentioned link. 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 the Designated Branches of the SCSBs, in case of Applications made through ASBA facility.

Acceptance of this Issue

Investors may accept this Issue and apply for the Rights Equity Shares submitting the Application Form to the Designated Branch of the SCSB or online/ electronic Application through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts. Please note that on the Issue Closing Date, Applications through ASBA process will be uploaded until 5.00 P.M. (Indian Standard Time) or such extended time as permitted by the Stock Exchange.

Applications submitted to anyone other than the Designated Branches of the SCSB or using the optional mechanism are liable to be rejected.

Investors can also make Application on plain paper under ASBA process mentioning all necessary details as mentioned under the ***"Application on Plain Paper under ASBA process"*** on page no. 91 of this Letter of Offer.

Do's for Shareholders applying through ASBA:

a) Ensure that the details about your Depository Participant, PAN and beneficiary account are correct and the beneficiary account is activated as the Equity Shares will be allotted in the dematerialized form only.
b) Ensure that the Applications are submitted with the Designated Branch of the SCSBs and details of the correct bank account have been provided in the Application.
c) Ensure that there are sufficient funds (equal to {number of Equity Shares (including additional Equity Shares) applied for} X {Application Money of Equity Shares}) available in ASBA Account mentioned in the Application Form before submitting the Application to the respective Designated Branch of the SCSB.
d) Ensure that you have authorised the SCSB for blocking funds equivalent to the total amount payable on application mentioned in the Application Form, in the ASBA Account, of which details are provided in the Application Form and have signed the same.
e) Ensure that you have a bank account with an SCSB providing ASBA facility in your location and the Application is made through that SCSB providing ASBA facility in such location.
f) Ensure that you receive an acknowledgement from the Designated Branch of the SCSB for your submission of the Application Form in physical form or plain paper Application.
g) Ensure that the name(s) given in the Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the Application Form 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 Application Form and the Rights Entitlement Letter.
h) Ensure that your PAN is linked with Aadhar and you are in compliance with CBDT notification dated Feb 13, 2020 read with press release dated June 25, 2021 and September 17, 2021.

Don'ts for Shareholders applying through ASBA:

a) Do not submit the Application Form after you have submitted a plain paper Application to a Designated Branch of the SCSB or vice versa.
b) Do not send your physical Application to the Registrar to the Issue, the Escrow Collection Bank(s) (assuming that such Escrow Collection Bank is not an SCSB), a branch of the SCSB which is not a Designated Branch of the SCSB or our Company; instead submit the same to a Designated Branch of the SCSB only.
c) Do not instruct the SCSBs to unblock the funds blocked under the ASBA process upon making the Application.
d) Do not submit Application Form using third party ASBA account.
e) Do not apply if you are not eligible to participate in the Issue under the securities laws applicable to your jurisdiction.

Application by Specific Investor(s), if any and applicable:

Our Company does not intend to allot the under-subscribed portion of the Rights Equity Shares in this Issue to any Specific Investor(s). Accordingly, provisions of Regulation 84(1)(f) of the SEBI ICDR Regulations are not applicable to us.

Making of an Application by Eligible Equity Shareholders on Plain Paper under ASBA process

An Equity Shareholder in India who is eligible to apply under the ASBA process may make an application to subscribe to this Issue on plain paper in case of non-receipt of Application Form as detailed above. In such cases of non-receipt of the Application Form through e-mail and the Eligible Equity Shareholder not being in a position to obtain it from any other source may make an application to subscribe to this Issue on plain paper with the same details as per the Application Form that is available on the website of the Registrar to the Issue and Stock Exchange. An Eligible Equity Shareholder shall submit the plain paper Application to the Designated Branch of the SCSB for authorizing such SCSB to block Application Money in the said bank account maintained with the same SCSB.

Applications on plain paper will not be accepted from any Eligible Equity Shareholder who has not provided an Indian address or is a U.S. Person or in the United States.

Please note that the Eligible Equity Shareholders who are making the Application on plain paper shall not been titled to renounce their Rights Entitlements and should not utilize the Application Form for any purpose including renunciation even if it is received subsequently.

The Application on plain paper, duly signed by the Eligible Equity Shareholder including joint holders, in the same order and as per specimen recorded with his/ her bank, must reach the office of the Designated Branch of the SCSB before the Issue Closing Date and should contain the following particulars:

a) Name of our Company, being "Artificial Electronics Intelligent Material Limited";
b) Name and address of the Eligible Equity Shareholder including joint holders (in the same order and as per specimen recorded with our Company or the Depository);
c) Folio Number (in case of Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date)/ DP and Client ID;
d) Except for Applications on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts, PAN of the Eligible Equity Shareholder and for each Eligible Equity Shareholder in case of joint names, irrespective of the total value of the Equity Shares applied for pursuant to this Issue;
e) Number of Equity Shares held as on Record Date;
f) Allotment option – only dematerialized form;
g) Number of Equity Shares entitled to;
h) Number of Equity Shares applied for within the Rights Entitlements;
i) Number of additional Equity Shares applied for, if any (applicable only if entire Rights Entitlements have been applied for);
j) Total number of Equity Shares applied for;
k) Total amount paid at the rate of Rs. [●] per equity share;
l) Details of the ASBA Account such as the SCSB account number, name, address and branch of the relevant SCSB;
m) In case of non-resident Eligible Equity Shareholders making an application with an Indian address, 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;
n) Authorization to the Designated Branch of the SCSB to block an amount equivalent to the Application Money in the ASBA Account;
o) Signature of the Eligible Equity Shareholder (in case of joint holders, to appear in the same sequence and order as they appear in the records of the SCSB); and
p) All such Eligible Equity Shareholders 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 **("US Securities Act")** or any United States state securities laws, and may not be offered, sold, re-sold or otherwise transferred within the United States or to the territories or possessions thereof **("United States")** or to, or for the account or benefit of a United States person as defined in the Regulation S of 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 Rights 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 confirm that I/ we are not in the United States and understand that neither us, nor the Registrar or any other person acting on behalf of us will accept subscriptions from any person, or the agent of any person, who appears to be, or who we, the Registrar or any other person acting on behalf of us have 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 Equity Shares which may be acquired by us in any jurisdiction or under any circumstances in which such offer or sale is not authorized 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 re-offered, re-sold, 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 Equity Shares, is/are outside the United States or a Qualified Institutional Buyer (as defined in the US Securities Act), and (ii) is/are acquiring the Rights Entitlement and/or the Equity Shares in an offshore transaction meeting the requirements of Regulations or in a transaction exempt from, or not subject to, the registration requirements of the US Securities Act."

"I/We acknowledge that the Company, their affiliates and others will rely upon the truth and accuracy of the foregoing representations and agreements."

In cases where Multiple Application Forms are submitted for Applications pertaining to Rights Entitlements credited to the same demat account or in demat suspense escrow account, as applicable, including cases where an Investor submits Application Forms along with a plain paper Application, such Applications shall be liable to be rejected.

Investors are requested to strictly adhere to these instructions. Failure to do so could result in an application being rejected, with our Company and the Registrar not having any liability to the Investors. The plain paper Application form at will be available on the website of the Registrar to the Issue at www.in.mpms.mufg.com

Our Company and the Registrar to the Issue shall not be responsible if the Applications are not uploaded by the SCSB or funds are not blocked in the Shareholder's Accounts on or before the Issue Closing Date.

Making of an Application by Eligible Equity Shareholders holding Equity Shares in physical form

Please note that in accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circulars, the credit of Rights Entitlements and Allotment of Equity Shares shall be made in dematerialized form Only. Accordingly, Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date i.e. **[•]** and desirous of subscribing to Equity Shares in this Issue are advised to furnish the details of their demat account to the Registrar to the Issue or our Company in the manner provided on the website of the Registrar to the Issue at www.in.mpms.mufg.com at least two working days prior to the Issue Closing Date i.e. **[•]**, to enable the credit of their Rights Entitlements in their respective demat accounts at least one day before the Issue Closing Date i.e. **[•].** They may also communicate with the Registrar with the help of the helpline number at +91-81081 14949 and their email address at artificialelectronics.rights@in.mpms.mufg.com

Prior to the Issue Opening Date, the Rights Entitlements of those Eligible Equity Shareholders, among others, who hold Equity Shares in physical form, and whose demat account details are not available with our Company or the Registrar to the Issue, shall be credited in a demat suspense escrow account opened by our Company.

In accordance with the SEBI Rights Issue Circulars, the Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have not furnished the details of their demat account to the Registrar or our Company at least two working days prior to the Issue Closing Date, i.e. **[•]**, desirous of subscribing to Rights Equity Shares may also apply in this Issue during the Issue Period. Such Eligible Equity Shareholders must check the procedure for Application by and credit of Rights Equity Shares in ***Section Terms of the Issue - "Procedure for Application by Eligible Equity Shareholders holding Equity Shares in physical form" and "Credit and Transfer of Rights Equity Shares in case of Shareholders holding Equity Shares in Physical Form and disposal of Rights Equity Shares for non-receipt of demat account details in a timely manner" on page nos. 93 and 111, respectively of this Letter of Offer.***

Procedure for Application by Eligible Equity Shareholders holding Equity Shares in physical form

Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date i.e. [•] and who have opened their demat accounts after the Record Date, shall adhere to following procedure for participating in this Issue:

a. The Eligible Equity Shareholders shall send a letter to the Registrar containing the name(s), address, e-mail address, contact details and the details of their demat account along with copy of self-attested PAN and self-attested client master sheet of their demat account either by e-mail, post, speed post, courier, or hand delivery so as to reach to the Registrar no later than two working days prior to the Issue Closing Date i.e. [•].

b. The Registrar shall, after verifying the details of such demat account, transfer the Rights Entitlements of such Eligible Equity Shareholders to their demat accounts at least one day before the Issue Closing Date i.e. [•].

c. The Eligible Equity Shareholders can access the Application Form from:

    - the website of the Registrar to the Issue at www.in.mpms.mufg.com;
    - our Company at www.aeimindia.com; and
    - The Stock Exchange at https://www.bseindia.com

Eligible Equity Shareholders can obtain the details of their respective Rights Entitlements from the website of the Registrar to the Issue (i.e., www.in.mpms.mufg.com) by entering their DP ID and Client ID or Folio Number (in case of Eligible Equity Shareholders holding Equity Shares in physical form). The link for the same shall also be available on the website of our Company (i.e. www.aeimindia.com)

The Eligible Equity Shareholders shall who hold Equity Shares in physical form as on Record Date and who have not furnished the details of their demat account to the Registrar to the Issue or our Company at least two working days prior to the Issue Closing Date i.e. [•], may apply in this Issue during the Issue Period, on or before the Issue Closing Date i.e. [•]. Such resident Eligible Equity Shareholders may be required to submit address, email address, contact details, copy of PAN and Client Master list, for verification of their application. Further, such resident Eligible Equity Shareholder can:

a. apply for its Rights Equity Shares to the full extent of its Rights Entitlements;
b. apply for its Rights Equity Shares to the extent of part of its Rights Entitlements (without renouncing the other part); and
c. apply for its Rights Equity Shares to the full extent of its Rights Entitlements and apply for additional Rights Equity Shares.

PLEASE NOTE THAT NON-RESIDENT ELIGIBLE EQUITY SHAREHOLDERS, WHO HOLD EQUITY SHARES IN PHYSICAL FORM AS ON RECORD DATE I.E. [•] AND WHO HAVE NOT FURNISHED THE DETAILS OF THEIR RESPECTIVE DEMAT ACCOUNTS TO THE REGISTRAR OR OUR COMPANY AT LEAST TWO WORKING DAYS PRIOR TO THE ISSUE CLOSING DATE, SHALL NOT BE ELIGIBLE TO MAKE AN APPLICATION FOR RIGHTS EQUITY SHARES AGAINST THEIR RIGHTS ENTITLEMENTS WITH RESPECT TO THE EQUITY SHARES HELD IN PHYSICAL FORM.

For details of credit of the Rights Equity Shares to such resident Eligible Equity Shareholders, refer "***Credit and Transfer of Rights Equity Shares in case of Shareholders holding Equity Shares in Physical Form and disposal of Rights Equity Shares for non-receipt of demat account details in a timely manner***" on page no. 111 of this Letter of Offer.

Application for Additional Equity Shares

Shareholders are eligible to apply for additional equity shares over and above their Rights Entitlements, provided that they are eligible to apply for Equity Shares under applicable law and they have applied for all the Equity Shares forming part of their Rights Entitlements without renouncing them in whole or in part. Where the number of additional Equity Shares applied for exceeds the number available for Allotment, the Allotment would be made as per the Basis of Allotment finalized in consultation with the Designated Stock Exchange. Applications for additional Equity Shares shall be considered and Allotment shall be made in accordance with the SEBI ICDR Regulations and in the manner as set out in ***"Basis of Allotment"*** on page no. 110 of this Letter of Offer.

Eligible Equity Shareholders who renounce their Rights Entitlements in full or part, cannot apply for additional Rights Equity Shares. Non-resident Renouncee(s) who are not Eligible Equity Shareholders cannot apply for additional Rights Equity Shares.

Investors to kindly note that after purchasing the Rights Entitlements through On Market Renunciation/ Off Market Renunciation, an application has to be made for subscribing to the Rights Equity Shares. If no such Application is made by the renounce(s) on or before Issue Closing Date, then such Rights Entitlements will get lapsed and shall be extinguished after the Issue Closing Date and no Rights Equity Shares for such lapsed Rights Entitlements will be credited. For procedure of Application by shareholders who have purchased the Right Entitlement through On Market Renunciation/ Off Market Renunciation, please refer to the heading titled *"Procedure for Application through the ASBA process"* on page no. 90 of this Letter of Offer.

General instructions for Investors

(a) Please read the Letter of Offer and Application Form carefully to understand the Application process and applicable settlement process.

(b) In accordance with the SEBI Rights Issue Circulars, the Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have not furnished the details of their demat account to the Registrar or our Company at least two working days prior to the Issue Closing Date i.e. **[•]**, desirous of subscribing to Rights Equity Shares may also apply in this Issue during the Issue Period. Such Eligible Equity Shareholders must check the procedure for Application by and credit of Rights Equity Shares in ***Section Terms of the Issue - "Procedure for Application by Eligible Equity Shareholders holding Equity Shares in***

***physical form*" and "*Credit and Transfer of Rights Equity Shares in case of Shareholders holding Equity Shares in Physical Form and disposal of Rights Equity Shares for non-receipt of demat account details in a timely manner*" on page nos. 93 and 111, respectively of this Letter of Offer.**

(c) Please read the instructions on the Application Form sent to you.

(d) The Application Form can be used by both the Eligible Equity Shareholders and the Renouncee(s).

(e) Application should be made only through the ASBA facility.

(f) Application should be complete in all respects. The Application Form 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, the Rights Entitlement Letter and the Application Form are liable to be rejected.

(g) In case of non-receipt of Application Form, Application can be made on plain paper mentioning all necessary details as mentioned under the "***Application on Plain Paper under ASBA process***" page no. 91 of this Letter of Offer.

(h) In accordance with Regulation 76 of the SEBI ICDR Regulations, SEBI Rights Issue Circulars and ASBA Circulars, all Investors desiring to make an Application in this Issue are mandatorily required to use either the ASBA process. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA.

(i) An Investor, wishing to participate in this Issue through the ASBA facility, is required to have an ASBA enabled bank account with an SCSB, prior to making the Application.

(j) Applications should be submitted to the Designated Branch of the SCSB or made online/ electronic through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts, please note that on the Issue Closing Date i.e. **[•]**, Applications through ASBA process will be uploaded until 5.00 P.M. (Indian Standard Time) or such extended time as permitted by the Stock Exchange.

(k) Applications should not be submitted to the Bankers to the Issue or Escrow Collection Bank (assuming that such Escrow Collection Bank is not an SCSB), our Company or the Registrar.

(l) In case of Application through ASBA facility, Investors are required to provide necessary details, including details of the ASBA Account, authorization to the SCSB to block an amount equal to the Application Money in the ASBA Account mentioned in the Application Form.

(m) All Applicants and in the case of Application in joint names, each of the joint Applicants, should mention their PAN allotted under the Income-tax Act, irrespective of the amount of the Application. Except for Applications on behalf of the Central or the State Government, the residents of Sikkim and the officials appointed by the courts, Applications 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 for credit" and no Allotment and credit of Rights Equity Shares pursuant to this Issue shall be made into the accounts of such Investors.

(n) In case of Application through ASBA facility, all payments will be made only by blocking the amount in the ASBA Account. Cash payment or payment by cheque or demand draft or pay order or NEFT or RTGS or through any other mode is not acceptable for application through ASBA process. In case payment is made in contravention of this, the Application will be deemed invalid and the Application Money will be refunded and nointerest will be paid thereon.

(o) For physical Applications through ASBA at Designated Branches of SCSB, 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 any such language or thumb impression must be attested by a Notary Public or a Special Executive Magistrate under his/ her official seal. The Investors must sign the Application as per the specimen signature recorded with the SCSB.

(p) In case of joint holders and physical Applications through ASBA process, all joint holders must sign the relevant part of the Application Form in the same order and as per the specimen signature(s) recorded with the SCSB. 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.

(q) All communication in connection with Application for the Rights Equity Shares, including any change in address of the Eligible Equity Shareholders should be addressed to the Registrar prior to the date of Allotment in this Issue quoting the name of the first/ sole Applicant, folio numbers/ DP ID and Client ID and Application Form number, as applicable. In case of any change in address of the Eligible Equity Shareholders, the Eligible Equity Shareholders should also send the intimation for such change to the respective depository participant, or to our Company or the Registrar in case of Eligible Equity Shareholders holding Equity Shares in physical form.

(r) Only persons outside restricted jurisdictions and who are eligible to subscribe for Rights Entitlement and Rights Equity Shares under applicable securities laws are eligible to participate.

(s) 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, Applications made through ASBA facility may be submitted at the Designated Branches of the SCSBs. Application through ASBA facility in electronic mode will only be available with such SCSBs who provide such facility.

(t) 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 their 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/ rights issues and clear demarcated funds should be available in such account for ASBA applications.

Do's:

(a) Ensure that the Application Form and necessary details are filled in.

(b) Except for Application submitted on behalf of the Central or the State Government, residents of Sikkim and the officials appointed by the courts, each Applicant should mention their PAN allotted under the Income-tax Act.

(c) Ensure that the demographic details such as address, PAN, DP ID, Client ID, bank account details and occupation ("**Demographic Details**") are updated, true and correct, in all respects.

(d) Investors should provide correct DP ID and client ID/ folio number while submitting the Application. Such DP ID and Client ID/ folio number should match the demat account details in the records available with Company and/ or Registrar, failing which such Application is liable to be rejected. Investor will be solely responsible for any error or inaccurate detail provided in the Application. Our Company, SCSBs or the Registrar will not be liable for any such rejections.

Don'ts:

(a) Do not apply if you are ineligible to participate in this Issue under the securities laws applicable to your jurisdiction.

(b) Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground.

(c) Avoid applying on the Issue Closing Date due to risk of delay/ restrictions in making any physical Application.

(d) Do not pay the Application Money in cash, by money order, pay order or postal order.

(e) Do not submit multiple Applications.

Grounds for Technical Rejection

Applications made in this Issue are liable to be rejected on the following grounds:

(a) DP ID and Client ID mentioned in Application not matching with the DP ID and Client ID records available with the Registrar.

(b) Details of PAN mentioned in the Application does not match with the PAN records available with the Registrar.

(c) Sending an Application to the Registrar, Escrow Collection Banks (assuming that such Escrow Collection Bank is not a SCSB), to a branch of a SCSB which is not a Designated Branch of the SCSB or our Company.

(d) Insufficient funds are available in the ASBA Account with the SCSB for blocking the Application Money.

(e) Funds in the ASBA Account whose details are mentioned in the Application Form having been frozen pursuant to regulatory orders.

(f) Account holder not signing the Application or declaration mentioned therein.

(g) Submission of more than one application form for Rights Entitlements available in a particular demat account.

(h) Multiple Application Forms, including cases where an Investor submits Application Forms along with a plain paper Application.

(i) Submitting the GIR number instead of the PAN (except for Applications on behalf of the Central or State Government,the residents of Sikkim and the officials appointed by the courts).

(j) Applications by 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.

(k) Applications by SCSB on own account, other than through an ASBA Account in its own name with any other SCSB.

(l) Application Forms which are not submitted by the Investors within the time periods prescribed in the Application Form and the Letter of Offer.

(m) Physical Application Forms not duly signed by the sole or joint Investors.

(n) Application Forms accompanied by stock invest, outstation cheques, post-dated cheques, money order, postal orderor outstation demand drafts.

(o) If an Investor is (a) debarred by SEBI; or (b) if SEBI has revoked the order or has provided any interim relief then failure to attach a copy of such SEBI order allowing the Investor to subscribe to their Rights Entitlements.

(p) Applications which: (i) appears to our Company or its agents to have been executed in, electronically transmitted from or dispatched from the United States (other than from persons in the United States who are U.S. QIBs and QPs) or other jurisdictions where the offer and sale of the Equity Shares is not permitted under laws of such jurisdictions; (ii) does not include the relevant certifications set out in the Application Form, including to the effect that the person submitting and/or renouncing the Application Form is (a) both a U.S. QIB and a QP, if in the United States or a U.S. Person or (b) outside the United States and is a non-U.S. Person, and in each case such person is eligible to subscribe for the Equity Shares under applicable securities laws and is complying with laws of jurisdictions applicable to such person in connection with this Issue; and our Company shall not be bound to issue or allot any Equity Shares in respect of any such Application Form.

(q) Applications which have evidence of being executed or made in contravention of applicable securities laws.

(r) Applicants holding physical shares not submitting the documents.

(s) Application from investors who do not hold Rights Entitlement (REs) as on issue closing date in the demat account from which application is submitted.

(t) Applications supported by amounts blocked from a third-party bank account.

IT IS MANDATORY FOR ALL THE INVESTORS APPLYING UNDER THIS ISSUE TO APPLY THROUGH THE ASBA PROCESS, TO RECEIVE THEIR RIGHTS EQUITY SHARES IN DEMATERIALISED FORM AND TO THE SAME DEPOSITORY ACCOUNT/ CORRESPONDING PAN IN WHICH THE EQUITY SHARES ARE HELD BY THE INVESTOR AS ON THE RECORD DATE I.E. [•]. ALL INVESTORS APPLYING UNDER THIS ISSUE SHOULD MENTION THEIR DEPOSITORY PARTICIPANT'S NAME, DP ID AND BENEFICIARY ACCOUNT NUMBER/ FOLIO NUMBER IN THE APPLICATION FORM. INVESTORS MUST ENSURE THAT THE NAME GIVEN IN THE APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD. IN CASE THE APPLICATION FORM 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 APPLICATION FORM OR PLAIN PAPER APPLICATIONS, AS THE CASE MAY BE.

Investors applying under this Issue should note that on the basis of name of the Investors, Depository Participant's name and identification number and beneficiary account number provided by them in the Application Form or the plain paper applications, as the case may be, the Registrar will obtain Demographic Details from the Depository. Hence, Investors applying under this Issue should carefully fill in their Depository Account details in the Application.

These Demographic Details would be used for all correspondence with such Investors including mailing of the letters intimating unblocking of bank account of the respective Investor and/ or refund. The Demographic Details given by the Investors in the Application Form would not be used for any other purposes by the Registrar. Hence, Investors are advised to update their Demographic Details as provided to their Depository Participants. By signing the Application Forms, the Investors would be deemed to have authorised the Depositories to provide, upon request to the Registrar, the required Demographic Details as available on its records.

The Allotment advice and the email intimating unblocking of ASBA Account or refund (if any) will be sent electronically by the Registrar, on behalf of the Company, to all Eligible Equity Shareholders who have provided a valid e-mail address. The Registrar will give instructions to the SCSBs for unblocking funds in the ASBA Account to the extent Rights Equity Shares are not allotted to such Investor. Please note that any such delay shall be at the sole risk of the Investors and none of our Company, the SCSBs or Registrar shall be liable to compensate the Investor for any losses caused due to any such delay or be liable to pay any interest for such delay.

In case no corresponding record is available with the Depositories that match three parameters, (a) names of the Investors (including the order of names of joint holders), (b) the DP ID, and (c) the beneficiary account number, then such Application Forms are liable to be rejected.

Applications by non-resident Shareholders

As regards the Application by non-resident Investors, payment must be made only through ASBA facility and using permissible accounts in accordance with FEMA, FEMA Rules and requirements prescribed by RBI and subject to the following:

1. In case where repatriation benefit is available, interest, dividend, sales proceeds derived from the investment in Rights Equity Shares can be remitted outside India, subject to tax, as applicable according to the Income-Tax Act. However, please note that conditions applicable at the time of original investment in our Company by the Eligible Equity Shareholder including repatriation shall not change and remain the same for subscription in the Issue or subscription pursuant to renunciation in the Issue.

2. Subject to the above, 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.

3. In case of an Application Form received from non-residents, Allotment, refunds and other distribution, if any, will be made in accordance with the guidelines and rules prescribed by RBI as applicable at the time of making such Allotment, remittance and subject to necessary approvals.

4. Application Forms received from non-residents/ NRIs, or persons of Indian origin residing abroad for Allotment of Rights Equity Shares shall, amongst other things, be subject to conditions, as may be imposed from time to time by RBI under FEMA, in respect of matters including Refund of Application Money and Allotment.

5. In the case of NRIs who remit their Application Money from funds held in FCNR/NRE Accounts, refunds and other disbursements, if any shall be credited to such account.

6. Non-resident Renouncee(s) who are not Eligible Equity Shareholders must submit regulatory approval for applying for Additional Rights Equity Shares.

Multiple Applications

A separate Application can be made in respect of each scheme of a Mutual Fund registered with the SEBI and such Applications shall not be treated as multiple applications. For details, see "***Investment by Mutual Funds***" on page no. 101 of this Letter of Offer.

In cases where multiple Applications are submitted including cases where an Investor submits Application Forms along with a plain paper Application or multiple plain paper Applications, such Applications shall be treated as multiple applications and are liable to be rejected (other than multiple applications submitted by any of the Promoters or members of the Promoter Group to meet the minimum subscription requirements applicable to the Issue as described in "***Capital Structure***" on page no. 40 of this Letter of Offer.

No separate Application Forms for Rights Equity Shares in physical and/ or dematerialized form should be made. If such Application Forms are made, the Application Forms for Rights Equity Shares in physical form the Equity Shares will be treated as multiple Application Forms and is liable to be rejected.

Authority for the Issue

The Issue has been authorized by a resolution of Board of Directors of our Company passed at their meeting held on 17th September, 2026, pursuant to Section 62(1)(a) of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013. Further, the issue details such as price, number of shares, ratio etc. has been finalized and approved by the Board of Directors in their meeting held on [•].

Our Board in consultation with the Rights Issue Committee in its meeting held on [•] has approved the issue upto [•] Equity Shares to the Eligible Equity Shareholders on Right Issue basis having face value of Rs. 10.00/- each at Rs. [•] per equity share (including share premium of Rs. [•] per equity share), in the ratio of [•] Rights Equity Shares for every [•] Fully Paid-up Equity Shares as held by Eligible Equity Shareholders on the Record Date i.e. [•]. The Issue Price of [•] per Equity Share has been arrived at prior to determination of the Record Date i.e. [•].

Our Company has received "In-principle approval" from BSE, in accordance with Regulation 28(1) of the SEBI Listing Regulations, for the Rights Equity Shares to be allotted pursuant to the issue, vide its letter dated [•]. Our Company will make application to BSE Limited to obtain its listing and trading approval for the Rights Entitlements, as required under the SEBI Rights Issue Circulars.

Our Company has been allotted the RE-ISIN [•] for the Rights Entitlements to be credited to the respective Demat accounts of the Equity Shareholders of our Company. For details, see ***"Terms of the Issue"*** on page no. 87 of the Letter of Offer.

Procedure for Applications by FPIs

In terms of applicable FEMA Rules and the SEBI FPI Regulations, investments by FPIs in the Equity Shares is subject to certain limits, i.e., the individual holding of an FPI (including its investor group (which means multiple entities registered as Foreign Portfolio Shareholders and directly and indirectly having common ownership of more than 50.00% of common control)) shall be below 10.00% of our Post-Issue Equity Share Capital. In case the total holding of an FPI or investor group increases beyond 10.00% of the Total Paid-up Equity Share Capital of our Company, on a fully diluted basis or 10.00% or more of the paid-up value of any series of debentures or preference shares or share warrants that may be issued by our Company, the total investment made by the FPI or investor group will be re-classified as FDI subject to the conditions as specified by SEBI and RBI in this regard and our Company and the Shareholders will also be required to comply with applicable reporting requirements.

FPIs are permitted to participate in this Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time. FPIs who wish to participate in the Issue are advised to use the Application Form for non-residents. Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, an FPI may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by an FPI against securities held by it that are listed or proposed to be listed on any recognised stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons registered as Category I FPI under the SEBI FPI Regulations; (ii) such offshore derivative instruments are issued only to persons who are eligible for registration as Category I FPIs (where an entity has an investment manager who is from the Financial Action Task Force member country, the investment manager shall not be required to be registered as a Category I FPI); (iii) such offshore derivative instruments are issued after compliance with ‘know your client’ norms; and (iv) compliance with other conditions as may be prescribed by SEBI.

An FPI issuing offshore derivative instruments is also required to ensure that any transfer of offshore derivative instruments issued by or on its behalf, is carried out subject to inter alia the following conditions:

1. Such offshore derivative instruments are transferred only to persons in accordance with the SEBI FPI Regulations; and

2. Prior consent of the FPI is obtained for such transfer, except when the persons to whom the offshore derivative instruments are to be transferred to are pre–approved by the FPI.

No investment under the FDI route will be allowed in the Issue unless such application is accompanied with necessary approval or covered under a pre-existing approval.

Procedure for Applications by AIFs, FVCIs, VCFs and FDI route

The SEBI VCF Regulations and the SEBI FVCI Regulations prescribe, among other things, the investment restrictions on VCFs and FVCIs registered with SEBI. Further, the SEBI AIF Regulations prescribe, among other things, the investment restrictions on AIFs.

As per the SEBI VCF Regulations and SEBI FVCI Regulations, VCFs and FVCIs are not permitted to invest in listed Companies pursuant to rights issues. Accordingly, applications by VCFs or FVCIs will not be accepted in this Issue. Further, Venture Capital Funds registered as Category I AIFs, as defined in the SEBI AIF Regulations, are not permitted to invest in listed Companies pursuant to rights issue. Accordingly, applications by Venture Capital Funds registered as category I AIFs, as defined in the SEBI AIF Regulations, will not be accepted in this Issue. Other categories of AIFs are permitted to apply in this Issue subject to compliance with the SEBI AIF Regulations. Such AIFs having bank accounts with SCSBs that are providing ASBA in cities/ centers where such AIFs are located are mandatorily required to make use of the ASBA facility. Otherwise, applications of such AIFs are liable for rejection.

No investment under the FDI route (i.e. any investment which would result in the investors holding 10% or more of the fully diluted paid-up equity share capital of the Company or any FDI investment for which an approval from the government was taken in the past) will be allowed in the Issue unless such application is accompanied with necessary approval or covered under a pre-existing approval from the government. It will be the sole responsibility of the investors to ensure that the necessary approval or the pre-existing approval from the government is valid in order to make any investment in the Issue. Our Company will not be responsible for any allotments made by relying on such approvals.

Procedure for Applications by NRIs

Investments by NRIs are governed by the FEMA Rules. Applications will not be accepted from NRIs that are in eligible to participate in this Issue under applicable securities laws and also from NRIs in Restricted Jurisdictions.

NRIs may please note that only such Applications as are accompanied by payment in free foreign exchange shall be considered for Allotment under the reserved category. The NRIs who intend to make payment through NRO accounts shall use the Application form meant for resident Indians and shall not use the Application forms meant for reserved category.

As per the FEMA Rules, an NRI or Overseas Citizen of India ("OCI") may purchase or sell capital instruments of a listed Indian Company on repatriation basis, on a recognised stock exchange in India, subject to the conditions, inter alia, that the total holding by any individual NRI or OCI will not exceed 5.00% of the total paid-up equity capital on a fully diluted basis or should not exceed 5.00% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian Company and the total holdings of all NRIs and OCIs put together will not exceed 10.00% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10.00% of the paid-up value of each series of debentures or preference shares or share warrants. The aggregate ceiling of 10.00% may be raised to 24.00%, if a special resolution to that effect is passed by the general body of the Indian Company.

Further, in accordance with press note 3 of 2020, the FDI Policy has been recently amended to state that all investments by entities incorporate in a country which shares land border with India or where beneficial owner of an investment into India is situated in or is a citizen of any such country ("Restricted Shareholders"), will require prior approval of the Government of India. It is not clear from the press note whether or not an issue of the Rights Equity Shares to Restricted Shareholders will also require prior approval of the Government of India and each Shareholder should seek independent legal advice about its ability to participate in the Issue. In the event such prior approval has been obtained, the Shareholders shall intimate our Company and the Registrar about such approval within the Issue Period.

NRI can make application in Rights Issue only through ASBA mode. In addition, NRI who is applying in the Rights Issue shall provide their Indian Postal Address to our Company on www.aeimindia.com or to RTA on www.in.mpms.mufg.com through email or through any mode through courier/ registered post. The details of Indian Postal Address should be supported with Utility Bill, Aadhar Card, Bank Statement revealing the Indian Address prior to closing of Rights Issue i.e. [●].

Procedure for Applications by Mutual Funds

A separate application can be made in respect of each scheme of an Indian mutual fund registered with 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 Non-Banking Financial Companies ("NBFC-SI")

In case of an application made by NBFC-SI registered with RBI, (a) the certificate of registration issued by RBI under Section 45IA of RBI Act, 1934 and (b) 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.

Payment by stock invest

In terms of RBI Circular DBOD No. FSC BC 42/24.47.00/2003-04 dated November 5, 2003, the stock invest Scheme has been withdrawn. Hence, payment through stock invest would not be accepted in this Issue.

Last date for Application

The last date for submission of the duly filled in the Application Form or a plain paper Application is [●], i.e., Issue Closing Date. Our Board or any committee thereof 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 (inclusive of the Issue Opening Date).

If the Application Form is not submitted with an SCSB, uploaded with the Stock Exchange and the Application Money is not blocked with the SCSB on or before the Issue Closing Date or such date as maybe extended by our Board or any committee thereof, the invitation to offer contained in this Letter of Offer shall be deemed to have been declined and our Board or any committee thereof shall be at liberty to dispose of the Equity Shares hereby offered, as set out in ***"Basis of Allotment"*** on page no. 110 of this Letter of Offer.

Please note that on the Issue Closing Date, Applications through ASBA process will be uploaded until 5:00 P.M. (Indian Standard Time) or such extended time as permitted by the Stock Exchange.

Please ensure that the Application Form and necessary details are filled in. In place of Application number, Shareholders can mention the reference number of the e-mail received from Registrar informing about their Rights Entitlement or last eight digits of the demat account. Alternatively, SCSBs may mention their internal reference number in place of application number.

Withdrawal of Application

An investor who has applied in this Issue may withdraw their application at any time during Issue Period by approaching the SCSB where application is submitted. However, no investors applying through ASBA facility, may withdraw their application post the Issue Closing Date.

Disposal of Application and Application Money

No acknowledgment will be issued for the Application Money received by our Company. However, the Designated Branches of the SCSBs receiving the Application Form will acknowledge its receipt by stamping and returning the acknowledgment slip at the bottom of each Application Form. Our 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 will be unblocked in the respective ASBA Accounts, in case of Applications through wherever an Application is rejected in part, the balance of Application Money, if any, after adjusting any money due on Equity Shares allotted, will be refunded/ unblocked in the respective bank accounts from which Application Money was received/ ASBA Accounts of the investors within a period 2 (Two) working 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 Application Form carefully.

Rights Entitlements

Eligible Equity Shareholders whose names appear as a beneficial owner in respect of the Equity Shares held in dematerialized form or appear in the register of members as an Equity Shareholder of our Company in respect of the Equity Shares held in physical form as on the Record Date, i.e., [●], are entitled to the number of Rights Equity Shares as set out in the Application Form at www.in.mpms.mufg.com The link for the same shall also be available on the website of our Company at www.aeimindia.com Rights Entitlements shall be credited to the respective demat accounts of Eligible Equity Shareholders before the Issue Opening Date only in dematerialised form. If the Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date i.e. [●], have not provided the details of their demat accounts to our Company or to the Registrar, they are required to communicate with the Registrar to the Issue in the manner provided on their website i.e. www.aeimindia.com They may also communicate with the Registrar to the Issue with the help of the helpline number at +91-8108114949 and their email address: artificialelectronics.rights@in.mpms.mufg.com

Such Eligible Equity Shareholders can make an application only after the Rights Entitlements is credited to their respective demat accounts, except in case of resident Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date i.e. [●].

Our Company is undertaking this Issue on a rights basis to the Eligible Equity Shareholders and will send the Rights Entitlement Letter and the Application Form only to email addresses of Eligible Equity Shareholders who have provided an email address to our Company or who are located in jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions.

The Letter of Offer, Application Form & Rights Entitlement Letter will be provided only through email by the Registrar to the Issue on behalf of our Company to the Eligible Equity Shareholders who have provided their valid email addresses to our Company The Letter of Offer and the Application Form may also be accessed on the websites of the Registrar to the Issue and our Company through a link contained in the aforementioned email sent to email addresses of Eligible Equity Shareholders (provided that the Eligible Equity Shareholder is eligible to subscribe for the Rights Equity Shares under applicable securities laws) and on the Stock Exchange website.

The distribution of the Letter of Offer, Application Form & Rights Entitlement Letter and the issue of Rights Entitlement and Rights Equity Shares to persons in certain jurisdictions outside India may be restricted by applicable legal requirements in those jurisdictions. The Rights Entitlements or Rights Equity Shares may not be offered or sold, directly or indirectly, and Letter of Offer or any offering materials or advertisements in connection with the Issue may not be distributed, in whole or in part, in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction. The receipt of this Letter of Offer, the Rights Entitlement Letter or the Application Form through electronic means shall not constitute an offer, invitation or solicitation in any jurisdiction where such offer, invitation or solicitation is unlawful or unauthorised, or to any person to whom it is unlawful to make such an offer, invitation or solicitation. In such cases, these documents are being provided for information purposes only and must not be relied upon for making an Application. They should not be copied, forwarded, reproduced or redistributed. Accordingly, persons receiving a copy of this Letter of Offer, the Rights Entitlement Letter or the Application Form should not, in connection with the Rights Issue, distribute or send this Letter of Offer, the Rights Entitlement Letter or the Application Form in or into any jurisdiction where to do so, would, or might, contravene local securities laws or regulations or would subject our Company or its affiliates to any filing or registration requirement (other than in India). If this Letter of Offer, the Rights Entitlement Letter or the Application Form is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to make an application or acquire the Rights Entitlements referred to in this Letter of Offer, the Rights Entitlement Letter or the Application Form.

CREDIT OF RIGHTS ENTITLEMENTS IN DEMAT ACCOUNTS OF ELIGIBLE EQUITY SHAREHOLDERS

In accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circular, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialized form only. Prior to the Issue Opening Date i.e. [●], our Company shall credit the Rights Entitlements to (i) the demat accounts of the Eligible Equity Shareholders holding the Equity Shares in dematerialised form; and (ii) a demat suspense escrow account (namely, [●]) opened by our Company, for the Eligible Equity Shareholders which would comprise Rights Entitlements relating to (a) Equity Shares held in a demat suspense account pursuant to Regulation 39 of the SEBI Listing Regulations; or (b) Equity Shares held in the account of IEPF authority; or (c) the demat accounts of the Eligible Equity Shareholder which are frozen or details of which are unavailable with our Company or with the Registrar on the Record Date [●]; or (d) Equity Shares held by Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date [●] where details of demat accounts are not provided by Eligible Equity Shareholders to our Company or Registrar; or (e) credit of the Rights Entitlements returned/ reversed/ failed; or (f) the ownership of the Equity Shares currently under dispute, including any court proceedings. Eligible Equity Shareholders are requested to provide relevant details (such as copies of self-attested PAN and client master sheet of demat account etc., details/ records confirming the legal and beneficial ownership of their respective Equity Shares) to the Company or the Registrar not later than two working days prior to the Issue Closing Date to enable the credit of their Rights Entitlements by way of transfer from the demat suspense escrow account to their demat account at least one day before the Issue Closing Date, to enable such Eligible Equity Shareholders to make an application in this Issue, and this communication shall serve as an intimation to such Eligible Equity Shareholders in this regard. Such Eligible Equity Shareholders are also requested to ensure that their demat account, details of which have been provided to the Company or the Registrar account is active to facilitate the aforementioned transfer.

RENUNCIATION AND TRADING OF RIGHTS ENTITLEMENT

Renouncees

All rights or obligations of the Eligible Equity Shareholders in relation to Applications and refunds relating to the Issue shall, unless otherwise specified, apply to the Renouncee(s) as well.

Renunciation of Rights Entitlements

This Issue includes a right exercisable by Eligible Equity Shareholders to renounce the Rights Entitlements credited to their respective demat account either in full or in part.

The renunciation from non-resident Eligible Equity Shareholder(s) to resident Indian(s) and vice-versa shall be subject to provisions of FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time. However, the facility of renunciation shall not be available to or operate in favor of an Eligible Equity Shareholders being an erstwhile OCB unless the same is in compliance with the FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time.

The renunciation of Rights Entitlements credited in your demat account can be made either by sale of such Rights Entitlements, using the secondary market platform of the Stock Exchange or through an off-market transfer.

Applications by Overseas Corporate Bodies

By virtue of the Circular No. 14 dated September 16, 2003, issued by the RBI, Overseas Corporate Bodies **("OCBs")**, have been derecognized as an eligible class of investors and the RBI has subsequently issued the Foreign Exchange Management (Withdrawal of General Permission to OCBs) Regulations, 2003.

Accordingly, the existing Eligible Equity Shareholders of our Company who do not wish to subscribe to the Rights Equity Shares being offered but wish to renounce the same in favour of Renouncee(s) shall not be able to 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 and were not at any time subject to any adverse notice from 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 the foreign direct investment scheme with the prior approval of Government of India if the investment is through the government approval route and with the prior approval of RBI if the investment is through automatic route on case by case basis. Eligible Equity Shareholders renouncing their rights in favour of such OCBs may do so provided such Renouncee(s) obtains a prior approval from the RBI. On submission of such RBI approval to our Company at our Registered Office, the OCB shall receive the Application Form.

Procedure for Renunciation of Rights Entitlements

The Eligible Equity Shareholders may renounce the Rights Entitlements, credited to their respective demat accounts, either in full or in part (a) by using the secondary market platform of the Stock Exchange **(the "On Market Renunciation");** or (b) through an off-market transfer **(the "Off Market Renunciation")**, during the Renunciation Period. The Shareholders should have the demat Rights Entitlements credited/ lying in his/ her own demat account prior to the renunciation. The trades through On Market Renunciation and Off Market Renunciation will be settled by transferring the Rights Entitlements through the depository mechanism.

Shareholders may be subject to adverse foreign, state or local tax or legal consequences as a result of trading in the Rights Entitlements. Shareholders who intend to trade in the Rights Entitlements should consult their tax advisor or stock-broker regarding any cost, applicable taxes, charges and expenses (including brokerage) that may be levied for trading in Rights Entitlements.

Please note that the Rights Entitlements which are neither renounced nor subscribed by the Shareholders on or before the Issue Closing Date shall lapse and shall be extinguished after the Issue Closing Date.

Our Company accept no responsibility to bear or pay any cost, applicable taxes, charges and expenses (including brokerage), and such costs will be incurred solely by the Shareholders/ Investors.

a) On Market Renunciation:

The Eligible Equity Shareholders may renounce the Rights Entitlements, credited to their respective demat accounts by trading/ selling them on the secondary market platform of the Stock Exchange through a registered stock-broker in the same manner as the existing Equity Shares of our Company.

In this regard, in terms of provisions of the SEBI ICDR Regulations and the SEBI Rights Issue Circulars, the Rights Entitlements credited to the respective demat accounts of the Eligible Equity Shareholders shall be admitted for trading on the Stock Exchange under RE-ISIN **[•]** subject to requisite approvals. Prior to the Issue Opening Date, **[•]** our Company will obtain the approval from the Stock Exchange for trading of Rights Entitlements. No assurance can be given regarding the active or sustained On Market Renunciation or the price at which the Rights Entitlements will trade. The details for trading in Rights Entitlements will be as specified by the Stock Exchange from time to time.

The Rights Entitlements are tradable in dematerialized form only. The market lot for trading of Rights Entitlements is 1 (One) Equity Share. To clarify further, fractional entitlements are not eligible for trading.

The On Market Renunciation shall take place only during the Renunciation Period for On Market Renunciation, i.e., from [●] to [●] (both days inclusive).

The Shareholders holding the Rights Entitlements who desire to sell their Rights Entitlements will have to do so through their Registered Stock-Brokers by quoting the RE-ISIN **[•]** and indicating the details of the Rights Entitlements they intend to trade. The Shareholders can place order for sale of Rights Entitlements only to the extent of Rights Entitlements available in their demat account.

The On Market Renunciation shall take place electronically on secondary market platform of BSE Limited under automatic order matching mechanism and on 'T+1 rolling settlement basis', where 'T' refers to the date of trading. The transactions will be settled on trade-for-trade basis. Upon execution of the order, the stock- brokers will issue a contract note in accordance with the requirements of the Stock Exchange and the SEBI.

b) Off Market Renunciation:

The Eligible Equity Shareholders may renounce the Rights Entitlements, credited to their respective demat accounts by way of an off-market transfer through a Depository Participant. The Rights Entitlements can be transferred in dematerialised form only. Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncee(s) on or prior to the Issue Closing Date i.e. [•] to enable Renouncee(s) to subscribe to the Equity Shares in the Issue.

The Shareholders holding the Rights Entitlements who desire to transfer their Rights Entitlements will have to do so through their Depository Participant by issuing a delivery instruction slip quoting the RE-ISIN [•], the details of the buyer and the details of the Rights Entitlements they intend to transfer. The buyer of the Rights Entitlements (unless already having given a standing receipt instruction) has to issue a receipt instruction slip to their depository participant. The Shareholders can transfer Rights Entitlements only to the extent of Rights Entitlements available in their demat account.

The instructions for transfer of Rights Entitlements can be issued during the working hours of the depository participants. The detailed rules for transfer of Rights Entitlements through off-market transfer shall be as specified by the NSDL and CDSL from time to time.

MODE OF PAYMENT

All payments against the Application Forms shall be made only through ASBA facility. The Registrar will not accept any payments against the Application Forms, if such payments are not made through ASBA facility.

In case of Application through the ASBA facility, the Shareholders agrees to block the entire amount payable on Application with the submission of the Application Form, by authorizing the SCSB to block an amount, equivalent to the amount payable on Application, in the Shareholders' ASBA Account. The SCSB may reject the application at the time of acceptance of Application Form if the ASBA Account, details of which have been provided by the Shareholders in the Application Form does not have sufficient funds equivalent to the amount payable on Application mentioned in the Application Form. Subsequent to the acceptance of the Application by the SCSB, our Company would have a right to reject the Application on technical grounds for this Letter of Offer. After verifying that sufficient funds are available in the ASBA Account details of which are provided in the Application Form, the SCSB shall block an amount equivalent to the Application Money mentioned in the Application Form until the Transfer Date. On the Transfer Date, upon receipt of intimation from the Registrar, and pursuant to the finalization of the Basis of Allotment as approved by the Designated Stock Exchange, the SCSBs shall transfer such amount as per the Registrar's instruction from the ASBA Account into the Allotment Account(s) which shall be a separate bank account maintained by our Company, other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act, 2013. The balance amount remaining after the finalization of the Basis of Allotment on the Transfer Date shall be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the respective SCSB.

In terms of RBI Circular DBOD No. FSCBC42/24.47.00/2003-04 dated November 5, 2003, the stock invest scheme has been withdrawn. Hence, payment through stock invest would not be accepted in this Issue.

Mode of payment for Resident Shareholders

All payments against the Application Forms shall be made only through ASBA facility or internet banking. The Registrar will not accept any payments against the Application Forms, if such payments are not made through ASBA facility or internet banking.

Mode of payment for Non-Resident Shareholders

As regards the Application by non-resident Shareholders, payment must be made only through ASBA facility and using permissible accounts in accordance with FEMA, FEMA Rules and requirements prescribed by RBI and subject to the following:

- Individual non-resident Indian Applicants who are permitted to subscribe to Rights Equity Shares by applicable local securities laws can obtain Application Forms on the websites of the Registrar or our Company.

Note: In case of non-resident Eligible Equity Shareholders, the Rights Entitlement Letter and the Application Form shall be sent to their email addresses if they have provided their email address to our Company or if they are located in certain jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions. The Letter of Offer will be provided, only through email, by the Registrar on behalf of our Company to the Eligible Equity Shareholders who have provided their Indian addresses to our Company or who are located in jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions and in each case, who make a request in this regard. Non-Resident Investors shall send their Right Entitlement credit request with ID proof to the Registrar to the Issue at artificialelectronics.rights@in.mpms.mufg.com

- Application Forms will not be accepted from non-resident Investors in any jurisdiction where the offer or sale of the Rights Entitlements and Rights Equity Shares may be restricted by applicable securities laws.

- Payment by non-residents must be made only through ASBA facility and using permissible accounts in accordance with FEMA, FEMA Rules and requirements prescribed by the RBI.

- Eligible Non-Resident Equity Shareholders applying on a repatriation basis by using the Non-Resident Forms should authorize their SCSB to block their Non-Resident External **("NRE")** accounts, or Foreign Currency Non-Resident **("FCNR")** Accounts, and Eligible Non-Resident Equity Shareholders applying on a non-repatriation basis by using Resident Forms should authorize their SCSB to block their Non - Resident Ordinary **("NRO")** accounts for the full amount payable, at the time of the submission of the Application Form to the SCSB. Applications received from NRIs and non-residents for allotment of the Rights Equity Shares shall be inter alia, subject to the conditions imposed from time to time by the RBI under the FEMA in the matter of refund of Application Money, allotment of Rights Equity Shares and issue of letter of allotment. 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.

BASIS FOR THIS ISSUE AND TERMS OF THIS ISSUE

The Rights Equity Shares are being offered for subscription for cash to the Eligible Equity Shareholders whose names appear as beneficial owners as per the list to be furnished by the Depositories in respect of our Equity Shares held in dematerialized form and on the register of members of our Company in respect of our Equity Shares held in physical format the close of business hours on the Record Date i.e. [●] decided in consultation with the Designated Stock Exchange, but excludes persons not eligible under the applicable laws, rules, regulations and guidelines.

PRINCIPAL TERMS OF THE RIGHTS EQUITY SHARES ISSUED UNDER THIS ISSUE

Face Value

Each Rights Equity Share will have the face value of Rs. 10.00/- per share.

Issue Price

Each Rights Equity Share is being offered at a price of Rs. [●] per Rights Equity Share, payable in full on Application, in the Issue. The Issue Price has been arrived at by our Company prior to the determination of the Record Date. The Issue Price and other relevant conditions are in accordance with Regulation 10(4) of the SEBI Takeover Regulations. The Board of Directors at its meeting held on [●] has determined and approved the Issue Price.

Rights Entitlement Ratio

The Rights Equity Shares are being offered on a rights basis to the Eligible Equity Shareholders in the ratio of [●] Rights Equity Share for every [●] Fully Paid-up Equity Shares held on the Record Date i.e. [●]. The Board of Directors at its meeting held on [●] has determined and approved the Rights Entitlement Ratio.

Rights of instrument holder

Each Rights Equity Share shall rank pari passu with the existing equity shares of the Company.

Terms of Payment

Full amount of Rs. [●] per equity share shall be payable on Application.

Fractional Entitlements

The Rights Equity Shares are being offered on a rights basis to Eligible Equity Shareholders in the ratio of [●] Equity Share for every [●] Fully Paid-up Equity Share held by the eligible equity shareholders of our Company on the Record Date i.e. [●]. For Equity Shares being offered on a rights basis under the Issue, if the shareholding of any of the Eligible Equity Shareholders is less than [●] Equity Shares or is not in multiples of [●], the fractional entitlement of such Eligible Equity Shareholders shall be ignored for computation of the Rights Entitlement. However, Eligible Equity Shareholders whose fractional entitlements are being ignored earlier will be given preference in the Allotment of one additional Equity Share each, if such Eligible Equity Shareholders have applied for additional Equity Shares over and above their Rights Entitlement, if any.

Ranking

The Rights Equity Shares to be issued and allotted pursuant to the Issue shall be subject to the provisions of the Memorandum of Association and the Articles of Association. The Rights Equity Shares to be issued and allotted pursuant to the Issue shall rank pari passu with the existing equity shares of our Company, in all respects including dividends.

Mode of payment of dividend

In the event of declaration of dividend, our Company shall pay dividend to the Eligible Equity Shareholders as per the provisions of the Companies Act and the provisions of the Articles of Association.

Listing and trading of the Equity Shares to be issued pursuant to this Issue

Subject to receipt of the listing and trading approvals, the Equity Shares proposed to be issued on a rights basis shall be listed and admitted for trading on the Stock Exchange. Unless otherwise permitted by the SEBI ICDR Regulations, the Equity Shares allotted pursuant to this Issue will be listed as soon as practicable and all steps for completion of necessary formalities for listing and commencement of trading in the Equity Shares will be taken within such period prescribed under the SEBI ICDR Regulations. Our Company has received in-principle approval from BSE through letter bearing reference number [●], vide dated [●]. Our Company will apply to the Stock Exchange for final approval for the listing and trading of the Equity Shares subsequent to their Allotment. No assurance can be given regarding the active or sustained trading in the Equity Shares or the price at which the Equity Shares offered under this Issue will trade after the listing thereof.

The existing Equity Shares are listed and traded on BSE (Scrip Code: 526443) under the ISIN: INE072B01027. The Equity Shares shall be credited to a temporary ISIN which will be frozen until the receipt of the final listing/ trading approval from the Stock Exchange. Upon receipt of such listing and trading approvals, the Equity Shares shall be debited from such temporary ISIN and credited to the new ISIN for the Equity Shares and thereafter be available for trading and the temporary ISIN shall be permanently deactivated in the depository system of CDSL and NSDL.

The listing and trading of the Equity Shares issued pursuant to this Issue shall be based on the current regulatory framework then applicable. Accordingly, any change in the regulatory regime would affect the listing and trading schedule.

In case our Company fails to obtain listing or trading permissions from the Stock Exchanges, our Company shall refund through verifiable means/ unblock the respective ASBA Accounts, the entire monies received/ blocked within (four) days of receipt to intimation from the Stock Exchange, rejecting the application for listing of the Equity Shares, and if any such money is not refunded/ unblocked within 4 (four) days after our Company becomes liable to repay it, our Company and every director of our Company who is an officer-in-default shall, on and from the expiry of the fourth day, be jointly and severally liable to repay that money with interest at rates prescribed under applicable law.

Subscription to this Issue by our Promoter and members of the Promoter Group

For details of the intent and extent of the subscription by our Promoters and Promoter Group, see "***Capital Structure***" on page no. 40 of this Letter of Offer.

Compliance with SEBI (ICDR) Regulations, 2018

Our Company shall comply with all requirements of the SEBI (ICDR) Regulations. Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

Rights of the Rights Equity Shareholders

Subject to applicable laws, the Rights Equity Shareholders shall have the following rights:

- The right to receive dividend, if declared;
- The right to attend general meetings and exercise voting powers, unless prohibited by law;
- The right to vote in person or by proxy;
- The right to receive offers for rights shares and be allotted bonus shares, if announced;
- The right to receive surplus on liquidation;
- The right to free transferability of Rights Equity Shares;
- The right to attend general meetings and exercise voting powers in accordance with law, unless prohibited by law; 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.

General Terms of the Issue

Market Lot

The Equity Shares of our Company are tradable only in dematerialised form. The market lot for Rights Equity Shares in dematerialised mode is one Equity Share. To clarify further, fractional entitlements are not eligible for trading.

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 the joint holders with the benefit of survivorship subject to the provisions contained in our Articles of Association. In case of Equity Shares held by joint holders, the Application submitted in physical mode to the Designated Branch of the SCSBs would be required to be signed by all the joint holders (in the same order as appearing in the records of the Depository) to be considered as valid for allotment of Equity Shares offered in this Issue.

Nomination

Nomination facility is available in respect of the Equity Shares in accordance with the provisions of the Section 72 of the Companies Act, 2013 read with Rule 19 of the Companies (Share Capital and Debenture) Rules, 2014. An Investor can nominate any person by filling the relevant details in the Application Form in the space provided for this purpose.

Since the Allotment is in dematerialized form, there is no need to make a separate nomination for the Equity Shares to be allotted in this Issue. Nominations registered with the respective DPs of the Shareholders would prevail. Any Shareholder holding Equity Shares in dematerialised form and desirous of changing the existing nomination is requested to inform its Depository Participant.

Arrangements for Disposal of Odd Lots

The Equity Shares shall be traded in dematerialized form only and, therefore, the market lot of Rights Entitlements shall be 1 (One) Equity Share.

New Financial Instruments

There are no new financial instruments like deep discount bonds, debentures with warrants, secured premium notes etc. issued by our Company.

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.

However, the Investors should note that pursuant to provisions of the SEBI Listing Regulations, with effect from April 1, 2019, except in case of transmission or transposition of securities, the request for transfer of securities shall not effected unless the securities are held in the dematerialized form with a depository.

Notices

In accordance with the SEBI ICDR Regulations, SEBI Rights Issue Circulars and MCA General Circular No. 21/2020, our Company will send only through email, the Rights Entitlement Letter, Application Form and other issue material to the email addresses of all the Eligible Equity Shareholders who have provided their Indian addresses to our Company or who are located in jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions. The Letter of Offer will be provided only through email by the Registrar on behalf of our Company to the Eligible Equity Shareholders who have provided their email addresses to our Company or who are located in jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions and in each case, who make a request in this regard.

All statutory notices, required by applicable laws, to the Eligible Equity Shareholders required to be given by our Company shall be published in one (1) English language national daily newspaper with wide circulation, one (1) Hindi language national daily newspaper with wide circulation and one (1) Tamil (Regional) daily newspaper with wide circulation at the place where our Registered Office is situated.

Offer to Non-Resident Eligible Equity Shareholders/ Shareholders

As per Rule 7 of the FEMA Rules, RBI has given general permission to Indian Companies to issue Equity Shares to non-resident Equity Shareholders including additional Equity Shares. Further, as per the Master Direction on Foreign Investment in India dated January 4, 2018 issued by RBI, non-residents may, amongst other things, (i) subscribe for additional shares over and above their Rights Entitlements; (ii) renounce the shares offered to them either in full or part thereof in favour of a person named by them; or (iii) apply for the shares renounced in their favour. Applications received from NRIs and non-residents for allotment of Equity Shares shall be, amongst other things, subject to the conditions imposed from time to time by RBI under FEMA in the matter of Application, refund of Application Money, Allotment of Equity Shares and issue of Rights Entitlement Letters/ Letters of Allotment/ Allotment advice. If a non-resident or NRI Shareholders has specific approval from RBI or any other governmental authority, in connection with his shareholding in our Company, such person should enclose a copy of such approval with the Application details and send it to the Registrar at artificialelectronics.rights@in.mpms.mufg.com It will be the sole responsibility of the Shareholders to ensure that the necessary approval from the RBI or the governmental authority is valid in order to make any investment in the Issue and our Company will not be responsible for any such allotments made by relying on such approval.

The Letter of Offer, Application Form, Rights Entitlement Letter and any other Issue related materials (collectively, the **"Issue Materials"**) will be sent electronically by the Registrar, on behalf of the Company, to all Eligible Equity Shareholders who have provided a valid e-mail address. Eligible Equity Shareholders can access this Letter Offer and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Equity Shares under applicable securities laws) from the websites of the Registrar, our Company and the Stock Exchange. Further, Application Forms will be made available at Registered Office of our Company for the Non-Resident Indian Applicants. Our Board may at its absolute discretion, agree to such terms and conditions as may be stipulated by RBI while approving the Allotment. The Equity Shares purchased by non-residents shall be subject to the same conditions including restrictions in regard to the repatriation as are applicable to the original Equity Shares against which Equity Shares are issued on rights basis.

In case of change of status of holders, *i.e.,* from resident to non-resident, a new demat account must be opened. Any Application from a demat account which does not reflect the accurate status of the Applicant is liable to be rejected at the sole discretion of our Company.

Please also note that pursuant to Circular No. 14 dated September 16, 2003 issued by RBI, Overseas Corporate Bodies ("OCBs") have been de recognized as an eligible class of Shareholders and RBI has subsequently issued the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCBs)) Regulations, 2003. Any Shareholder being an OCB is required not to be under the adverse notice of RBI and in order to apply for this issue as an incorporated non-resident must do so in accordance with the FDI Circular 2020 and Foreign Exchange Management (Non-Debt Instrument) Rules, 2019.

The non-resident Eligible Equity Shareholders can update their Indian address in the records maintained by the Registrar and our Company by submitting the irrespective copies of self-attested proof of address, passport, etc. at artificialelectronics.rights@in.mpms.mufg.com

ALLOTMENT OF THE EQUITY SHARES IN DEMATERIALIZED FORM

PLEASE NOTE THAT THE EQUITY SHARES APPLIED FOR IN THIS ISSUE CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO THE SAME DEPOSITORY ACCOUNT IN WHICH OUR EQUITY SHARES ARE HELD BY SUCH SHAREHOLDERS ON THE RECORD DATE [•] FOR DETAILS, SEE *"ALLOTMENT ADVICE OR REFUND/ UNBLOCKING OF ASBA ACCOUNTS"* ON PAGE NO. 111 OF THIS LETTER OF OFFER

Underwriting

The Issue is not underwritten.

Issue Schedule

Last date for credit of Rights entitlements	[•]
Issue opening date	[•]
Last date for on-market renunciation of rights / Date of closure of trading of Rights Entitlements#	[•]
Issue Closing Date*	[•]
Finalising the basis of allotment with the Designated Stock Exchange (on or about)	[•]
Date of Allotment (on or about)	[•]
Date of Credit (on or about)	[•]
Date of Listing (on or about)	[•]

#Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncee(s) on or prior to the Issue Closing Date.
**Our Board or a duly authorized committee thereof 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 (inclusive of the Issue Opening Date). Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.*
***Investors are advised to ensure that the Application Forms are submitted on or before the Issue Closing Date. Our Company and/or the Registrar to the Issue will not be liable for any loss on account of non-submission of Application Forms or on before the Issue Closing Date.*

Please note that if Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date i.e., [•], have not provided the details of their demat accounts to our Company or to the Registrar, they are required to provide their demat account details to our Company or the Registrar not later than two working days prior to the Issue Closing Date, i.e., [•], to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts, at least one day before the Issue Closing Date, i.e., [•].

Basis of Allotment

Subject to the provisions contained in this Letter of Offer, the Rights Entitlement Letter, the Application Form, the Articles of Association and the approval of the Designated Stock Exchange, our Board will proceed to allot the Equity Shares in the following order of priority:

(a) Full Allotment to those Eligible Equity Shareholders who have applied for their Rights Entitlements of Equity Shares either in full or in part and also to the Renouncee(s) who has or have applied for Equity Shares renounced in their favour, in full or in part.

(b) Eligible Equity Shareholders whose fractional entitlements are being ignored and Eligible Equity Shareholders with zero entitlement, would be given preference in allotment of one additional Equity Share each if they apply for additional Equity Shares. Allotment under this head shall be considered if there are any unsubscribed Equity Shares after allotment under (a) above. If number of Equity Shares required for Allotment under this head are more than the number of Equity Shares available after Allotment under (a) above, the Allotment would be made on a fair and equitable basis in consultation with the Designated Stock Exchange and will not be a preferential allotment.

(c) Allotment to the Eligible Equity Shareholders who having applied for all the Equity Shares offered to them as part of this Issue, have also applied for additional Equity Shares. The Allotment of such additional 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 are any unsubscribed Equity Shares after making full Allotment in (a) and (b) above. The Allotment of such Equity Shares will be at the sole discretion of our Board in consultation with the Designated Stock Exchange, as a part of this Issue and will not be a preferential allotment.

(d) Allotment to Renouncee(s) who having applied for all the Equity Shares renounced in their favour, have applied for additional Equity Shares provided there is surplus available after making full Allotment under (a), (b) and (c) above. The Allotment of such Equity Shares will be made on a proportionate basis in consultation with the Designated Stock Exchange, as a part of this Issue and will not be a preferential allotment.

(e) Allotment to any other person, subject to applicable laws, that our Board may deem fit, provided there is surplus available after making Allotment under (a), (b), (c) and (d) above, and the decision of our Board in this regard shall be final and binding.

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’.

Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall send to the Controlling Branches, a list of the Shareholders who have been allocated Equity Shares in this Issue, along with:

i) The amount to be transferred from the ASBA Account to the separate bank account opened by our Company for this Issue, for each successful Application;
ii) The date by which the funds referred to above, shall be transferred to the aforesaid bank account; and
iii) The details of rejected ASBA applications, if any, to enable the SCSBs to unblock the respective ASBA Accounts.

In the event of over subscription, Allotment shall be made within the overall size of the Issue.

ALLOTMENT ADVICE OR REFUND/ UNBLOCKING OF ASBA ACCOUNTS

Registrar on behalf of our Company will sent an email for Allotment advice, refund instructions (including in respect of Applications made through the optional facility) or demat credit of securities and/or letters of regret, along with crediting the Allotted Rights Equity Shares to the respective beneficiary accounts (only in dematerialised mode) or in a demat suspense account (in respect of Eligible Equity Shareholders holding Equity Shares in physical form on the Allotment Date) or unblocking the funds in the respective ASBA Accounts, if any, within a period of 2 (Two) working days from the Issue Closing Date i.e. [•] In case of failure to do so, our Company shall pay interest at 15.00% p.a. and such other rate as specified under applicable law from the expiry of such period.

Investors residing at centers where clearing houses are managed by the RBI will get refunds through National Automated Clearing House **("NACH")** 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")**.

The letter of allotment or refund order would be sent by permitted mode i.e. email only to the sole/ first Investor's valid email addresses provided by the Eligible Equity Shareholders to our Company.

Credit and Transfer of Rights Equity Shares in case of Shareholders holding Equity Shares in Physical Form and disposal of Rights Equity Shares for non-receipt of demat account details in a timely manner.

In case of Allotment to resident Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date i.e., [•], have paid the Application Money and have not provided the details of their demat account to the Registrar or our Company at least two working days prior to the Issue Closing Date i.e. [•], the Registrar shall reject the application and will refund the application amount.

PAYMENT OF REFUND

Mode of making refunds

In case of Applicants not eligible to make an application through ASBA process, the payment of refund, if any, including in the event of oversubscription or failure to list or otherwise would be done through any of the following modes:

Unblocking amounts blocked using ASBA facility.

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 centers specified by 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 centers where NACH facility has been made available by 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 Creditor RTGS.

National Electronic Fund Transfer ("NEFT") – Payment of refund shall be undertaken through NEFT wherever the Shareholders' bank has been assigned the Indian Financial System Code ("IFSC Code"), 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 Shareholders 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 Shareholders through this method.

Direct Credit – Shareholders having bank accounts with the Banker(s) 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.

RTGS – If their fund amount exceeds Rs. 2,00,000/- the Shareholders have the option to receive refund through RTGS. Such eligible Shareholders who indicate their preference to receive refund through RTGS are required to provide the IFSC Code in the Application Form. In the event the same is not provided, refund shall be made through NACH 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 Investors bank receiving the credit would be borne by the Investors.

For all other Investors, the refund orders will be dispatched through email only to eligible equity shareholders, subject to applicable laws. Such refunds will be made by electronic manner, permissible under the banking laws, which are in force, and by SEBI from time to time.

Credit of refunds to Investors in any other electronic manner, permissible under the banking laws, which are in force, and is permitted by SEBI from time to time.

Refund payment to non-residents

The Application Money will be unblocked in the ASBA Account of the non-resident Applicants, details of which were provided in the Application Form.

ALLOTMENT ADVICE OR DEMAT CREDIT OF SECURITIES

Receipt of the Equity Shares in Dematerialized Form

The demat credit of securities to the respective beneficiary accounts or the demat suspense account (pending receipt of demat account details for Eligible Equity Shareholders holding Equity Shares in physical form/ with IEPF authority/ in suspense, etc.) will be credited within 3 (Three) days from the Issue Closing Date or such other timeline in accordance with applicable laws.

PLEASE NOTE THAT THE EQUITY SHARES APPLIED FOR UNDER THIS ISSUE CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO (A) THE SAME DEPOSITORY ACCOUNT/ CORRESPONDING PAN IN WHICH THE EQUITY SHARES ARE HELD BY SUCH SHAREHOLDERS ON THE RECORD DATE, OR (B) THE DEPOSITORY ACCOUNT, DETAILS OF WHICH HAVE BEEN PROVIDED TO OUR COMPANY OR THE REGISTRAR AT LEAST TWO WORKING DAYS PRIOR TO THE ISSUE CLOSING DATE BY THE ELIGIBLE EQUITY SHAREHOLDER HOLDING EQUITY SHARES IN PHYSICAL FORM AS ON THE RECORD DATE, OR (C) DEMAT SUSPENSE ACCOUNT PENDING RECEIPT OF DEMAT ACCOUNT DETAILS FOR RESIDENT ELIGIBLE EQUITY SHAREHOLDERS HOLDING EQUITY SHARES IN PHYSICAL FORM/ WHERE THE CREDIT OF THE RIGHTS ENTITLEMENTS RETURNED/ REVERSED/ FAILED.

Shareholders shall be allotted the Equity Shares in dematerialized (electronic) form. Our Company has signed an agreement with NSDL and with CDSL which enables the Shareholders to hold and trade in the securities issued by our Company in a dematerialized form, instead of holding the Equity Shares in the form of physical certificates.

INVESTORS MAY PLEASE NOTE THAT THE EQUITY SHARES CAN BE TRADED ON THE STOCK EXCHANGE ONLY IN DEMATERIALIZED FORM.

The procedure for availing the facility for Allotment of Equity Shares in this Issue in the dematerialized form is as under:

i) 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 Shareholders having various folios in our Company with different joint holders, the Shareholders will have to open separate accounts for such holdings. Those Shareholders who have already opened such beneficiary account(s) need not adhere to this step.
ii) It should be ensured that the depository account is in the name(s) of the Shareholders and the names are in the same order as in the records of our Company or the Depositories.
iii) The responsibility for correctness of information filled in the Application Form *vis-à-vis* such information with the Shareholder's depository participant, would rest with the Shareholders. Shareholders should ensure that the names of the Shareholders and the order in which they appear in Application Form should be the same as registered with the Shareholder's depository participant.
iv) If in complete or incorrect beneficiary account details are given in the Application Form, the Shareholders will not get any Equity Shares and the Application Form will be rejected.
v) The Rights Equity Shares will be allotted to Applicants only in dematerialized form and would be directly credited to the beneficiary account as given in the Application Form after verification or demat suspense account (pending receipt of demat account details for resident Eligible Equity Shareholders holding Equity Shares in physical form/ with IEPF authority/ in suspense, *etc.*). Allotment advice, refund order (if any) would be sent directly to the

Applicant by e-mail and, by the Registrar but the Applicant's depository participant will provide to him the confirmation of the credit of such Equity Shares to the Applicant's depository account.

vi) Non-transferable Allotment advice/ refund intimation will be directly sent to the Shareholders by the Registrar, through e-mail.

vii) Renouncee(s) will also have to provide the necessary details about their beneficiary account for Allotment of Equity Shares in this Issue. In case these details are incomplete or incorrect, the Application is liable to be rejected.

viii) Dividend or other benefits with respect to the Equity Shares held in dematerialized 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.

Resident Eligible Equity Shareholders, who hold Equity Shares in physical form and who have not furnished the details of their demat account to the Registrar or our Company at least two working days prior to the Issue Closing Date, desirous of subscribing to Rights Equity Shares in this Issue must check the procedure for application by and credit of Rights Equity Shares to such Eligible Equity Shareholders in Section Terms of the Issue - *"Procedure for Application by Eligible Equity Shareholders holding Equity Shares in physical form" and "Credit and Transfer of Rights Equity Shares in case of Shareholders holding Equity Shares in Physical Form" on page nos. 93 and 111,* respectively of this Letter of Offer.

IMPERSONATION

As a matter of abundant caution, attention of the Shareholders is specifically drawn to the provisions of Section 38 of the Companies Act, 2013 which is reproduced below:

"*Any person who makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447.*"

The liability prescribed under Section 447 of the Companies Act, 2013 for fraud involving an amount of at least Rs. 10./- lakhs or 1.00% of the turnover of the Company, whichever is lower, includes imprisonment for a term which shall not be less than six months extending up to ten years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount. Where such fraud (i) involves an amount which is less than Rs. 10.00/- lakhs or 1.00% of the turnover of the Company, whichever is lower, and (ii) does not involve public interest, then such fraud is punishable with imprisonment for a term extending up to five years or fine of an amount extending up to Rs. 50.00 lakhs or with both.

UTILISATION OF ISSUE PROCEEDS

Our Board of Directors declares that:

(a) All monies received out of the Issue shall be transferred to a separate bank account;

(b) Details of all monies utilized out of the Issue shall be disclosed, and shall continue to be disclosed until the time any part of the Issue Proceeds remains unutilized, under an appropriate separate head in the balance sheet of our Company indicating the purpose for which such monies have been utilized;

(c) Details of all unutilized monies out of the Issue, if any, shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the form in which such unutilized monies have been invested; and

(d) Our Company may utilize the funds collected in the Issue only after final listing and trading approvals for the Rights Equity Shares allotted in the Issue is received.

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 Rights Equity Shares are to be listed will be taken within the time prescribed by the SEBI.

(c) The funds required for making refunds to unsuccessful Applicants as per the mode(s) disclosed shall be made available to the Registrar by our Company.

(d) Where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the Investor within 2 (Two) working 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) No further issue of securities affecting our Company's Equity Share capital shall be made until the Rights Equity Shares are listed or until the Application Money is refunded on account of non-listing, under subscription etc.
(f) In case of unblocking of the application amount for unsuccessful Applicants or part of the application amount in case of proportionate Allotment, a suitable communication shall be sent to the Applicants.
(g) Adequate arrangements shall be made to collect all ASBA Applications and to consider them similar to non-ASBA Applications while finalizing the Basis of Allotment.
(h) At any given time, there shall be only one denomination for the Rights Equity Shares of our Company.
(i) Our Company shall comply with all disclosure and accounting norms specified by the SEBI from time to time.
(j) Our Company accepts full responsibility for the accuracy of information given in this Letter of Offer and confirms that to the best of its knowledge and belief, there are no other facts the omission of which makes any statement made in this Letter of Offer misleading and further confirms that it has made all reasonable enquiries to ascertain such facts.

Minimum subscription

The Objects of the Issue are to meet the Company's working capital requirements and for general corporate purposes. The Promoters and members of the Promoter Group of the Company have undertaken that they will subscribe to the full extent of their Rights Entitlements and shall not renounce such Rights Entitlements. Such subscription shall be subject to compliance with the provisions of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 ("SEBI Takeover Regulations"), Regulation 38 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), and Rule 19A of the Securities Contracts (Regulation) Rules, 1957 ("SCRR") relating to the maintenance of minimum public shareholding.

Accordingly, the aggregate shareholding of the Promoters and Promoter Group pursuant to the Issue shall remain in compliance with the applicable provisions of the SEBI Takeover Regulations and the minimum public shareholding requirements prescribed under applicable law.

Accordingly, pursuant to Regulation 86 of the SEBI ICDR Regulations and considering the Objects of the Issue, the requirement of minimum subscription is not applicable to this Issue.

Withdrawal of the Issue

Subject to provisions of the SEBI ICDR Regulations, the Companies Act and other applicable laws, our Company reserves the right not to proceed with the Issue at any time before the Issue Opening Date without assigning any reason thereof.

If our Company withdraws the Issue any time after the Issue Opening Date, a public notice within 2 (Two) working days of the Issue Closing Date i.e. [•] or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Issue shall be issued by our Company. The notice of withdrawal will be issued in the same newspapers where the pre-issue advertisement has appeared and the Stock Exchange will also be informed promptly.

The Registrar to the Issue, will instruct the SCSBs to unblock the ASBA Accounts within 1 (One) working Day from the day of receipt of such instruction. Our Company shall also inform the same to the Stock Exchange.

If our Company withdraws the Issue at any stage including after the Issue Closing Date and subsequently decides to proceed with an Issue of the Equity Shares, our Company will file a fresh offer document with the stock exchange where the Equity Shares may be proposed to be listed.

SHAREHOLDERS GRIEVANCES, COMMUNICATION AND IMPORTANT LINKS

1. Please read this Letter of Offer carefully before taking any action. The instructions contained in the Application Form and the Rights Entitlement Letter are an integral part of the conditions of this Letter of Offer and must be carefully followed; otherwise, the Application is liable to be rejected. It is to be specifically noted that this Issue of Rights Equity Shares is subject to the risk factors mentioned in ***"Risk Factors"*** on page no. 24 of this Letter of Offer.

2. All enquiries in connection with the Letter of Offer or Application Form and the Rights Entitlement Letter must be addressed (quoting the Registered Folio Number or the DP and Client ID number, the Application Form number and the name of the first Eligible Equity Shareholder as mentioned on the Application Form and super scribed **"[•]"** on the envelope to the Registrar at the following address:

Email id: artificialelectronics.rights@in.mpms.mufg.com
Registered Address*: C-101, Embassy 247, LBS Marg, Surya Nagar, Gandhi Nagar Vikhroli (West), Mumbai – 400 083, Maharashtra, India*

3. In accordance with SEBI Rights Issue Circulars, frequently asked questions and online/ electronic dedicated Investors helpdesk for guidance on the Application process and resolution of difficulties faced by the Investors will be available on the website of the Registrar at www.in.mpms.mufg.com Further, helpline number provided by the Registrar for guidance on the Application process and resolution of difficulties is at +91-8108114949.

4. The Shareholders can visit following links for the below-mentioned purposes:

   - Frequently asked questions and online/ electronic dedicated Shareholders helpdesk for guidance on the Application process and resolution of difficulties faced by the Shareholders: www.in.mpms.mufg.com

   - Updation of Indian address/ e-mail address/ phone or mobile number in the records maintained by the Registrar at artificialelectronics.rights@in.mpms.mufg.com or our Company at cos@aeim.co

   - Updation of demat account details by Eligible Equity Shareholders holding shares in physical form: artificialelectronics.rights@in.mpms.mufg.com

   - Submission of self-attested PAN, client master sheet and demat account details by non-resident Eligible Equity Shareholders: artificialelectronics.rights@in.mpms.mufg.com

This Issue will remain open for a minimum **[●]** days. However, our 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 (inclusive of the Issue Closing Date).

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991, of the Government of India and FEMA. While the Industrial Policy, 1991, of the Government of India, prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. The Union Cabinet, as provided in the Cabinet Press Release dated May 24, 2017, has given its approval for phasing out the FIPB. Under the Industrial Policy, 1991, unless specifically restricted, foreign investment is freely permitted in all sectors of the Indian economy upto any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. Accordingly, the process for foreign direct investment ("**FDI**") and approval from the Government of India will now be handled by the concerned ministries or departments, in consultation with the Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India (formerly known as the Department of Industrial Policy and Promotion)("**DPIIT**"), Ministry of Finance, Department of Economic Affairs, FIPB section, through a memorandum dated June 5, 2017, has notified the specific ministries handling relevant sectors.

The Government has, from time to time, made policy pronouncements on FDI through press notes and press releases. The DPIIT issued the Consolidated FDI Policy Circular of 2020 ("**FDI Circular 2020**"), which, with effect from October 15, 2020, consolidated and superseded all previous press notes, press releases and clarifications on FDI issued by the DPIIT that were in force and effect as on October 15, 2020. The Government proposes to update the consolidated circular on FDI policy once every year and therefore, FDI Circular 2020 will be valid until the DPIIT issues an updated circular.

The Government of India has from time to time made policy pronouncements on FDI through press notes and press releases which are notified by RBI as amendments to FEMA. In case of any conflict, the relevant notification under Foreign Exchange Management (Non-Debt Instruments) Rules, 2019 will prevail. The payment of inward remittance and reporting requirements are stipulated under the Foreign Exchange Management (Mode of Payment and Reporting of Non-Debt Instruments) Regulations, 2019 issued by RBI The FDI Circular 2020, issued by the DPIIT, consolidates the policy framework in place as on October 15, 2020, and supersedes all previous press notes, press releases and clarifications on FDI issued by the DPIIT that were in force and effect as on October 15, 2020.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of RBI, provided that (i) the activities of the investee company falls under the automatic route as provided in the FDI Policy and FEMA and transfer does not attract the provisions of the Takeover Regulations; (ii) the non-resident shareholding is within the sectorial limits under the FDI Policy; and (iii) the pricing is in accordance with the guidelines prescribed by SEBI and RBI.

No investment under the FDI route (i.e. any investment which would result in the investor holding 10.00% or more of the fully diluted paid-up equity share capital of the Company or any FDI investment for which an approval from the government was taken in the past) will be allowed in the Issue unless such application is accompanied with necessary approval or covered under a pre-existing approval from the government. It will be the sole responsibility of the investors to ensure that the necessary approval or the pre-existing approval from the government is valid in order to make any investment in the Issue. Our Company will not be responsible for any allotments made by relying on such approvals.

Our Company will not be responsible for any allotments made by relying on such approvals. Please also note that pursuant to Circular no. 14 dated September 16, 2003 issued by RBI, Overseas Corporate Bodies ("OCBs") have been derecognized as an eligible class of investors and RBI has subsequently issued the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCBs)) Regulations, 2003. Any Investor being an OCB is required not to be under the adverse notice of RBI and in order to apply for this issue as an incorporated non-resident must do so in accordance with the FDI Circular 2020 and Foreign Exchange Management (Non-Debt Instrument) Rules, 2019. Further, while investing in the Issue, the Investors are deemed to have obtained the necessary approvals, as required, under applicable laws and the obligation to obtain such approvals shall be upon the Investors. Our Company shall not be under an obligation to obtain any approval under any of the applicable laws on behalf of the Investors and shall not be liable in case of failure on part of the Investors to obtain such approvals.

The above information is given for the benefit of the Applicants/ Investors. Our Company is not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Letter of Offer. Investors are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following contracts which have been entered into or are to be entered into by our Company (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two years before the date of this Letter of Offer) which are or may be deemed material have been entered into or are to be entered into by our Company. Copies of the documents for inspection referred to hereunder, would be available at the registered office of the Company during business hours from the date of this Letter of Offer until the Issue Closing Date.

A. MATERIAL CONTRACTS FOR THE ISSUE

1. Registrar Agreement dated [●] entered into between our Company and the Registrar to the Issue.

2. Escrow Agreement dated [●] amongst our Company, the Registrar to the Issue and the Bankers to the Issue.

3. Monitoring Agency Agreement dated 23rd June, 2026 between our Company and the Monitoring Agency.

B. MATERIAL DOCUMENTS

1. Certified copies of the Memorandum of Association and Articles of Association of our Company as amended from time to time.

2. Certificate of Incorporation of the Company as **"Datasoft Application Software (India) Limited"**, dated 2nd June, 1992.

3. Certificate of Incorporation pursuant to change of name of the Company as **"Artificial Electronics Intelligent Material Limited"**, dated 19th June, 2024.

4. Resolution of the Board of Directors dated 17th September, 2026 in relation to the issue and Resolution of the Board of Directors dated [•] approving issue details like price, number of shares and ratio etc.

5. Consents of our Directors, Company Secretary & Compliance Officer, Chief Financial Officer, Statutory Auditor of the Company, Bankers to the Issue, Registrar to the Company & Issue and Monitoring Agency to include their names in this Letter of Offer and to act in their respective capacities.

6. Annual Reports of the Company for the year ended on March 31, 2026, 2025, 2024 and Un-audited Financial Results for the Quarter ended on 30th June, 2026 along with Limited Review Report.

7. Statement of possible Tax Benefits dated 17th September, 2026 from the Statutory Auditor included in this Letter of Offer.

8. In-principle approval dated [•] issued by BSE Limited.

Any of the contracts or documents mentioned in this Letter of Offer may be amended or modified at any time if so, required in the interest of our Company or if required by the other parties, without reference to the Equity Shareholders subject to compliance of the provisions contained in the Companies Act, 2013 and other relevant statutes.

SECTION XI - DECLARATION

We hereby certify that no statement made in this Letter of Offer contravenes any of the provisions of the Companies Act, 2013 and the rules made thereunder. 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 Letter of Offer are true and correct.

SIGNED BY THE DIRECTORS OF OUR COMPANY

Sd/-
Ms. Uma Nandam
(Whole-time Director)
DIN: 02220048

Sd/-
Mr. Eswara Rao Nandam
(Chairman & Non – Executive Director)
DIN: 02220039

Sd/-
Mr. Vishaal Nandam
(Non – Executive Director)
DIN: 07318680

Sd/-
Mr. S Balasubramanian
(Non - Executive and Independent Director)
DIN: 11097149

Sd/-
Mr. Alan M Wagner
(Non - Executive and Independent Director)
DIN: 10946669

Sd/-
Ms. Rapala Virtanentarja Hannele
(Non - Executive and Independent Director)
DIN: 09528399

SIGNED BY THE KEY MANAGERIAL PERSONNEL(S) OF THE COMPANY

Sd/-
Ms. Chayonika Paloi
(Company Secretary and Compliance Officer)

Sd/-
Mr. Girija Sankar Tripathy
(Chief Financial Officer)

Date: 17th September, 2026
Place: Vadakapattu