



AESTHETIK ENGINEERS LIMITED



THIS IS A PUBLIC ANNOUNCEMENT FOR INFORMATION PURPOSES ONLY AND IS NOT A PROSPECTUS ANNOUNCEMENT

Our Company was incorporated as a Private Limited Company under the Companies Act, 1956 in the name and style of "Aesthetic Engineers Private Limited" bearing Certificate of Incorporation Number U74210WB2008PTC124716 issued by the Registrar of Companies, Kolkata dated April 02, 2008 upon takeover of the existing partnership firm namely "M/s Aesthetic". Further, our Company was converted into a Public Limited Company in pursuance of a special resolution passed by the members of our Company at the Extra-Ordinary General Meeting held on December 18, 2023 and the name of our Company changed from "Aesthetic Engineers Private Limited" to "Aesthetic Engineers Limited" & Registrar of Companies, Kolkata issued a new certificate of incorporation consequent upon conversion dated January 24, 2024. As on date of this Red Herring Prospectus, the Corporate Identification Number of our Company is U74210WB2008PLC124716. For further details of incorporation please refer to section titled "Our History and Certain Other Corporate Matters" beginning on page 162 of this Red Herring Prospectus.

Registered Office: 1858/1, 5th Floor, Unit 503-505, Acropolis Mall, Rajdanga Main Road, Kasba, Kolkata, West Bengal-700107, India, Tel: +91 9836000052; Fax: N.A., Website: www.aesthetic.in, E-mail: cs@aesthetic.in
Company Secretary and Compliance Officer: Ms. Priyanka Gupta

PROMOTERS: MR. AVINASH AGARWAL, MS. SRETI AGARWAL, MS. MANISHA SUREKA AND M/S AVINASH AGARWAL (HUF)

THE ISSUE

INITIAL PUBLIC OFFERING OF UP TO 45,64,000 EQUITY SHARES OF RS. 10/- EACH ("EQUITY SHARES") OF AESTHETIK ENGINEERS LIMITED ("AESTHETIK" OR "AEL" OR THE "COMPANY") FOR CASH AT A PRICE OF RS. [-] PER EQUITY SHARE (THE "ISSUE PRICE"), AGGREGATING TO RS. [-] LAKHS ("THE ISSUE"). OUT OF THE ISSUE, 2,32,000 EQUITY SHARES AGGREGATING TO RS. [-] LAKHS WILL BE RESERVED FOR SUBSCRIPTION BY MARKET MAKER ("MARKET MAKER RESERVATION PORTION"). THE ISSUE LESS THE MARKET MAKER RESERVATION PORTION I.E. ISSUE OF 43,32,000 EQUITY SHARES OF FACE VALUE OF RS. 10/- EACH AT AN ISSUE PRICE OF RS. [-] PER EQUITY SHARE AGGREGATING TO RS. [-] LAKHS IS HERINAFTER REFERRED TO AS THE "NET ISSUE". THE ISSUE AND THE NET ISSUE WILL CONSTITUTE 26.50% AND 25.16%, RESPECTIVELY OF THE POST ISSUE PAID UP EQUITY SHARE CAPITAL OF OUR COMPANY.

ALLOCATION OF THE ISSUE

QIB PORTION (EXCLUDING ANCHOR INVESTOR)	NOT MORE THAN 8,66,000 EQUITY SHARES
ANCHOR INVESTOR PORTION	NOT MORE THAN 12,96,000 EQUITY SHARES
RETAIL PORTION	NOT LESS THAN 15,18,000 EQUITY SHARES
NON-INSTITUTIONAL PORTION	NOT LESS THAN 6,52,000 EQUITY SHARES
MARKET MAKER PORTION	UPTO 2,32,000 EQUITY SHARES

PRICE BAND: ₹ 55/- to ₹ 58/- PER EQUITY SHARE

THE FLOOR PRICE IS 5.5 TIMES THE FACE VALUE AND CAP PRICE IS 5.8 TIMES THE FACE VALUE OF THE EQUITY SHARES.
BIDS CAN BE MADE FOR A MINIMUM OF 2000 EQUITY SHARES AND IN MULTIPLES OF 2000 EQUITY SHARES THEREAFTER.

THIS ISSUE IS BEING MADE THROUGH BOOK BUILDING PROCESS, IN TERMS OF CHAPTER IX OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018 (THE "SEBI (ICDR) REGULATIONS"), AS AMENDED READ WITH RULE 19(2)(B) OF SECURITIES CONTRACTS (REGULATION) RULES, 1957, AS AMENDED.
FOR FURTHER DETAILS, PLEASE REFER TO THE CHAPTER TITLED "ISSUE PROCEDURE" BEGINNING ON PAGE 325 OF THE RED HERRING PROSPECTUS. A COPY OF THE RED HERRING PROSPECTUS IS BEING DELIVERED FOR REGISTRATION TO THE REGISTRAR OF COMPANIES, KOLKATA AS REQUIRED UNDER SECTION 26 OF THE COMPANIES ACT, 2013.

BID / ISSUE PROGRAM

ANCHOR BID OPENS ON AUGUST 07, 2024

BID OFFER OPENS ON AUGUST 08, 2024

BID OFFER CLOSES ON AUGUST 12, 2024

ASBA*

Simple, safe, smart way of Application!!!!

*Applications supported by blocked amount (ASBA) is a better way of applying to issues by simply blocking the fund in the bank account. For further details, check section on ASBA below.

Mandatory in Public Issues No Cheque will be accepted



UPI-Now available in ASBA for Retail Individual Investors ("RII")**

Investors are required to ensure that the bank account used for bidding is linked to their PAN. UPI - Now available in ASBA for Retail Individual Bidders applying through Registered Brokers, DP's & RTA. Retail Individual Bidders also have the option to submit the application directly to the ASBA Bank (SCSBS) or to use the facility of linked online trading, demat and bank account.

*ASBA has to be availed by all the investors except Anchor Investors (if any). UPI may be availed by RIIs.

For details on the ASBA and UPI process, please refer to the details given in ASBA Form and abridged prospectus and also please refer to the section "Issue Procedure" beginning on page 325 of the Red Herring Prospectus. The process is also available on the website of SEBI and Stock Exchanges in the General Information Document. ASBA Forms can be downloaded from the website of Emerge platform of NSE ("NSE Emerge" or "Stock Exchange") and can be obtained from the list of banks that is displaying on website of SEBI at www.sebi.gov.in.

** List of banks supporting UPI is also available on the website of SEBI at www.sebi.gov.in. For the list of UPI Apps and Banks live on IPO, please refer to the link: www.sebi.gov.in. ICICI Bank Limited has been appointed as Sponsor Bank for the Issue in accordance with the requirements of the SEBI Circular dated November 1, 2018, as amended.

IN TERMS OF THE SEBI CIRCULAR NO. CIR/CFD/POLICYCELL/11/2016, DATED NOVEMBER 10, 2015 AND THE ALL-POTENTIAL INVESTORS SHALL PARTICIPATE IN THE ISSUE ONLY THROUGH AN APPLICATION SUPPORTED BY BLOCKED AMOUNT ("ASBA") PROCESS PROVIDING DETAILS ABOUT THE BANK ACCOUNT WHICH WILL BE BLOCKED BY THE SELF-CERTIFIED SYNDICATE BANKS ("SCSBS") FOR THE SAME. FURTHER PURSUANT TO SEBI CIRCULAR BEARING NO. SEBI/HO/CFD/TPD1/CIR/P/2023/140, FOR IMPLEMENTATION OF PHASE III FOR UPI FACILITY, WHICH IS EFFECTIVE FROM DECEMBER 01, 2023 ON MANDATORY BASIS, ALL POTENTIAL BIDDERS (EXCEPT ANCHOR INVESTORS) ARE REQUIRED TO MANDATORILY UTILIZE THE APPLICATION SUPPORTED BY BLOCKED AMOUNT ("ASBA") PROCESS PROVIDING DETAILS OF THEIR RESPECTIVE ASBA ACCOUNTS OR UPI ID (IN CASE OF RIIs), IN WHICH THE CORRESPONDING APPLICATION AMOUNTS WILL BE BLOCKED BY THE SCSBS OR UNDER THE UPI MECHANISM, AS APPLICABLE. FOR DETAILS IN THIS REGARD, SPECIFIC ATTENTION IS INVITED TO "ISSUE PROCEDURE" ON PAGE NO. 325 OF THE RED HERRING PROSPECTUS. IN CASE OF DELAY IF ANY IN UNBLOCKING/REFUND THE FUND, OUR COMPANY SHALL PAY INTEREST ON THE APPLICATION MONEY AT THE RATE OF 15% PER ANNUM FOR THE PERIOD OF DELAY. THE ISSUE IS BEING MADE UNDER PHASE III OF THE UPI (ON A MANDATORY BASIS).

1) Basic Earnings per Share (EPS) as per Accounting Standard 20.

On the basis of Standalone financials:

Financial Year	EPS (Basic & Diluted)	Weight
2023-24	3.97	3
2022-23	13.34	2
2021-22	(5.35)	1
Weighted Average EPS	5.54	

On the basis of Consolidated financial statements:

Financial Year	EPS (Basic & Diluted)	Weight
2023-24	3.97	2
2022-23	13.34	1
Weighted Average EPS	7.09	

2) Price to Earnings (P/E) ratio in relation to Issue Price of ₹ [-] per Equity Share of face value ₹ 10/- each fully paid up.

On the basis of standalone Financials:

Particulars	P/E Ratio at floor price	P/E Ratio at cap price
P/E ratio based on the Basic & Diluted EPS, as restated for FY 2023-24	13.85	14.61
P/E ratio based on the Basic & Diluted EPS, as restated for FY 2022-23	4.12	4.35
P/E ratio based on the Basic & Diluted EPS, as restated for FY 2021-22	(10.28)	(10.84)
P/E ratio based on the Weighted Average EPS, as restated	6.59	6.95

On the basis of consolidated Financials:

Particulars	P/E Ratio at floor price	P/E Ratio at cap price
P/E ratio based on the Basic & Diluted EPS, as restated for FY 2023-24	13.85	14.61
P/E ratio based on the Basic & Diluted EPS, as restated for FY 2022-23	4.12	4.35
P/E ratio based on the Weighted Average EPS, as restated	10.61	11.19

3) Return on Net Worth (RONW)

On the basis of standalone Financials:

Financial Year	Return on Net Worth (%)	Weight
2023-24	33.48	3
2022-23	11.68	2
2021-22	(5.30)	1
Weighted Average	19.75	

On the basis of Consolidated financial statements:

Financial Year	Return on Net Worth (%)	Weight
2023-24	33.48	2
2022-23	11.68	1
Weighted Average	26.21	

4) Net Asset Value per Equity Share

On the basis of standalone financials:

Particulars	Net Asset Value (NAV) in Rs.
For the period ended on March 31, 2024	11.87
NAV as on March 31, 2023	114.21
NAV as on March 31, 2022	100.87
NAV after the Offer-at Cap Price	23.30
NAV after the Offer-at Floor Price	24.10
Issue Price	[-]

On the basis of Consolidated financials:

Particulars	Net Asset Value (NAV) in Rs.
For the period ended on March 31, 2024	11.87
NAV as on March 31, 2023	114.21
NAV after the Offer-at Cap Price	23.30
NAV after the Offer-at Floor Price	24.10
Issue Price	[-]

5) Comparison with industry peers

S. No.	Name of the company	Face Value (Per Share)	CMP**	EPS	P/E Ratio	RONW(%)	PAT (In Thousand)
1	Aesthetic Engineers Limited	10	[-]	3.97	[-]	33.48%	50,298.96
2	Innovators facade System Limited	10.00	225.20	8.04	28.00	1.19	67.36

* Sourced from Annual Reports, Audited Financials, BSE.

** We have calculated P/E Ratio by dividing the Current Market Price on July 31, 2024 and EPS as on March 31, 2024.

Notes:

- Considering the nature and turnover of business of the Company, the peers are not strictly comparable. However, the same have been included for broader comparison.
- The figures for Aesthetic Engineers Limited are based on the standalone restated financial results for the year ended March 31, 2024.
- The figures for the peer group are based on standalone audited results for the year ended March 31, 2024.
- Current Market Price (CMP) is the closing price of respective scrip as on July 31, 2024.

For further details see section titled Risk Factors beginning on page 26 and the financials of the Company including profitability and return ratios, as set out in the section titled Auditors Report and Financial Information of Our Company beginning on page 198 of this Red Herring Prospectus for a more informed view.

Key financial and operational performance indicators ("KPIs")

Our company considers that KPIs included herein below have a bearing for arriving at the basis for Offer Price. The KPIs disclosed below have been approved by a resolution of our Audit Committee dated July 31, 2024. Further, the KPIs herein have been certified by M/s Maroti & Associates, Chartered Accountants, by their certificate dated July 31, 2024 vide UDIN 24309219BKGPP1195. Additionally, the Audit Committee on its meeting dated July 31, 2024 have confirmed that other than verified and audited KPIs set out below, our company has not disclosed to earlier investors at any point of time during the three years period prior to the date of the Red Herring Prospectus.

For further details of our key performance indicators, see "Risk Factors", "Our Business", "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 26, 129 and 286 respectively. We have described and defined them, where applicable, in "Definitions and Abbreviations" section on page no. 02. Our Company confirms that it shall continue to disclose all the KPIs included in this section "Basis for Offer Price", on a periodic basis, at least once in a year (or for any lesser period as determined by the Board of our Company), for a duration that is at least the later of (i) one year after the listing date or period specified by SEBI; or (ii) till the utilization of the Net Proceeds. Any change in these KPIs, during the aforementioned period, will be explained by our Company as required under the SEBI ICDR Regulations.

Key metrics like revenue growth, EBITDA Margin, PAT Margin and few balance sheet ratio are monitored on a periodic basis for evaluating the overall performance of our Company.

Standalone KPI indicators

Particulars	For period ended March 31, 2024	Financial Year ended March 31 st , 2023	Financial Year ended March 31 st , 2022
Revenue from operations ⁽¹⁾	607,203.05	400,097.64	257,391.17
Growth in revenue from operations ⁽²⁾	51.76%	55.44%	-
EBITDA ⁽³⁾	77,081.50	20,458.27	11,497.16
EBITDA (%) Margin ⁽⁴⁾	12.69%	5.11%	4.47%
EBITDA Growth year on year ⁽⁵⁾	276.77%	77.94%	-
ROCE (%) ⁽⁶⁾	37.32%	18.64%	8.54%
Current Ratio ⁽⁷⁾	1.97	1.09	1.24
Operating cash flow ⁽⁸⁾	(24,774.78)	33,363.47	13,052.57
PAT ⁽⁹⁾	50,298.96	11,258.71	(4,512.46)
ROE/ RoNW ⁽¹⁰⁾	33.48%	11.68%	(5.30%)
EPS ⁽¹¹⁾	3.97	13.34	(5.35)

Consolidated KPI indicators

Particulars	For period ended March 31, 2024	Financial Year ended March 31 st , 2023
Revenue from operations ⁽¹⁾	607,203.05	400,097.64
Growth in revenue from operations ⁽²⁾	51.76%	-
EBITDA ⁽³⁾	77,081.50	20,458.27
EBITDA (%) Margin ⁽⁴⁾	12.69%	5.11%
EBITDA Growth year on year ⁽⁵⁾	276.77%	-
ROCE (%) ⁽⁶⁾	37.32%	18.64%
Current Ratio ⁽⁷⁾	1.97	1.09
Operating cash flow ⁽⁸⁾	(24,774.78)	33,363.47
PAT ⁽⁹⁾	50,298.96	11,258.71
ROE/ RoNW ⁽¹⁰⁾	33.48%	11.68%
EPS ⁽¹¹⁾	3.97	13.34

Notes:

⁽¹⁾ Revenue from operations is the total revenue generated by our Company from its operation.

⁽²⁾ Growth in revenue in percentage, year on year

⁽³⁾ EBITDA is calculated as Profit before tax + Depreciation + Interest Expenses - Other Income

⁽⁴⁾ EBITDA Margin is calculated as EBITDA divided by Revenue from Operations

⁽⁵⁾ EBITDA growth rate year on year

⁽⁶⁾ ROCE: Return on Capital Employed is calculated as EBIT divided by capital employed, which is defined as shareholders' equity plus long-term debt less Revaluation Reserve.

⁽⁷⁾ Current Ratio: Current Asset over Current Liabilities

⁽⁸⁾ Operating Cash Flow: Net cash inflow from operating activities.

⁽⁹⁾ PAT is mentioned as PAT for the period.

⁽¹⁰⁾ ROC/RoNW is calculated as PAT divided by shareholders' equity.

⁽¹¹⁾ EPS is mentioned as EPS for the period.

RISKS TO INVESTORS

The average cost of acquisition per Equity Share by our Promoters, i.e., Mr. Avinash Agarwal, Ms. Sreeti Agarwal, Ms. Manisha Sureka & M/s. Avinash Agarwal (HUF) at the date of Red Herring Prospectus are 2.43, 7.33, 0.67 and 0.98 respectively.

At the date of the Red Herring Prospectus, the Weighted Average cost of acquisition per Equity Share by our Promoters i.e., Mr. Avinash Agarwal, Ms. Sreeti Agarwal, Ms. Manisha Sureka & M/s. Avinash Agarwal (HUF) at the date of Red Herring Prospectus is Nil.

Weighted Average Return on Net Worth on Consolidated basis for the FY ending 2024 and 2023 is 26.21 and standalone basis for FY ending 2024, 2023 and 2022 is 19.75.

1) Our company may, in consultation with the BRLM, consider participation by the Anchor Investor. The Anchor Investor Bid/Offer period shall be one working day prior to the Bid/Offer opening date in accordance with SEBI ICDR Regulations, 2018.

2) Our company may, in consultation with the BRLM, consider closing the Bid/Offer period for QIB one working day prior to the Bid/Offer Closing Date in accordance with the SEBI ICDR Regulations, 2018.

The details of the Equity Shares held by our Promoters, which are locked in for a period of 3 years from the date of Allotment in the Offer are given below:

Name of Promoter	Date of Transaction and when made fully paid-up	Nature of Transaction	No. of Equity Shares	Face Value (Rs.)	Issue/Acquisition Price per Equity Share (Rs.)	Percentage of post-Offer paid-up capital (%)	Lock in Period
Avinash Agarwal	March 30, 2024	Bonus issue	34,46,000	10	NA	20.01%	3 years

In case of revision in the price band, the bid/issue period shall be extended for at least three (3) additional working days after such revision in the price band, subject to the bid/issue period not exceeding a total of ten (10) working days any revision in the price band, and the revised bid/issue period, if applicable shall be widely disseminated by notification to the Stock Exchange by issuing press release and by and also by indicating the change on the website of BRLM and by intimation to Self-Certified Syndicate Banks (SCSB's), the sponsor banks and the designated intermediaries, as applicable. In case of force majeure, Banking strike or similar circumstances, the company may for the reason recorded in writing, extend the Bid/Issue period by at least Three (3) additional working days subject to total bid/issue period not exceeding Ten (10) working days.

The issue is being made in terms of Rule 19 (2)(b)(i) of the Securities Contract (Regulation) Rules, 1957, as amended ("SCRR") read with Regulation 253 of SEBI ICDR Regulations, the issue is being made for at least 25% of the post issue paid up Equity Share capital of our Company. The issue is being made through the Book Building Process wherein not more than 50% of the issue shall be available for allocation on a proportionate basis to Qualified Institutional Buyers ("QIB's" and such portion to the "QIB Portion") provided that our company may in consultation with the BRLM may allocate upto 60% of the QIB portion to the Anchor Investor on a discretionary basis in accordance with the SEBI ICDR Regulations ("Anchor Investor Portion"). One third of the Anchor Investor Portion shall be reserved for the Domestic Mutual Funds, subject to valid bids being received from the domestic mutual funds at or above the Anchor Investor allocation price. Further, 5% of the QIB portion (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual funds only, and the remainder of the QIB portion shall be available for allocation on proportionate basis to all QIBs Bidders (other than Anchor Investors), including mutual funds, subject to valid bids being received at or above the issue price. Further, not less than 15% of the issue shall be available for allocation on proportionate basis to Non-Institutional Bidder and not less than 35% of the issue shall be available for allocation to the Retail Individual Bidders in accordance with the SEBI ICDR Regulations subject to valid bids being received or above the issue price. All potential bidders, other than Anchor Investor, are required to mandatorily utilize the application supported by blocked amount ("ASBA") process providing details of their respective bank account (including UPI ID in case of RIIs) which will be blocked by SCSBS, or the bank account linked with the UPI ID, as applicable, to participate in the issue. Anchor Investors are not permitted to participate in the Anchor Investor Portion through the ASBA process. For Details, please see the section titled "Issue Procedure" on page 325 of the Red Herring Prospectus.

PROPOSED LISTING:

The Equity Shares offered through the Red Herring Prospectus are proposed to be listed on the Emerge Platform of National Stock Exchange of India Limited ("NSE Emerge"), in terms of the Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time. Our Company has received an In-Principle approval letter dated July 30, 2024 from National Stock Exchange of India Limited for using its name in this offer document for listing of our shares on the NSE Emerge. For the purpose of this issue, the Designated Stock Exchange will be the National Stock Exchange of India Limited.

DISCLAIMER CLAUSE OF SECURITIES AND EXCHANGE BOARD OF INDIA ("SEBI"):

Since the Issue is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, the Offer Document was not filed with SEBI. In terms of the SEBI ICDR Regulations, SEBI shall not issue any observations on the Offer Document. Hence, there is no such specific disclaimer clause of SEBI. However, investors may refer to the entire "SEBI Disclaimer Clause" on 309 of the Red Herring Prospectus.

DISCLAIMER CLAUSE OF EMERGE PLATFORM OF NATIONAL STOCK EXCHANGE OF INDIA LIMITED (DESIGNATED STOCK EXCHANGE):

It is to be distinctly understood that the permission given by the National Stock Exchange of India Limited ("NSE") should not in any way be deemed or construed that the contents of the Red Herring Prospectus or the price band at which the Equity Shares are offered for bidding has been cleared, solicited or approved by NSE nor does it certify the correctness accuracy or completeness of any of the contents of the Red Herring Prospectus. The investors are advised to refer to the Red Herring Prospectus for the full text of the "Disclaimer Clause of the Emerge Platform of the National Stock Exchange of India Limited" on page 311 of the Red Herring Prospectus.

RISK IN RELATION TO THE FIRST ISSUE:

This being the first public issue of our Company, there has been no formal market for the Equity Shares. The face value of the Equity Shares is Rs. 10/- each and the offer price is [-] times of the face value of the equity shares. The Issue Price (determined and justified by our Company in consultation with the Book Running Lead Manager as stated in "Basis for Issue Price" on page 92 should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.

Continued to next page.

