DRAFT RED HERRING PROSPECTUS
Dated: August 10, 2018
(The Draft Red Herring Prospectus will be updated upon filing with the RoC)
(Please read Section 32 of the Companies Act, 2013)
100% Book Built Offer

SANSERA ENGINEERING LIMITED

Our Company was originally incorporated as Sansera Engineering Private Limited on December 15, 1981 at Bengaluru, Karnataka, India as a private limited company under the Companies Act, 1956. Our Company was converted into a public limited company consequent to a special resolution passed by our Shareholders at the extraordinary general meeting held on June 19, 2018 and the name of our Company was changed to Sansera Engineering Limited. A fresh certificate of incorporation consequent upon conversion to a public limited company was issued on June 29, 2018. For details of the change in the name and registered office of our Company, see "*History and Certain Corporate Matters*" on page 187.

Registered & Corporate Office: Plant 7, Plot No. 143/A, Jigani Link Road, Bommasandra Industrial Area, Anekal Taluk, Bengaluru 560 105, Karnataka, India
Contact Person: Sourabh Kumar, Company Secretary and Compliance Officer; **Tel**: +91 80 2783 9081/ 9082/ 9083; **Fax**: +91 80 2783 9309
E-mail: investorinfo@sansera.in; **Website**: www.sanseraindia.com
Corporate Identification Number: U34103KA1981PLC004542

OUR PROMOTERS: S SEKHAR VASAN, F R SINGHVI, UNNI RAJAGOPAL K AND D DEVARAJ

INITIAL PUBLIC OFFER OF UP TO 17,244,328 EQUITY SHARES OF FACE VALUE OF ₹2 EACH ("EQUITY SHARES") OF SANSERA ENGINEERING LIMITED ("COMPANY" OR "ISSUER") FOR CASH AT A PRICE OF ₹[●] PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹[●] PER EQUITY SHARE) ("OFFER PRICE") AGGREGATING UP TO ₹[●] MILLION ("OFFER") COMPRISING AN OFFER FOR SALE OF UP TO 8,635,408 EQUITY SHARES BY CLIENT EBENE LIMITED ("CEL"); UP TO 4,836,723 EQUITY SHARES BY CVCIGP II EMPLOYEE EBENE LIMITED ("EEL"), (COLLECTIVELY, THE "INVESTOR SELLING SHAREHOLDERS"); UP TO 2,058,069 EQUITY SHARES BY S SEKHAR VASAN; UP TO 571,376 EQUITY SHARES BY UNNI RAJAGOPAL K; UP TO 571,376 EQUITY SHARES BY F R SINGHVI AND UP TO 571,376*** EQUITY SHARES BY D DEVARAJ (COLLECTIVELY, (THE "PROMOTER SELLING SHAREHOLDERS", AND TOGETHER WITH THE INVESTOR SELLING SHAREHOLDERS, THE "SELLING SHAREHOLDERS"), AGGREGATING UP TO ₹[●] MILLION ("OFFER FOR SALE"). THE OFFER INCLUDES A RESERVATION OF UP TO [●] EQUITY SHARES, AGGREGATING UP TO ₹[●] MILLION, FOR SUBSCRIPTION BY ELIGIBLE EMPLOYEES (AS DEFINED HEREUNDER) NOT EXCEEDING 5% OF OUR POST-OFFER PAID UP EQUITY SHARE CAPITAL (THE "EMPLOYEE RESERVATION PORTION"). THE OFFER LESS THE EMPLOYEE RESERVATION PORTION IS HEREINAFTER REFERRED TO AS THE "NET OFFER". THE OFFER AND THE NET OFFER SHALL CONSTITUTE [●]% AND [●]%, RESPECTIVELY OF THE POST-OFFER PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY. OUR COMPANY MAY IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGERS AND THE SELLING SHAREHOLDERS, OFFER A DISCOUNT TO RETAIL INDIVIDUAL BIDDERS ("RETAIL DISCOUNT") AND TO THE ELIGIBLE EMPLOYEES BIDDING IN THE EMPLOYEE RESERVATION PORTION (THE "EMPLOYEE DISCOUNT") IN ACCORDANCE WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, AS AMENDED, (THE "SEBI ICDR REGULATIONS").***

THE FACE VALUE OF THE EQUITY SHARES IS ₹2 EACH. THE PRICE BAND WILL BE DECIDED BY OUR COMPANY AND THE INVESTOR SELLING SHAREHOLDERS IN CONSULTATION WITH THE BRLMS AND THE PROMOTER SELLING SHAREHOLDERS AND THE MINIMUM BID LOT WILL BE DECIDED BY OUR COMPANY IN CONSULTATION WITH THE BRLMS AND THE SELLING SHAREHOLDERS AND WILL BE ADVERTISED IN [●] EDITIONS OF [●], [●] EDITIONS OF [●] AND [●] EDITIONS OF [●] (WHICH ARE WIDELY CIRCULATED ENGLISH, HINDI AND KANNADA NEWSPAPERS, KANNADA BEING THE REGIONAL LANGUAGE OF KARNATAKA, WHERE OUR REGISTERED AND CORPORATE OFFICE IS LOCATED), AT LEAST FIVE WORKING DAYS PRIOR TO THE BID/OFFER OPENING DATE AND SHALL BE MADE AVAILABLE TO THE BSE LIMITED ("BSE") AND THE NATIONAL STOCK EXCHANGE OF INDIA LIMITED ("NSE", AND TOGETHER WITH BSE, THE "STOCK EXCHANGES") FOR THE PURPOSE OF UPLOADING ON THEIR WEBSITES.

** Retail Discount of ₹[●] to the Offer Price may be offered to Retail Individual Bidders and an Employee Discount of ₹[●] to the Offer Price may be offered to the Eligible Employees bidding in the Employee Reservation Portion.*

*** F R Singhvi is acting in trust for the offer for sale of up to 61,221 Equity Shares by Lalita Singhvi, up to 102,031 Equity Shares by Praveen Singhvi, up to 102,031 Equity Shares by Lata Singhvi, up to 102,031 Equity Shares by Jayaraj Singhvi, up to 102,031 Equity Shares by Tara Singhvi and up to 102,031 Equity Shares by Indira Singhvi (collectively, the "**Singhvi Family Shareholders**"). F R Singhvi holds the Equity Share of the Singhvi Shareholders in trust, for the benefit of the Singhvi Family Shareholders. For details, see "The Offer" and "Capital Structure" on pages 70 and 79, respectively.*

**** D Devaraj is acting in trust for the offer for sale of up to 111,899 Equity Shares by the D Devaraj HUF, while the offer for sale of up to 459,477 Equity Shares is being made by D Devaraj in his individual capacity. D Devaraj holds the Equity Share of the D Devaraj HUF in trust, for the benefit of the D Devaraj HUF. For details, see "The Offer" and "Capital Structure" on pages 70 and 79, respectively.*

In case of any revision to the Price Band, the Bid/Offer Period will be extended by at least three additional Working Days after such revision of the Price Band, subject to the Bid/Offer Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/Offer Period, if applicable, will be widely disseminated by notification to the Stock Exchanges, by issuing a press release, and also by indicating the change on the websites of the BRLMs and at the terminals of the Syndicate Members and by intimation to the Designated Intermediaries.

The Offer is being made in terms of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended ("**SCRR**"). The Offer is being made in accordance with Regulation 26(1) of the SEBI ICDR Regulations, through the Book Building Process wherein not more than 50% of the Net Offer shall be allocated on a proportionate basis to Qualified Institutional Buyers ("**QIBs**"), provided that our Company and the Selling Shareholders in consultation with the BRLMs and the Promoter Selling Shareholders may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations, out of which one-third shall be reserved for domestic Mutual Funds only, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Offer Price, in accordance with the SEBI ICDR Regulations. 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 a proportionate basis to all QIB Bidders (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. Further, not less than 15% of the Net Offer shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Net Offer shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price. All potential investors, other than Anchor Investors, are required to mandatorily utilise the Application Supported by Blocked Amount ("**ASBA**") process providing details of their respective bank accounts which will be blocked by the Self Certified Syndicate Banks ("**SCSBs**"). For details, see "*Offer Procedure*" on page 462.

RISK IN RELATION TO THE FIRST OFFER

This being the first public issue of our Company, there has been no formal market for the Equity Shares of our Company. The face value of the Equity Shares is ₹2 and the Floor Price is [●] times the face value and the Cap Price is [●] times the face value. The Offer Price (determined and justified by our Company in consultation with the BRLMs and the Selling Shareholders as stated under "*Basis for Offer Price*" on page 101) 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.

GENERAL RISKS

Investments in equity and equity related securities involve a degree of risk and investors should not invest any funds in the Offer unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Offer. For taking an investment decision, investors must rely on their own examination of our Company and the Offer, including the risks involved. The Equity Shares in the Offer have not been recommended or approved by the Securities and Exchange Board of India ("**SEBI**"), nor does SEBI guarantee the accuracy or adequacy of the contents of this Draft Red Herring Prospectus. Specific attention of the investors is invited to "*Risk Factors*" on page 17.

ISSUER'S AND SELLING SHAREHOLDERS' ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Red Herring Prospectus contains all information with regard to our Company and the Offer, which is material in the context of the Offer, that the information contained in this Draft Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission or inclusion of which makes this Draft Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions, misleading in any material respect. Further, the Selling Shareholders severally accept responsibility that this Draft Red Herring Prospectus contains all information about them as Selling Shareholders in the context of the Offer for Sale and their portion of the Offered Shares and further, severally assume responsibility for statements in relation to them included in this Draft Red Herring Prospectus and their respective Offered Shares and that such statements are true and correct in all material respects and not misleading in any material respect.

LISTING

The Equity Shares offered through the Red Herring Prospectus are proposed to be listed on the Stock Exchanges. Our Company has received an 'in-principle' approval from the BSE and the NSE for the listing of the Equity Shares pursuant to letters dated [●] and [●], respectively. For the purposes of the Offer, the Designated Stock Exchange shall be [●]. A signed copy of the Red Herring Prospectus and the Prospectus shall be delivered for registration to the Registrar of Companies, Karnataka at Bengaluru in accordance with Sections 26(4) and 32 of the Companies Act, 2013. For details of the material contracts and documents, which will be made available for inspection from the date of the Red Herring Prospectus up to Bid/Offer Closing Date, see "*Material Contracts and Documents for Inspection*" on page 583.

BOOK RUNNING LEAD MANAGERS					REGISTRAR TO THE OFFER
ICICI Securities Limited ICICI Center H.T. Parekh Marg Churchgate Mumbai 400 020 Maharashtra, India Tel: +91 22 2288 2460 Fax: +91 22 2282 6580 E-mail: sansera.ipo@icicisecurities.com Investor grievance email: customercare@icicisecurities.com Website: www.icicisecurities.com Contact Person: Arjun A Mehrotra / Anurag Byas SEBI Registration No.: INM000011179	**Credit Suisse Securities (India) Private Limited** Ceejay House, 9th Floor Plot F, Shivsagar Estate Dr. Annie Besant Road Worli, Mumbai 400 018 Maharashtra, India Tel: +91 22 6777 3671 Fax: +91 22 6777 3820 E-mail: list.sanseraipo@credit-suisse.com Investor grievance email: list.igcellmerbnkg@credit-suisse.com Website: www.credit-suisse.com/in/en/investment-banking/regional-presence/asia-pacific/india/ipo.html Contact Person: Rishi Agrawal SEBI Registration No.: INM00011161	**IIFL Holdings Limited** 10th Floor, IIFL Centre Kamala City, Senapati Bapat Marg Lower Parel (West), Mumbai 400 013 Maharashtra, India Tel: +91 22 4646 4600 Fax: +91 22 2493 1073 E-mail: Sansera.ipo@iiflcap.com Investor grievance email: ig.ib@iiflcap.com Website: www.iiflcap.com Contact Person: Pinak Bhattacharyya/ Rajshekhar Swamy SEBI Registration No.: INM000010940	**Nomura Financial Advisory and Securities (India) Private Limited** Ceejay House, Level 11, Plot F Shivsagar Estate, Dr. Annie Besant Road, Worli, Mumbai 400 018 Maharashtra, India Tel.: +91 22 4037 4037 Fax: +91 22 4037 4111 E-mail: sanseraipo@nomura.com Investor grievance e-mail: investorgrievances-in@nomura.com Website: www.nomuraholdings.com/company/group/asia/india/index.html Contact person: Manish Agarwal / Sandeep Baid SEBI registration number: INM000011419	**BNP Paribas** BNP Paribas House 1 North Avenue, Maker Maxity Bandra-Kurla Complex Bandra (East), Mumbai 400 051 Tel: +91 22 3370 4000 Fax: +91 22 6196 5194 E-mail: dl.sansera.ipo@asia.bnpparibas.com Investor grievance email: indiainvestors.care@asia.bnpparibas.com Website: www.bnpparibas.co.in Contact Person: Pranay Shetty / Shrey Biyani SEBI Registration No.: INM000011534	**Link Intime India Private Limited** C-101, 1st Floor, 247 Park Lal Bahadur Shastri Marg Vikhroli (West), Mumbai 400 083 Maharashtra, India Tel: +91 22 4918 6200 Fax: +91 22 4918 6195 E-mail: sansera.ipo@linkintime.co.in Investor grievance email: sansera.ipo@linkintime.co.in Website: www.linkintime.co.in Contact Person: Shanti Gopalkrishnan SEBI Registration No. INR000004058

BID/OFFER PROGRAMME

BID/OFFER OPENS ON	[●][(1)]
BID/OFFER CLOSES ON	[●][(2)]

(1) Our Company and the Investor Selling Shareholders may, in consultation with the BRLMs and Promoter Selling Shareholders, consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bid/Offer Period shall be one Working Day prior to the Bid/Offer Opening Date.

(2) Our Company and the Investor Selling Shareholders may, in consultation with the BRLMs and the Promoter Selling Shareholders, consider closing the Bid/Offer Period for QIBs one Working Day prior to the Bid/Offer Closing Date in accordance with the SEBI ICDR Regulations

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SECTION I: GENERAL

DEFINITIONS AND ABBREVIATIONS

This Draft Red Herring Prospectus uses certain definitions and abbreviations which, unless the context otherwise indicates or implies, shall have the meaning as provided below. References to any legislation, act, regulation, rules, guidelines or policies shall be to such legislation, act, regulation, rules, guidelines or policies as amended from time to time. In case of any inconsistency between the definitions given below and the definitions contained in the General Information Document (as defined below), the definitions given below shall prevail.

General Terms

Term	Description
"our Company", "the Company", "the Issuer"	Sansera Engineering Limited, a company incorporated under the Companies Act, 1956 and having its Registered and Corporate Office at Plot No. 143/A, Jigani Link Road, Bommasandra Industrial Area, Anekal Taluk, Bengaluru 560 105, Karnataka, India
"we", "us" or "our"	Unless the context otherwise indicates or implies, refers to our Company together with our Subsidiaries

Company Related Terms

Term	Description
Articles of Association/ AoA	Articles of Association of our Company, as amended
Audit Committee	Audit Committee of our Company as described in "*Our Management*" on page 202
Auditors/Statutory Auditors	Statutory auditors of our Company, namely, B S R & Associates LLP, Chartered Accountants
Board/Board of Directors	Board of directors of our Company, as constituted from time to time, including a duly constituted committee thereof
CCPS	Compulsorily convertible preference shares
CEL	Client Ebene Limited (formerly called CVCIGP II Client Ebene Limited)
Corporate Social Responsibility Committee	The Corporate Social Responsibility Committee of our Company as described in "*Our Management*" on page 206
Director(s)	Director(s) of our Company
EEL	CVCIGP II Employee Ebene Limited
Equity Shares	Equity shares of our Company of face value of ₹2 each
ESOP 2015	Sansera Employee Stock Option Plan, 2015
ESOP 2018	Sansera Employee Stock Option Plan, 2018
Executive Directors	Executive Directors of our Company
Fitwel	Fitwel Tools and Forgings Private Limited
Fitwel Plant 1	Manufacturing unit of Fitwel situated at Unit No. 5, KHT Complex, Antharasanahalli, Bengaluru, Karnataka
Fitwel Plant 2	Manufacturing unit of Fitwel situated at CNC Shop, Unit No. 2 KHT Complex, Antharasanahalli, Tumkur
Gearock Forge	Gearock Forge Private Limited
Investor Selling Shareholders	Client Ebene Limited and CVCIGP II Employee Ebene Limited
IPO Committee	The IPO Committee of our Company as described in "*Our Management*" on page 206
Key Management Personnel	Key management personnel of our Company in terms of the Companies Act, 2013 and the SEBI ICDR Regulations and disclosed in "*Our Management – Key Management Personnel*" on page 207
Memorandum of Association/ MoA	Memorandum of Association of our Company, as amended
Nomination and Remuneration Committee	The Nomination and Remuneration Committee of our Company as described in "*Our Management*" on page 204
Offer for Sale	An initial public offering of up to 17,244,328 Equity Shares comprising of an offer for sale of up to 8,635,408 Equity Shares by CEL; up to 4,836,723 Equity Shares by EEL; up to 571,376 Equity Shares by F R Singhvi (acting in trust, for the offer for sale of up to 61,221 Equity Shares by Lalita Singhvi, up to 102,031 Equity Shares by Praveen Singhvi, up to 102,031 Equity Shares by Lata Singhvi, up to 102,031 Equity Shares by Jayaraj Singhvi, up to 102,031 Equity Shares by Tara Singhvi and up to 102,031 Equity Shares by Indira Singhvi); up to 2,058,069 Equity Shares by S Sekhar Vasan; up to 571,376 Equity Shares by Unni Rajagopal K; up to 571,376 Equity Shares by D Devaraj (acting in trust for the offer for sale of up to 111,899 Equity Shares by the D Devaraj HUF, and the offer for sale of up to 459,477 Equity Shares in his individual capacity) F R Singhvi holds the Equity Share of the Singhvi Family Shareholders in trust, for the benefit of the Singhvi Family Shareholders, and D Devaraj holds the Equity Share of the D Devaraj HUF in trust, for the benefit of the D Devaraj HUF. For details see, "The Offer" and "Capital Structure" on pages 70 and 79, respectively.
Plant 1	Manufacturing unit of our Company, situated at No. 8, A.M. Industrial Estate, 12th KM mark, Bengaluru – Hosur National Highway, in survey numbers 49/1 and 49/3, Bommanahalli City Municipality, Garvebhaivi Palya, Hosur Road, Bengaluru, Karnataka

Term	Description
Plant 2	Manufacturing unit of our Company, situated at Plot No. 260/A, 261/C and 262/A, Bommasandra Industrial Area, Village, Attibele Hobli, Anekal Taluk,, Bengaluru, Karnataka
Plant 3	Manufacturing unit of our Company, situated at Plot No. 1, Bommasandra, Jigani Link Road, Industrial Area, Bengaluru, Karnataka
Plant 4	Manufacturing unit of our Company, situated at Plot No. 22-23, Sector – 6, Industrial Estate, Chakan Devilal, I.M.T, Manesar, Gurgaon, Haryana
Plant 5	Manufacturing unit of our Company, situated at Plot No. B-18, Chakkan, MIDC, Industrial Area, within village limit of Nighoje Taluka, , Khed, Pune, Maharashtra
Plant 6	Manufacturing unit of our Company, situated at Plot No. 18, Sector 9, SIDCUL, Integrated IE Panthnagar, Udham Singh Nagar, Uttarakhand
Plant 7	Manufacturing unit of our Company, situated at Plot No. 143-A, Jigani Link Road, Anekal Taluk, Bengaluru, Karnataka
Plant 8	Corporate office of our Company, situated at Plot No. 100, Bommasandra, Jigani Link Road, Industrial Area, Jigani Hobli, Bengaluru (Urban), Karnataka
Plant 9	Manufacturing unit of our Company, situated at Plot No. 125 and 126, 4th Phase, Bommaandra Jigani Link Road, Industrial Area, Jigani Hobli, Anekal Taluk, Bengaluru, Karnataka
Plant 10	Manufacturing unit of our Company, situated at Plot No. 102, Bommsandra Jigani Link Road, Anekal Taluk, Bengaluru Urban District, Karnataka
Plant 11	Manufacturing unit of our Company, situated at Plot No. 48, 2nd Phase, 2nd Sector, Bidadi Industrial Area, Bidadi, Ramanagaram, Bengaluru, Karnataka
Plant 12	Manufacturing unit of our Company, situated at No. 143, B-8, Bommasandra Industrial Area, Hosur Road, Bengaluru, Karnataka which was transferred to out Company, with effect from April 1, 2017, pursuant to the amalgamation of Gearock Forge with our Company
Plant 14	Manufacturing unit of our Company, situated at Plot No. 34, 35 and 36, Jigani Industrial Area, II Phase, Jigani Hobli, Anekal Taluk, Bengaluru, Karnataka
Promoter Group	Persons and entities constituting the promoter group of our Company in terms of Regulation 2(1)(zb) of the SEBI ICDR Regulations. For details, see "*Our Promoters and Promoter Group*" on page 211
Promoters	Promoters of our Company namely, S Sekhar Vasan, F R Singhvi, Unni Rajagopal K and D Devaraj For details, see "*Our Promoters and Promoter Group*" on page 211
Promoter Selling Shareholders	D Devaraj, F R Singhvi, S Sekhar Vasan and Unni Rajagopal K F R Singhvi is acting in trust for the offer for sale of up to 571,376 Equity Shares acting in trust for the Singhvi Family Shareholders and D Devaraj is acting in trust for the offer for sale of up to 111,899 Equity Shares by the D Devaraj HUF, while the offer for sale of up to 459,477 Equity Shares is being made by D Devaraj in his individual capacity.
Registered and Corporate Office	Registered and corporate office of our Company located at Plot No. 143/A, Jigani Link Road, Bommasandra Industrial Area, Anekal Taluk, Bengaluru 560 105, Karnataka, India
Registrar of Companies/RoC	Registrar of Companies, Karnataka, situated at Bengaluru
Restated Consolidated Financial Statements	The audited and restated consolidated financial statements of our Company, along with our Subsidiaries for the Financial Years ended March 31, 2018, 2017, 2016, 2015 and 2014 (presented in accordance with Ind AS) which comprises the restated consolidated balance sheet, the restated consolidated statement of profit and loss and the restated consolidated cash flow statement and notes to the restated consolidated financial statements of assets and liabilities, profit and loss and cash flows
Restated Financial Statements	Collectively, the Restated Consolidated Financial Statements and the Restated Standalone Financial Statements
Restated Standalone Financial Statements	The audited and restated standalone financial statements of our Company for the Financial Years ended March 31, 2018, 2017, 2016, 2015 and 2014 (presented in accordance with Ind AS) which comprises the restated standalone balance sheet, the restated standalone statement of profit and loss and the restated standalone cash flow statement and notes to the restated standalone financial statements of assets and liabilities, profit and loss and cash flows
Sansera Mauritius	Sansera Engineering Pvt. Ltd., Mauritius
Sansera Sweden	Sansera Sweden AB
Sansera Sweden Plant	Manufacturing unit of Sansera Sweden situated at Flygmotorvägen 1, 461 38 Trollhättan, Sweden
Selling Shareholders	Collectively the Investor Selling Shareholders and the Promoter Selling Shareholders
Singhvi Family Shareholders	Lalita Singhvi, Praveen Singhvi, Lata Singhvi, Jayaraj Singhvi, Tara Singhvi and Indira Singhvi
Shareholders	Shareholders of our Company from time to time
Stakeholders Relationship Committee	The Stakeholders Relationship Committee of our Company as described in "*Our Management*" on page 205
Subsidiaries or individually known as Subsidiary	Subsidiaries of our Company, namely: (i) Fitwel Tools and Forgings Private Limited; (ii) Sansera Engineering Pvt. Ltd., Mauritius; and (iii) Sansera Sweden AB

Offer Related Terms

Term	Description
Acknowledgement Slip	The slip or document issued by the Designated Intermediary to a Bidder as proof of registration of

Term	Description
	the Bid cum Application Form
Allot/Allotment/Allotted	Transfer of the Offered Shares by the Selling Shareholders pursuant to the Offer to the Allottees
Allotment Advice	Note or advice or intimation of Allotment sent to the Bidders who have been or are to be Allotted the Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchange
Allottee	A successful Bidder to whom the Equity Shares are Allotted
Anchor Investor	A Qualified Institutional Buyer, applying under the Anchor Investor Portion in accordance with the SEBI ICDR Regulations
Anchor Investor Allocation Price	The price at which Equity Shares will be allocated to Anchor Investors at the end of the Anchor Investor Bid/Offer Period
Anchor Investor Application Form	The form used by an Anchor Investor to make a Bid in the Anchor Investor Portion and which will be considered as an application for Allotment in terms of the Red Herring Prospectus and the Prospectus
Anchor Investor Bid/Offer Period	The day, one Working Day prior to the Bid/Offer Opening Date, on which Bids by Anchor Investors shall be submitted and allocation to Anchor Investors shall be completed
Anchor Investor Offer Price	Final price at which the Equity Shares will be Allotted to Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which price will be equal to or higher than the Offer Price but not higher than the Cap Price The Anchor Investor Offer Price will be decided by our Company, in consultation with the BRLMs and the Selling Shareholders
Anchor Investor Pay-in Date	In case of Anchor Investor Offer Price being higher than Anchor Investor Allocation Price, no later than two days after the Bid/Offer Closing Date
Anchor Investor Portion	Up to 60% of the QIB Portion, which may be allocated by our Company and the Investor Selling Shareholders, in consultation with the BRLMs and Promoter Selling Shareholders to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price which shall be determined by the Company in consultation with the BRLMs and the Selling Shareholders
Application Supported by Blocked Amount or ASBA	An application, whether physical or electronic, used by ASBA Bidders to make a Bid and authorizing an SCSB to block the Bid Amount in the ASBA Account
ASBA Account	A bank account maintained with an SCSB and specified in the ASBA Form submitted by ASBA Bidders for blocking the Bid Amount mentioned in the ASBA Form
ASBA Bidders	All Bidders except Anchor Investors
ASBA Form	An application form, whether physical or electronic, used by ASBA Bidders which will be considered as the application for Allotment in terms of the Red Herring Prospectus and the Prospectus
Banker(s) to the Offer/Escrow Collection Bank(s)	Banks which are clearing members and registered with SEBI as bankers to an issue and with whom the Escrow Account will be opened, in this case being [●]
Basis of Allotment	Basis on which Allotment will be made as described in "*Offer Procedure*" on page 462
Bid	An indication to make an offer during the Bid/Offer Period by an ASBA Bidder pursuant to submission of the ASBA Form, or during the Anchor Investor Bid/Offer Period by an Anchor Investor pursuant to submission of the Anchor Investor Application Form, to subscribe to or purchase the Equity Shares at a price within the Price Band, including all revisions and modifications thereto as permitted under the SEBI ICDR Regulations as per the terms of the Red Herring Prospectus and the Bid Cum Application Form The term "Bidding" shall be construed accordingly
Bid Amount	The highest value of optional amounts indicated in the Bid cum Application Form and, in the case of Retail Individual Bidders Bidding at the Cut Off Price, the Cap Price multiplied by the number of Equity Shares Bid for by such Retail Individual Bidder and mentioned in the Bid cum Application Form, less Retail Discount (if any) and for Eligible Employees, less Employee Discount (if any) and payable by the Bidder or blocked in the ASBA Account of the Bidder, as the case may be, upon submission of the Bid in the Offer
Bid cum Application Form	The Anchor Investor Application Form or the ASBA Form, as the context requires
Bid Lot	[●]
Bid/Offer Closing Date	Except in relation to any Bids received from the Anchor Investors, the date after which the Designated Intermediaries will not accept any Bids, which shall be published in two national daily newspapers, one each in English and Hindi, and in one Kannada daily newspaper (Kannada being the regional language of Karnataka, where our Registered Office is located) each with wide circulation. In case of any revision, the extended Bid/ Offer Closing shall also be notified on the websites and terminals of the Members of the Syndicate as required under the SEBI ICDR Regulations and also intimated to the SCSBs, Registered Brokers, RTAs and Designated CDPs Our Company and the Investor Selling Shareholders may, in consultation with the BRLMs and Promoter Selling Shareholders, consider closing the Bid/Offer Period for the QIB Category one Working Day prior to the Bid/Offer Closing Date, in accordance with the SEBI ICDR Regulations
Bid/Offer Opening Date	Except in relation to any Bids received from the Anchor Investors, the date on which the

Term	Description
	Designated Intermediaries shall start accepting Bids, which shall be notified in two national daily newspapers, one each in English and Hindi, and in one Kannada daily newspaper (Kannada being the regional language of Karnataka where our Registered Office is located) each with wide circulation
Bid/Offer Period	Except in relation to Anchor Investors, the period between the Bid/Offer Opening Date and the Bid/Offer Closing Date, inclusive of both days, during which prospective Bidders can submit their Bids, including any revisions thereof
Bidder	Any prospective investor who makes a Bid pursuant to the terms of the Red Herring Prospectus and the Bid cum Application Form, and unless otherwise stated or implied, and includes an ASBA Bidder and an Anchor Investor
Bidding Centers	Centers at which at the Designated Intermediaries shall accept the ASBA Forms, i.e, Designated Branches for SCSBs, Specified Locations for Syndicate, Broker Centres for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs
Book Building Process	Book building process, as provided in Schedule XI of the SEBI ICDR Regulations, in terms of which the Offer is being made
BRLM or Book Running Lead Manager	The book running lead managers to the Offer namely, ICICI Securities Limited, BNP Paribas, Credit Suisse Securities (India) Private Limited, IIFL Holdings Limited and Nomura Financial Advisory and Securities (India) Private Limited
Broker Centres	Broker centres of the Registered Brokers notified by the Stock Exchanges where Bidders can submit the ASBA Forms to a Registered Broker The details of such Broker Centres, along with the names and contact details of the Registered Brokers are available on the respective websites of the Stock Exchanges
CAN/Confirmation of Allocation Note	Notice or intimation of allocation of the Equity Shares to be sent to Successful Anchor Investors, who have been allocated the Equity Shares, after the Anchor Investor Bid/Offer Period
Cap Price	The higher end of the Price Band, above which the Offer Price and the Anchor Investor Offer Price will not be finalised and above which no Bids will be accepted, including any revision thereof
Client ID	Client identification number of the Bidder's beneficiary account maintained with one of the Depositories in relation to the demat account
Collecting Depository Participant or CDP	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Bids at the Designated CDP Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI, as per the list available on the websites of the Stock Exchanges
Credit Suisse	Credit Suisse Securities (India) Private Limited
Cut-off Price	Offer Price, finalised by our Company, in consultation with the BRLMs and the Selling Shareholders which shall be any price within the Price Band Only Retail Individual Bidders and Eligible Employees bidding in the Employee Reservation Portion are entitled to Bid at the Cut-off Price. QIBs and Non-Institutional Bidders are not entitled to Bid at the Cut-off Price
Demographic Details	Details of the Bidders including the Bidder's address, name of the Bidder's father/husband, investor status, occupation and bank account details
Designated CDP Locations	Such locations of the CDPs where ASBA Bidders can submit the ASBA Forms The details of such Designated CDP Locations, along with names and contact details of the CDPs eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com) and updated from time to time
Designated Date	The date on which funds are transferred from the Escrow Account and the amounts blocked by the SCSBs are transferred from the ASBA Accounts, as the case may be, to the Public Issue Account or the Refund Account, as appropriate, after filing of the Prospectus with the RoC
Designated Intermediaries	Collectively, Syndicate, sub-syndicate members/agents, SCSBs, Registered Brokers, CDPs and RTAs, who are authorized to collect ASBA Forms from the ASBA Bidders, in relation to the Offer
Designated RTA Locations	Such locations of the RTAs where Bidders can submit the ASBA Forms to RTAs The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com) and updated from time to time
Designated SCSB Branches	Such branches of the SCSBs which shall collect the ASBA Forms, a list of which is available on the website of SEBI at http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes or at such other website as may be prescribed by SEBI from time to time
Designated Stock Exchange	[●]
Draft Red Herring Prospectus or DRHP	This Draft Red Herring Prospectus dated August 10, 2018, issued in accordance with the SEBI ICDR Regulations, which does not contain complete particulars, including of the Offer Price and the size of the Offer, including any addendum and corrigendum thereto
Eligible Employees	All or any of the following: (a) a permanent and full time employee of our Company, who is a resident Indian or an Eligible NRI investing in the Offer pursuant to Schedule 4 of the FEMA Regulations (excluding such employees not eligible to invest in the Offer under applicable laws, rules, regulations and guidelines) as of the date of filing of the Red Herring Prospectus with the RoC and who has

Term	Description
	been an employee of the Company for a period of six months prior to the date of filing this Draft Red Herring Prospectus and who continues to be an employee of our Company until the submission of the Bid cum Application Form and is based, working and present in India as on the date of submission of the Bid cum Application Form; and (b) a Director of our Company, whether a whole time Director, part time Director or otherwise, who is a resident Indian or an Eligible NRI investing in the Offer pursuant to Schedule 4 of the FEMA Regulations (excluding such Directors not eligible to invest in the Offer under applicable laws, rules, regulations and guidelines and any Promoter) as of the date of filing the Red Herring Prospectus with the RoC and who continues to be a Director of our Company until the submission of the Bid cum Application Form and is based and present in India as on the date of submission of the Bid cum Application Form An employee of our Company, who is recruited against a regular vacancy but is on probation as on the date of submission of the Bid cum Application Form will also be deemed a 'permanent and a full time employee' The maximum Bid Amount under the Employee Reservation Portion by an Eligible Employee shall not exceed ₹500,000 (which will be less the Employee Discount). However, the initial Allotment to an Eligible Employee in the Employee Reservation Portion shall not exceed ₹200,000 (which will be less Employee Discount). Only in the event of an under-subscription in the Employee Reservation Portion post the initial allotment, such unsubscribed portion may be Allotted on a proportionate basis to Eligible Employees Bidding in the Employee Reservation Portion, for a value in excess of ₹200,000, subject to the total Allotment to an Eligible Employee not exceeding ₹500,000 (which will be less Employee Discount)
Eligible NRI(s)	NRI(s) from jurisdictions outside India where it is not unlawful to make an offer or invitation under the Offer and in relation to whom the ASBA Form and the Red Herring Prospectus will constitute an invitation to subscribe for or purchase the Equity Shares
Employee Discount	A discount of ₹[●], not being more than 10% of the Offer Price that may be offered to the Eligible Employees bidding in the Employee Reservation Portion, by our Company in consultation with the BRLMs and the Selling Shareholders, and which shall be announced at least five Working Days prior to the Bid/Offer Opening Date
Employee Reservation Portion	The portion of the Offer, being [●] Equity Shares aggregating to ₹[●] million, available for allocation to Eligible Employees, on a proportionate basis
Escrow Account	Account opened with the Escrow Collection Bank(s) and in whose favour the Anchor Investors will transfer money through direct credit/NEFT/RTGS/NACH in respect of the Bid Amount when submitting an Anchor Investor Application Form
Escrow Agent	Escrow agent appointed pursuant to the Share Escrow Agreement, namely, [●]
Escrow Agreement	The agreement to be entered into by our Company, the Selling Shareholders, the Registrar to the Offer, the BRLMs, the Escrow Collection Bank(s) and the Refund Bank(s) for, inter alia, collection of the Bid Amounts from Anchor Investors, transfer of funds to the Public Issue Account and where applicable, refunds of the amounts collected from the Anchor Investors, on the terms and conditions thereof
First Bidder	Bidder whose name appears first in the Bid cum Application Form or the Revision Form and in case of joint Bids, whose name shall also appear as the first holder of the beneficiary account held in joint names
Floor Price	The lower end of the Price Band, subject to any revision thereto, at or above which the Offer Price and the Anchor Investor Offer Price will be finalised and below which no Bids will be accepted and which shall not be less than the face value of the Equity Shares
General Information Document/GID	The General Information Document for Investing in Public Issues prepared and issued in accordance with the circular (CIR/CFD/DIL/12/2013) dated October 23, 2013 notified by SEBI, suitably modified and updated pursuant to the circular (CIR/CFD/POLICYCELL/11/2015) dated November 10, 2015 and (SEBI/HO/CFD/DIL/CIR/P/2016/26) dated January 21, 2016 notified by the SEBI and included in "*Offer Procedure*" on page 462
IIFL	IIFL Holdings Limited
I-Sec	ICICI Securities Limited
Mutual Fund Portion	5% of the QIB Portion (excluding the Anchor Investor Portion), or [•] Equity Shares which shall be available for allocation to Mutual Funds only on a proportionate basis, subject to valid Bids being received at or above the Offer Price
Mutual Funds	Mutual funds registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
Net Offer	The Offer less the Employee Reservation Portion
Nomura	Nomura Financial Advisory and Securities (India) Private Limited
Non-Institutional Bidders/NIBs	All Bidders including Category III FPIs that are not QIBs, Retail Individual Bidders or Eligible Employees bidding in the Employee Reservation Portion and who have Bid for Equity Shares for an amount more than ₹200,000 (but not including NRIs other than Eligible NRIs)
Non-Institutional Portion	The portion of the Offer being not less than 15% of the Net Offer consisting of [•] Equity Shares which shall be available for allocation on a proportionate basis to Non-Institutional Bidders, subject to valid Bids being received at or above the Offer Price
Non-Resident	A person resident outside India, as defined under FEMA and includes a non resident Indian, FPIs

Term	Description
	and FVCIs
Offer	The initial public offering of up to 17,244,328 Equity Shares of face value of ₹2 each for cash at a price of ₹[●] each, aggregating to ₹[●] comprising the Offer for Sale The Offer comprises Net Offer to the public of [●] Equity Shares aggregating up to ₹[●] million and the Employee Reservation Portion of [●] Equity Shares aggregating up to ₹[●] million for subscription by Eligible Employees
Offer Agreement	The agreement dated August 10, 2018 entered into amongst our Company, the Selling Shareholders and the BRLMs, pursuant to which certain arrangements are agreed to in relation to the Offer
Offer for Sale	The offer for sale of up to 17,244,328 Equity Shares by the Selling Shareholders at the Offer Price aggregating up to ₹[●] million in terms of the Red Herring Prospectus
Offer Price	The final price at which Equity Shares will be Allotted to Bidders other than Anchor Investors. Equity Shares will be Allotted to Anchor Investors at the Anchor Investor Offer Price in terms of the Red Herring Prospectus Employee Discount of ₹[●] per Equity Share on the Offer Price, not being more than 10% of the Offer Size, may be offered to Eligible Employees bidding in the Employee Reservation Portion A Retail Discount of ₹[●] per Equity Share on the Offer Price, not being more than 10% of the Offer Size may be offered to Retail Individual Bidders The Offer Price will be determined by our Company, in consultation with the BRLMs and the Selling Shareholders in terms of the RHP on the Pricing Date in accordance with the Book Building Process
Offer Proceeds	The proceeds of this Offer that will be available to our Company and the Selling Shareholders
Price Band	Price band of the Floor Price and the Cap Price including any revisions thereof The Price Band will be decided by our Company and the Investor Selling Shareholders, in consultation with the BRLMs and the Promoter Selling Shareholders and the minimum Bid Lot size for the Offer will be decided by our Company, in consultation with the BRLMs and the Selling Shareholders and will be advertised, at least five Working Days prior to the Bid/Offer Opening Date, in [●] edition of the English national newspaper [●], [●] edition of the Hindi national newspaper [●], and [●] edition of the Kannada (Kannada being the regional language of Karnataka, where our Registered and Corporate Office is located) newspaper [●], each with wide circulation. It shall also be made available to the Stock Exchanges for the purpose of uploading on their websites
Pricing Date	The date on which our Company in consultation with the BRLMs and the Selling Shareholders, will finalise the Offer Price
Prospectus	The Prospectus of our Company to be filed with the RoC for this Offer after the Pricing Date, in accordance with Section 26 of the Companies Act, 2013 and the SEBI ICDR Regulations, containing, *inter-alia*, the Offer Price that is determined at the end of the Book Building Process, the size of the Offer and certain other information including any addenda or corrigenda thereto
Public Offer Account Bank	The bank with which the Public Offer Account(s) shall be opened and maintained, in this case being [●]
Public Offer Account(s)	Bank account(s) opened under Section 40(3) of the Companies Act, 2013 to receive monies from the Escrow Account and ASBA Accounts on the Designated Date
QIB Category/QIB Portion	The portion of the Offer (including the Anchor Investor Portion) being 50% of the Net Offer consisting of [•] Equity Shares which shall be allocated to QIBs (including Anchor Investors) as determined by our Company and Investor Selling Shareholders in consultation with the BRLMs and the Promoter Selling Shareholders, subject to valid Bids being received at or above the Offer Price
Qualified Institutional Buyers or QIBs or QIB Bidders	Qualified institutional buyers as defined under Regulation 2(1)(zd) of the SEBI ICDR Regulations
Red Herring Prospectus or RHP	The Red Herring Prospectus of our Company to be issued in accordance with Section 32 of the Companies Act, 2013 and the provisions of the SEBI ICDR Regulations, which will not have complete particulars of the price at which the Equity Shares will be offered and the size of the Offer including any addenda or corrigenda thereto The Red Herring Prospectus will be registered with the RoC at least three days before the Bid/Offer Opening Date and will become the Prospectus upon filing with the RoC after the Pricing Date
Refund Account(s)	The account opened with the Refund Bank, from which refunds, if any, of the whole or part of the Bid Amount to the Anchor Investors shall be made
Refund Bank(s)	The Bankers to the Offer with whom the Refund Account(s) will be opened, in this case being [●]
Registered Brokers	Stock brokers registered with SEBI and the Stock Exchanges having nationwide terminals, other than the BRLMs and the Syndicate Members and eligible to procure Bids in terms of Circular No. CIR/CFD/14/2012 dated October 4, 2012 issued by SEBI
Registrar and Share Transfer Agents or RTAs	Registrars to an issue and share transfer agents registered with SEBI and eligible to procure Bids at the Designated RTA Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI

Term	Description
Registrar to the Offer or Registrar	Link Intime India Private Limited
Retail Individual Bidder(s)/RIB(s)	Individual Bidders other than Eligible Employees bidding in the Employee Reservation Portion, who have Bid for the Equity Shares for an amount of not more than ₹200,000 in any of the bidding options in the Net Offer (including HUFs applying through their Karta and Eligible NRIs)
Retail Portion	The portion of the Offer being not less than 35% of the Net Offer consisting of [•] Equity Shares which shall be available for allocation to Retail Individual Bidder(s) in accordance with the SEBI ICDR Regulations which shall not be less than the Minimum Bid Lot, subject to valid Bids being received at or above the Offer Price
Revision Form	Form used by the Bidders to modify the quantity of the Equity Shares or the Bid Amount in any of their ASBA Form(s) or any previous Revision Form(s), as applicable QIB Bidders and Non-Institutional Bidders are not allowed to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage. Retail Individual Bidders can revise their Bids during the Bid/Offer Period and withdraw their Bids until Bid/Offer Closing Date
Self Certified Syndicate Bank(s) or SCSB(s)	The banks registered with SEBI, offering services in relation to ASBA, a list of which is available on the website of SEBI at http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes and updated from time to time and at such other websites as may be prescribed by SEBI from time to time
Share Escrow Agreement	The agreement to be entered into among the Selling Shareholders, our Company, the BRLMs and the Escrow Agent in connection with the transfer of Offered Shares by the Selling Shareholders and credit of such Equity Shares to the demat account of the Allottees
Specified Locations	Bidding Centres where the Syndicate shall accept Bid cum Application Form, a list of which is included in the Bid cum Application Form
Stock Exchanges	Collectively, the NSE and the BSE
Syndicate	Collectively, the BRLMs and the Syndicate Members
Syndicate Agreement	Agreement dated [•] to be entered into amongst the BRLMs, the Syndicate Members, our Company and the Selling Shareholders in relation to collection of Bid cum Application Forms by the Syndicate
Syndicate Members	Intermediaries registered with SEBI who are permitted to carry out activities as an underwriter, namely, [●]
Underwriters	[•]
Underwriting Agreement	The agreement among the Underwriters, our Company and the Selling Shareholders to be entered into on or after the Pricing Date, but prior to the filing of the Prospectus
Working Day	"Working Day" means all days, other than second and fourth Saturday of the month, Sunday or a public holiday, on which commercial banks in Mumbai are open for business; provided however, with reference to (a) announcement of Price Band; and (b) Bid/Offer Period, "Working Day" shall mean all days, excluding all Saturdays, Sundays or a public holiday, on which commercial banks in Mumbai are open for business; and with reference to the time period between the Bid/Offer Closing Date and the listing of the Equity Shares on the Stock Exchanges, "Working Day" shall mean all trading days of Stock Exchanges, excluding Sundays and bank holidays, as per the SEBI Circular SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016

Technical/Industry Related Terms/Abbreviations

Term	Description
ABS	Anti-lock braking system
ACMA	Automotive Component Manufacturers Association
Airbus	Airbus SE
Amtek Auto	Amtek Auto Ltd
Amul Industries	Amul Industries Pvt Ltd
AS	A class of quality management system standards established and maintained by the International Aerospace Quality Group
Auto Fuel Policy 2025	Auto Fuel Vision & Policy 2025
ASEAN	Association of South East Asian Nations
Ashok Leyland	Ashok Leyland Vehicles Limited
Autodesk	A design, development or prototyping information technology system used by us
Average RoCE	Average return on capital employed
Average RoE	Average return on equity
Bajaj	Bajaj Auto Limited
Bajaj Motors	Bajaj Motors Ltd
Bharat Forge	Bharat Forge Ltd
Boeing	The Boeing Company
Bosch	Bosch Limited
BMW	BMW AG
BMW Motorrad	BMW Motorrad International
BS	Bharat Stage
BS OHSAS	A class of occupational health and safety management best practice standards established and maintained by the British Standards Institution
CAD	Computer aided design

Term	Description
CAE	Computer aided engineering
CAFE	Corporate average fuel economy
CAGR	Compound annual growth rate
CAM	Computer aided manufacturing
CBS	Combined braking system
CCI	Competition Commission of India
Civil Code	Code of Civil Procedure, 1908
CNC	Computer numerical control
CNHi	Case New Holland industries
Competition Act	Competition Act, 2002
CPI	Consumer price index
Creo	A design, development or prototyping information technology software system used by us
CRISIL Report	The report titled "Assessment of market potential for precision forged and machined components" dated May 2018 prepared by CRISIL Research
CRISIL Research	CRISIL Research, a division of CRISIL Limited
CSO	Central Statistics Office
CSR	Corporate social responsibility
CVT	Continuously variable transmission
Daimler	Daimler Group
DDS	Duty Drawback Scheme, under which an exporter of goods is allowed to take back refund of money to compensate him for excise duty paid on the inputs used in the products exported by him
DLC	Diamond-like carbon
DMAIC	Define, measure, analyse, improve and control
Duty Credit Scrip	An export promotion incentive provided by the Government of India to exporters
Dynamatics	Dynamatic Technologies Limited
EBITDA	Earnings before interest, taxes, depreciation and amortisation, calculated as the sum of (i) Profit for the year, (ii) Total tax expenses, (ii) Finance costs and (iv) Depreciation and amortisation expense
ECU	Electronic control unit
ECRS	Eliminate, combine, reduce and simplify
EFI	Electronic fuel injection
EFTA	European Free Trade Association
EMS	Environment management systems
EN	A class of quality management system standards relating to aviation, space and defence organizations
Endurance Technologies	Endurance Technologies Ltd
EPCG Scheme	Export Promotion Capital Goods Scheme
Eurostat	The statistical office of the European Union situated in Luxembourg
Eurozone / Euro Area	A monetary union of 19 of the 28 European Union member states which have adopted the Euro as their common currency
FAME	Faster Adoption and Manufacturing of (Hybrid &) Electric Vehicles
FCA	FCA Group Purchasing s.r.l. a s.u.
Fiat / Fiat India	Fiat India Automobiles Private Limited
FIE Group	Fuel Instruments and Engineers group of companies
FII	Foreign institutional investor
Fitch	Fitch Ratings, Inc.
FOB	Free on board
Ford	Ford Motor India Pvt Ltd or Ford Motor Company
Fortuna Engineering	Fortuna Engineering Private Limited
GAAR	General Anti Avoidance Rules
GDP	Gross domestic product
General Motors / GM	General Motors India Pvt Ltd
GKN Aerospace	GKN Aerospace Sweden AB
GST	Goods and services tax
Harley Davidson	H-D Motor Company India Private Limited
Hero / Hero Motocorp	Hero Motocorp Ltd.
Hitech Gears	Hi-Tech Gears Limited
HLA	Hydraulic lash adjuster
HMSI	Honda Motorcycle and Scooter India Pvt. Ltd.
Honda/ Honda Cars	Honda Cars India Limited
Husqvarna	Husqvarna Motorcycles GmbH
Hyundai	Hyundai Motor India Limited
IATF	International Automotive Task Force
ICE	Internal combustion engine
ICRA	ICRA Limited
IDC	Industrial development corporation
iLogic	A design information technology system used by us that is provided by Autodesk
IMD	Indian Meteorological Department
IMF	International Monetary Fund
ISO/TS	Class of quality management system standards relating to the automative supply chain

Term	Description
IT	Information technology
JCB	JCB India Limited
JIS Q	Japanese Industrial Standard class of quality management system standards
Kalyani Forge	Kalyani Forge Ltd
Kalyani Group	A group established in mid-1960 which caters to diverse sectors such as engineering steel, automotive, industrial, renewable energy, urban infrastructure and specialty chemicals. Key companies include Bharat Forge Ltd, Automotive Axles Ltd and Kalyani Steels Ltd.
Kia Motors	Kia Motor Corporation
KTM	KTM AG
LED	Light-emitting diode
Linamar	Linamar Corporation
LoI	Letter of intent
LPA	Long Period Average
Magal Tech	Magal Engg Tech Pvt Ltd
Mahindra CIE	Mahindra CIE Automotive Ltd
Maini Precision	Maini Precision Products Limited
MAN	MAN SE
Maruti Suzuki	Maruti Suzuki India Limited
MCLR	Marginal cost of funds based lending rate
MEIS	Merchandise Exports from India Scheme, a scheme introduced to provide rewards to exporters to offset infrastructure inefficiencies and associated costs in export of goods, especially those having high export intensity, employment potential and ability to enhance India’s export competitiveness
MERS	Middle East Respiratory Syndrome
Metaldyne	Metaldyne Performance Group Inc
MG Motors	MG Motor UK Limited
MHCV	Medium and heavy commercial vehicle
Micro Turner	Micro Turners Pvt Ltd
Minitab	A system that helps businesses increase efficiency and improve quality through smart data analysis
Modern Automotives	Modern Automotives Ltd
Moody's	Moody’s Investors Service Limited
Motori Minarelli	Motori Minarelli SpA
MSP	Minimum support price
Musashi Auto Parts (India)	Musashi Auto Parts India Private Limited
NADCAP-AS	Aerospace standard established by the National Aerospace and Defence Contractors Accreditation Program
NBFC	Non-banking financial company
Net Debt	The sum of (i) current borrowings, (ii) non-current borrowings, (iii) current maturities of non-current borrowings and finance lease obligations less (i) cash and cash equivalents
Net Debt to Equity Ratio	Calculated as Net Debt divided by total equity
NOx	Nitrogen oxides
OEM	Original equipment manufacturer
OES	Original equipment supplier
OICA	International Organization of Motor Vehicle Manufacturers
PCE	Personal consumption expenditure
PM	Particulate matter
PMGSY	Pradhan Mantri Gram Sadak Yojana
PPAP	Production part approval process
PO	Purchase order
Polaris	Polaris Industries Inc.
PSA	PSA Group, a French multinational manufacturer of automobiles and motorcycles sold under the Peugeot, Citroen, DS, Opel and Vauxhall brands.
QCC	Quality control circle
QFORM	A professional engineering software used for simulation, analysis and optimisation of metal forming processes providing excellent reliability
Raw Material Costs	The sum of (i) cost of material consumed, (ii) change in inventories of finished goods and work in progress and (iii) conversion charges
RBI	Reserve Bank of India
RFQ	Request for quotation
RICO Auto	RICO Auto Ltd
RoCE	Return on capital employed
Royal Enfield	Royal Enfield Co. Ltd
RPM	Rotations per minute
SAARC	South Asian Association for Regional Cooperation
SCADA	Supervisory control & data acquisition
SAP	SAP Solutions
Scania	A Swedish manufacturer of commercial vehicles, specifically heavy trucks and buses. It also manufactures diesel engines for heavy vehicles as well as marine and general industrial applications

Term	Description
Seventh Pay Commission	A commission constituted in February 2014 to review the principles and structure of emoluments of all central government civilian employees including defence forces
SG	Spheroidal graphite
SIAM	Society of Indian Automobile Manufactures
SoP	Start of Production
SOR	Statement of requirement
SPM	Special purpose machine
SPQCD	Safety, productivity, quality, cost and delivery
Stanadyne	Stanadyne India P Ltd
STT	Securities transaction tax
Sundaram Brake Linings	Sundaram Brake Linings Limited
Sundaram Clayton	Sundaram Clayton Limited
Suzuki Motorcycles	Suzuki Motorcycles India Ltd
S&P	Standard and Poor's
S&P Global	Standard & Poor’s Global
TACO	Tata Autocomp Systems Ltd
takt time	The average time between the start of production of one piece of component and the start of production of the next piece
Tata Motors / Tata	Tata Motors Ltd
Tecnomatrix	A design, fabrication and certification of checking fixtures for all types of parts for the automotive and the aeronautics sectors
Tekfor	Tekfor Holding GmbH
ThyssenKrupp	ThyssenKrupp Automotive AG
Tier-1	Suppliers that supply directly to OEMs
Toyota	Toyota Kirloskar Motor Private Limited
TPM	Total productive maintenance
TVS	TVS Motor Company Limited
Union Budget	Union Budget 2018
UN Comtrade	United Nations Commodity Trade Statistics Database
UKAS	The United Kingdom Accreditation Service, being the national accreditation body for the United Kingdom to assess organisations that provide certification, testing, inspection and calibration services
UTAS	United Technologies Aerospace Systems
UV	Utility vehicles
Visteon	Visteon Corporation, a global player in automotive electronics
Volkswagen / VW	Volkswagen India Private Limited
Yamaha	Yamaha Group
Yamaha India	India Yamaha Motor Private Limited

Conventional and General Terms or Abbreviations

Term	Description
₹/Rs./Rupees/INR	Indian Rupees
AIF(s)	Alternative Investment Fund(s) as defined in and registered with SEBI under the SEBI AIF Regulations
Air Act	Air (Prevention and Control of Pollution) Act, 1981
AS/Accounting Standards	Accounting Standards issued by the ICAI
BSE	BSE Limited
CAGR	Compounded Annual Growth Rate
Category I Foreign Portfolio Investors	FPIs who are registered as “Category I foreign portfolio investors” under the SEBI FPI Regulations
Category II Foreign Portfolio Investors	FPIs who are registered as “Category II foreign portfolio investors” under the SEBI FPI Regulations
Category III Foreign Portfolio Investors	FPIs who are registered as “Category III foreign portfolio investors” under the SEBI FPI Regulations which shall include investors who are not eligible under Category I and II foreign portfolio investors such as endowments, charitable societies, charitable trusts, foundations, corporate bodies, trusts, individuals and family offices
CDSL	Central Depository Services (India) Limited
CIN	Corporate Identity Number
Companies Act	Companies Act, 1956 and/or the Companies Act, 2013, as applicable
Companies Act, 1956	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	The Companies Act, 2013, and the rules and clarifications issued thereunder to the extent in force pursuant to the notification of the Notified Sections
Consolidated FDI Policy	The Consolidated FDI Policy Circular 2017, issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India
Depositories	NSDL and CDSL
Depositories Act	Depositories Act, 1996
DIN	Director Identification Number

Term	Description
DIPP	Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India
DP ID	Depository Participant's Identification
DP/ Depository Participant	A depository participant as defined under the Depositories Act
EEA	European Economic Area
Effective tax rate	Effective tax rate is calculated as the sum of current tax expenses and deferred tax expenses (including income tax related to items not reclassified to profit or loss) divided by profit before tax
EGM	Extraordinary General Meeting
EPS	Earnings Per Share
FAQ	Frequently asked questions
FCNR	Foreign Currency Non-Resident
FDI	Foreign Direct Investment
FEMA	Foreign Exchange Management Act, 1999, and the rules and regulations thereunder
FEMA Regulations	FEMA (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017
Financial Year/Fiscal/FY	Unless stated otherwise, the period of 12 months ending March 31 of that particular year
FPI(s)	Foreign portfolio investor(s) as defined under the SEBI FPI Regulations
FVCI(s)	Foreign venture capital investor(s) as defined and registered under the SEBI FVCI Regulations
Government	Government of India
HUF	Hindu Undivided Family
ICAI	The Institute of Chartered Accountants of India
IFRS	International Financial Reporting Standards as adopted by the International Accounting Standards Board
Income Tax Act/ IT Act	The Income-tax Act, 1961
Ind AS	Indian Accounting Standards
India	Republic of India
IPO	Initial public offering
IST	Indian Standard Time
Mutual Fund(s)	Mutual funds registered under the SEBI (Mutual Funds) Regulations, 1996
N.A./ NA	Not Applicable
NAV	Net Asset Value
NECS	National Electronic Clearing Services
NEFT	National Electronic Fund Transfer
Notified Sections	The sections of the Companies Act, 2013 that have been notified by the Ministry of Corporate Affairs, Government of India, and are currently in effect
NR	Non-resident
NRE Account	Non Resident External Account
NRI	An individual resident outside India who is a citizen of India or is an 'Overseas Citizen of India' cardholder within the meaning of section 7(A) of the Citizenship Act, 1955
NRO Account	Non Resident Ordinary Account
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
OCB/ Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA. OCBs are not allowed to invest in the Offer
OCI	Other Comprehensive Income
p.a.	Per annum
P/E Ratio	Price/Earnings Ratio
PAN	Permanent Account Number
PAT	Profit After Tax
PR	Public relations
Profit after tax margins	Profit after tax margin means total comprehensive income for the period/ year divided by total income for the period/year
RBI	The Reserve Bank of India
Regulation S	Regulation S under the Securities Act
RoNW	Return on Net Worth
RTGS	Real Time Gross Settlement
SCRA	Securities Contracts (Regulation) Act, 1956
SCRR	Securities Contracts (Regulation) Rules, 1957
SEBI	The Securities and Exchange Board of India constituted under the SEBI Act
SEBI Act	Securities and Exchange Board of India Act, 1992
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
SEBI ESOP Regulations	Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014
SEBI FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009

Term	Description
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
SEBI VCF Regulations	Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996
Securities Act	U.S. Securities Act of 1933, as amended
STT	Securities Transaction Tax
Systemically Important NBFCs	Systemically important non-banking financial company registered with the RBI and having a net worth of more than ₹5,000 million as per the last audited financial statements
Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended from time to time
U.S./USA/United States	United States of America
U.S. GAAP	Generally Accepted Accounting Principles in the United States
U.S. QIBs	"Qualified institutional buyers" as defined in Rule 144A under the Securities Act
USD/US$	United States Dollars
VCFs	Venture Capital Funds as defined in and registered with SEBI under the SEBI VCF Regulations or the SEBI AIF Regulations, as the case may be

The words and expressions used but not defined herein shall have the same meaning as is assigned to such terms under the SEBI Act, SEBI ICDR Regulations, SEBI Listing Regulations, the Companies Act, the SCRA, the Depositories Act and the rules and regulations made thereunder.

Notwithstanding the foregoing, terms not defined but used in "*Statement of Special Tax Benefits*", "*Financial Statements*" "*Industry Overview*", "*Regulations and Policies*", "*Outstanding Litigation and Material Developments*", "*Government Approvals*", Part B of "*Offer Procedure*" and "*Main Provisions of Articles of Association*" on pages 105, 218, 108, 183, 429, 432, 474 and 507, respectively, shall have the meaning given to such terms in such sections.

PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA

Certain Conventions

All references in this Draft Red Herring Prospectus to "India" are to the Republic of India and all references to the "US", "USA" or "United States" are to the United States of America.

Unless stated otherwise, all references to page numbers in this Draft Red Herring Prospectus are to the page numbers of this Draft Red Herring Prospectus.

Financial Data

Unless stated otherwise or the context otherwise requires, the financial data in this Draft Red Herring Prospectus is derived from the Restated Standalone Financial Statements and the Restated Consolidated Financial Statements prepared in accordance with the Companies Act, 2013, Ind AS, as applicable and restated in accordance with the SEBI ICDR Regulations.

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 12 month period ended on March 31 of that year.

Our Restated Financial Statements have been prepared in accordance with Ind AS. There are significant differences between Ind AS and U.S. GAAP and IFRS. Our Company does not provide reconciliation of its financial information to IFRS or U.S. GAAP. Our Company has not attempted to explain those differences or quantify their impact on the financial data included in this Draft Red Herring Prospectus and it is urged that you consult your own advisors regarding such differences and their impact on our Company's financial data. The Restated Financial Statements have been prepared, based on financial statements as at and for the financial year ended March 31, 2018, 2017, 2016, 2015, 2014 and 2013 prepared in accordance with Ind AS as prescribed under Section 133 of Companies Act 2013 read with Companies (Indian Accounting Standards) Rules 2015 and other relevant provisions of the Companies Act, 2013. Accordingly, the degree to which the financial information included in this Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting policies and practices, the Companies Act and the SEBI ICDR Regulations. Any reliance by persons not familiar with Indian accounting policies and practices on the financial disclosures presented in this Draft Red Herring Prospectus should accordingly be limited.

Unless the context otherwise indicates, any percentage amounts, as set forth in "*Risk Factors*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Conditional and Results of Operations*" on pages 17, 144 and 394 respectively, and elsewhere in this Draft Red Herring Prospectus have been calculated on the basis of the audited financial information of our Company prepared in accordance with Ind AS and the Companies Act and restated in accordance with the SEBI ICDR Regulations.

In this Draft Red Herring Prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off. All figures in decimals have been rounded off to the second decimal and all the percentage figures have been rounded off to two decimal places except percentage figures in "*Risk Factors*", "*Industry Overview*" and "*Our Business*", which are rounded off to two decimal places and accordingly there may be consequential changes in this Draft Red Herring Prospectus.

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;
- "EUR" or "Euro" are to Euro, the official currency of the European Union;
- "SEK" are to Swedish Krona, the official currency of Sweden; and
- "USD" or "US$" or "$" are to United States Dollar, the official currency of the United States of America.

Our Company has presented all numerical information in this Draft Red Herring Prospectus in "million" units or in whole numbers where the numbers have been too small to represent in millions. One million represents 1,000,000 and one billion represents 1,000,000,000.

Exchange Rates

This Draft Red Herring Prospectus contains conversion of certain other currency amounts 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 Rupee and the Euro, Swedish Krona and USD (in Rupees per EUR/ SEK/ USD):

Currency	As on March 31, 2018* (₹)	As on March 31, 2017* (₹)	As on March 31, 2016* (₹)	As on March 31, 2015* (₹)	As on March 31, 2014* (₹)
1 EUR	80.62**	69.25	75.10	67.51	82.57
1 SEK	7.77	7.28	8.09	7.27	9.19
1 USD	65.04	64.84	66.33	62.59	60.10*

Source: RBI Reference Rate
***Exchange rate as on March 28, 2018, as RBI Reference Rate is not available for March 31, 2018, March 30, 2018 and March 29, 2018 being a Saturday and public holidays, respectively.*
**oanda website.*

Industry and Market Data

Unless stated otherwise, industry and market data used in this Draft Red Herring Prospectus 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 Draft Red Herring Prospectus is reliable, it has not been independently verified by us, the respective Selling Shareholders, the BRLMs or any of their affiliates or advisors. 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 17. Accordingly, investment decisions should not be based solely on such information.

Certain information in "*Summary of Industry*", "*Summary of our Business*", "*Industry Overview*" and "*Our Business*" on pages 42, 50, 108 and 144, respectively of this Draft Red Herring Prospectus has been obtained from the report titled "Assessment of market potential for precision forged and machined Components", prepared by CRISIL Research, a division of CRISIL Limited" dated May 2018 prepared by CRISIL Research, a division of CRISIL Limited.

CRISIL Research, a division of CRISIL Limited has taken due care and caution in preparing the CRISIL Report based on the information obtained by CRISIL from sources which it considers reliable (Data). However, CRISIL does not guarantee the accuracy, adequacy or completeness of the Data / CRISIL Report and is not responsible for any errors or omissions or for the results obtained from the use of Data / CRISIL Report. The CRISIL Report is not a recommendation to invest / disinvest in any entity covered in the CRISIL Report and no part of the CRISIL Report should be construed as an expert advice or investment advice or any form of investment banking within the meaning of any law or regulation. CRISIL especially states that it has no liability whatsoever to the subscribers / users / transmitters/ distributors of the CRISIL Report. Without limiting the generality of the foregoing, nothing in the CRISIL Report is to be construed as CRISIL providing or intending to provide any services in jurisdictions where CRISIL does not have the necessary permission and/or registration to carry out its business activities in this regard. Our Company will be responsible for ensuring compliances and consequences of non-compliances for use of the CRISIL Report or part thereof outside India. CRISIL Research operates independently of, and does not have access to information obtained by CRISIL's Ratings Division / CRISIL Risk and Infrastructure Solutions Ltd (CRIS), which may, in their regular operations, obtain information of a confidential nature. The views expressed in this Report are that of CRISIL Research and not of CRISIL's Ratings Division / CRIS. No part of the CRISIL Report may be published/reproduced in any form without CRISIL's prior written approval.

In accordance with the SEBI ICDR Regulations, "*Basis for the Offer Price*" on page 101 includes information relating to our peer group companies. Such information has been derived from publicly available sources, and neither we, nor the BRLMs have independently verified such information.

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

FORWARD-LOOKING STATEMENTS

This Draft Red Herring Prospectus contains certain "forward-looking statements". All statements contained in this Draft Red Herring Prospectus that are not statements of historical fact constitute "forward-looking statements". All statements regarding our expected financial condition and results of operations, business, plans and prospects are "forward-looking statements". These forward-looking statements generally can be identified by words or phrases such as "aim", "anticipate", "believe", "expect", "estimate", "intend", "likely to", "seek to", "shall", "objective", "plan", "project", "will", "will continue", "will pursue" or other words or phrases of similar import. Similarly, statements that describe our Company's strategies, objectives, plans or goals are also forward-looking statements. All forward-looking statements whether made by us or any third parties in this Draft Red Herring Prospectus are based on our current plans, estimates, presumptions and expectations and are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement, including but not limited to, regulatory changes pertaining to the industry in which our Company has businesses and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, technological changes, our exposure to market risks, general economic and political conditions which have an impact on our business activities or investments, the monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in domestic laws, regulations and taxes and changes in competition in its industry. Important factors that could cause actual results to differ materially from our Company's expectations include, but are not limited to, the following:

- Our business is dependent on the sale of our products to certain key customers. The loss of such customers, a significant reduction in purchases by such customers, or a lack of commercial success of a particular component of which we are a major supplier could materially adversely affect our business, results of operations and financial condition.
- Pricing pressure from customers may adversely affect our gross margin, profitability and ability to increase our prices, which may in turn materially adversely affect our results of operations and financial condition.
- We do not have firm commitment supply agreements with our customers. If our customers choose not to source their requirements from us, our business and results of operations may be materially adversely affected.
- Seasonal or economic cyclicality coupled with reduced demand in the verticals and sectors in which we operate may materially adversely affect our business, results of operations and financial condition.
- Our failure to identify evolving industry trends and technologies and to develop new products to meet our customers' demands may materially adversely affect our business and results of operations.

For further discussion of factors that could cause the actual results to differ from the expectations, see "*Risk Factors*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 17, 144 and 394, respectively. 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 future gains or losses could materially differ from those that have been estimated and are not a guarantee of future performance.

These statements are based on our management's belief and assumptions, which in turn are based on currently available information. Although we believe the assumptions upon which these forward looking statements are based on are reasonable, any of these assumptions could prove to be inaccurate and the forward looking statements based on these assumptions could be incorrect. 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. Neither our Company, our Directors, the Selling Shareholders, the BRLMs nor any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI requirements, our Company and each Selling Shareholder shall severally ensure that investors in India are informed of material developments from the date of the Draft Red Herring Prospectus in relation to the statements and undertakings made by them in this Draft Red Herring Prospectus until the time of the grant of listing and trading permission by the Stock Exchanges for this Offer. Further, in accordance with Regulation 51A of the SEBI ICDR Regulations, our Company may be required to undertake an annual updation of the disclosures made in the Draft Red Herring Prospectus and make it publicly available in the manner specified by SEBI.

SECTION II: RISK FACTORS

RISK FACTORS

An investment in our Equity Shares involves a certain degree of risk. You should carefully consider all the information in this Draft Red Herring Prospectus, including the risks and uncertainties described below, before making an investment in our Equity Shares. The risks described below are not the only ones relevant to us or our Equity Shares or the industry in which we operate. Additional risks and uncertainties not presently known to us or that we currently deem immaterial may also impair our businesses, results of operations, financial condition and cash flows. If any of the following risks or other risks that are not currently known or are currently deemed immaterial actually occur, our businesses, results of operations, financial condition and cash flows could suffer, the trading price of our Equity Shares could decline, and you may lose all or part of your investment. Prospective investors should read this section in conjunction with "Our Business", "Industry Overview" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 144, 108 and 394, respectively of, as well as the financial and other information contained in, this Draft Red Herring Prospectus.

Prospective investors should pay particular attention to the fact that our Company is incorporated under the laws of India and is subject to a legal and regulatory environment which may differ in certain respects from that of other countries. This Draft Red Herring Prospectus also contains forward-looking statements that involve risks, assumptions, estimates and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Draft Red Herring Prospectus. For further details, see "Forward-Looking Statements" on page 16.

Until June 30, 2017, our revenues were presented including applicable excise duty. Following the implementation of GST with effect from July 1, 2017, our revenues are presented net of GST. We therefore present the numbers without excise duties for comparison purposes.

We define Sale Of Products (Net Of Excise Duties), Revenue From Operations (Net Of Excise Duties) and Total Income (Net Of Excise Duties) as, sale of products, revenue from operations and total income reduced by excise duty in each case. Prospective investors should note that these figures are not required by, nor presented in accordance with, Ind AS or Indian GAAP.

Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial or other implications of any of the risks described in this section. In making an investment decision, prospective investors must rely on their own examination of our Company and the terms of the Offer including the merits and risks involved. You should consult your tax, financial and legal advisors about the particular consequences to you of an investment in our Equity Shares.

INTERNAL RISK FACTORS

1. ***Our business is dependent on the sale of our products to certain key customers. The loss of such customers, a significant reduction in purchases by such customers, or a lack of commercial success of a particular component of which we are a major supplier could materially adversely affect our business, results of operations and financial condition.***

   We are dependent on certain key customers especially Bajaj, in the automotive sector. Bajaj represented 21.13% and 25.05% of our consolidated and standalone revenues from Sale Of Products (Net Of Excise Duties) for fiscal 2018. Our top five customers accounted for 62.37%, 64.41%, 66.88%, 71.32% and 74.37% of our revenues from Sale Of Products (Net Of Excise Duties) on a consolidated basis for fiscals 2018, 2017, 2016, 2015 and 2014. For further details of the contribution of each of our top five customers to our revenues from Sale Of Products (Net Of Excise Duties) for fiscals 2014 to 2018, see "*Our Business – Our Customers*".

   As we are dependent on certain key customers, the loss of such customers including as a result of a dispute with or disqualification by them may materially affect our business and results of operations. Further, as it is common for large original equipment manufacturers ("**OEMs**") to source their required components from a relatively small number of vendors, our customers often undertake vendor rationalisation to reduce costs related to procurement from multiple vendors.

   The volume of sales to our customers may vary due to our customers' attempts to manage their inventory, design changes and changes in our customers' manufacturing strategy, which may result in a decrease in demand or lack of commercial success of a particular component of which we are a major supplier. Further, we do not generally have firm commitment or long term purchase agreements with many of our key customers and instead rely on purchase orders issued by our customers from time to time. Our purchase orders from many of our customers generally provide for the supply of their requirements for particular models of vehicles and the discontinuation of, loss of business with respect to, or lack of commercial success of, those particular models of which we are a major supplier of components could reduce our sales and materially adversely affect our business, results of operations and financial condition.

As we are dependent on certain key customers for a significant portion of our sales, the loss for any of the foregoing reasons of any one of our key customers, if not replaced, may materially adversely affect our business, results of operations and financial condition.

2. ***Pricing pressure from customers may adversely affect our gross margin, profitability and ability to increase our prices, which may in turn materially adversely affect our results of operations and financial condition.***

We manufacture and supply complex and high-quality precision forged and machined components for the automotive and aerospace sectors, primarily supplying to OEMs in India and internationally. OEMs in the precision components industry generally pursue aggressive but systematic price reduction initiatives and objectives each year with their suppliers. We have in the past experienced and may continue to experience pressure from our customers to reduce our prices, which may affect our profit margins going forward. In addition, as any price reduction is the result of negotiations and factors which may be beyond our control, we, like other manufacturers must be able to reduce operating costs and increase operating efficiencies in order to maintain profitability. If we are unable to offset customer price reductions in the future through improved operating efficiencies, new manufacturing processes, sourcing alternatives and other cost reduction initiatives, our results of operations and financial condition may be materially adversely affected.

As our business is very capital intensive, requiring us to maintain a large fixed cost base, our profitability is dependent, in part, on our ability to spread fixed costs over higher sales volume. However, we may not be able to spread such fixed costs effectively as our customers generally negotiate for larger discounts in price as the volume of their orders increases. Further, substantially all of our products are customised to specific customer requirements, resulting in us incurring significant costs in setting up our capabilities to manufacture these products, which may not be fully recovered from our customers. If we are unable to generate sufficient production cost savings in the future to offset price reductions arising from pricing pressure from our customers, our results of operations and financial condition may be materially adversely affected.

3. ***We do not have firm commitment supply agreements with our customers. If our customers choose not to source their requirements from us, our business and results of operations may be materially adversely affected.***

We do not generally have firm commitment supply agreements with most of our customers and instead rely on purchase orders issued by our customers from time to time that set out the volume and other terms of our sales of products. Many of the purchase orders we receive from customers specify the price per unit and delivery schedule, with the quantities to be delivered determined at a later date. However, such orders may be amended or cancelled prior to finalisation, and should such amendment or cancellation take place, we may be unable to seek compensation for any surplus products that we manufacture that are unpurchased. Our customers do not typically place firm purchase orders until a short time before the products are required from us, as a result of which we do not hold a significant order book at any time, making it difficult for us to forecast revenue, production volume or sales.

In certain cases where we have purchase agreements with our customers, they are general terms contracts which do not bind customers to any specific products, specifications, purchase volumes or duration and can be terminated by our customers with or without cause, with little or no advance notice and without compensation. Further, such general terms contracts provide flexibility to our customers to place order for a lesser quantity of products in the purchase orders despite a higher quantity specified in the contract. Customers may also place order for products with different specifications from those stated in the contract. There is no commitment on the part of the customer to continue to place orders with us and accordingly, we may be unable to forecast our revenue, production volume or sales even in cases where we enter into supply agreements. Further, some of the master supply agreements that we have entered into with our customers are governed by foreign laws, which may create both legal and practical difficulties in the case of disputes and affect our ability to enforce our rights under these agreements or to collect damages, if awarded.

Furthermore, our customers have high standards for product quality and delivery schedules. Any failure to meet customers' expectations could result in the cancellation or non-renewal of our supply agreements with them. Factors beyond our control may also cause the loss of a customer. For instance, customers may demand price reductions, set-off any payment obligations, require indemnification for themselves or their affiliates, change their outsourcing strategy by undertaking more work in-house or replace their existing products with alternative products, any of which may have an adverse effect on our business and results of operations.

4. ***Seasonal or economic cyclicality coupled with reduced demand in the verticals and sectors in which we operate may materially adversely affect our business, results of operations and financial condition.***

Our business is heavily dependent on the performance of the automotive sector in India, particularly the two-wheeler and the passenger vehicle market. In Europe, we predominantly cater to the passenger vehicle vertical and, through our recent acquisition of Sansera Sweden AB, we have expanded our operations to the heavy commercial vehicle vertical as well. We are therefore exposed to fluctuations in the performance of the automotive market generally in

India and Europe.

Our operations are directly related to levels of global vehicle production, particularly two-wheelers, passenger vehicles and heavy commercial vehicles, and therefore affected by factors that generally affect the automotive industry. The automotive industry is sensitive to factors such as consumer demand, consumer confidence, disposable income levels, fuel prices and general economic conditions. The sales, volumes and prices for the products sold by our OEM customers are influenced by the cyclicality and seasonality of demand for these products, which in turn affects the demand for and sales volume of our precision forged and machined components for these products. Further, automotive production and demand may be subject to seasonality in some geographies, which may influence the demand for our products. On other occasions, an increase in our customers' production may require us to commit more resources and cause a material increase in costs, including expedited shipping costs in order to meet our customers' schedules.

Our operations are also directly affected by the cyclical nature and trends of the aerospace sector and the general economic conditions that affect our OEM customers in the aerospace sector, such as varying fuel and labour costs, price competition, regulatory scrutiny, a decrease in aviation activity, a decrease in outsourcing by aircraft manufacturers or the failure of projected market growth to materialise or continue. In the event that these characteristics and trends adversely affect our OEM customers in the aerospace sector, the overall demand for our products may be reduced, resulting in a material adverse effect on the volume of our sales.

More generally, the automotive and aerospace sectors are affected by other factors such as national and international trade, environmental and health and safety regulations, automobile and aircraft recalls and oil prices. In the event of a decrease in demand for our customers' products, or any development that may cause the supply of precision forged and machined components to OEMs in the automotive and aerospace sectors to be less profitable, we may experience a material adverse effect on our business, results of operations and financial condition.

5. ***Our failure to identify evolving industry trends and technologies and to develop new products to meet our customers' demands may materially adversely affect our business and results of operations.***

Changes in customer preferences, regulatory or industry requirements, or competitive technologies may render certain of our products obsolete or less attractive. Customer preferences, especially in many developed markets, appear to be moving in favour of more fuel efficient and environmentally friendly vehicles. In addition, increased government regulations and volatile fuel prices have brought significant pressure on the automotive industry to reduce carbon dioxide emissions. Further, we may not have the ability to adequately respond to market trends such as the penetration of electric vehicles in India and internationally. For instance, the GoI has formulated a "Scheme for Faster Adoption and Manufacturing of Electric and Hybrid Vehicles in India" under the National Electric Mobility Mission 2020 to encourage the progressive induction of reliable, affordable and efficient electric and hybrid vehicles in the country. Accordingly, our ability to anticipate changes in technology and regulatory standards and to successfully develop and introduce new and enhanced products on a timely basis is a significant factor in our ability to remain competitive. However, there can be no assurance that we will be able to secure the necessary technological knowledge to enable us to develop our product portfolio as planned. For instance, we may not be able to install and commission the facilities required to manufacture new products for our customers in time for the start of production, and the transitioning of our manufacturing facilities and resources to full production for new products may impact production rates or other operational efficiency measures at our facilities. Our failure to successfully adopt such technologies in a cost effective and a timely manner may increase our costs and lead to us being less competitive in terms of our prices or quality of products we sell.

We could also face competition for potential future revenue streams if our competitors are able to commercialise certain innovations before we can do so. We may have to procure a license for the technology, which may not be available on reasonable terms, if at all, and may significantly increase our operating expenses or may require us to restrict our business activities in one or more respects. As a result, we may also be required to develop alternative non-infringing technology, which could require significant effort and expense. If we fail to develop sufficient revenue streams covered by adequately robust intellectual property rights, we could lose market share and revenues to competitors. Any of these developments, alone or in combination, may have a material adverse effect on our business, results of operations and financial condition.

We are also subject to the risks generally associated with new product introductions by our customers, including lack of market acceptance and unanticipated delays or cost overruns in implementing new product launches. There can also be no assurance that the market acceptance of our customers' future products will meet our sales expectations, in which case we may be unable to realise the intended profits of our investments, which may materially adversely affect our results of operations and financial condition. In addition, we cannot assure that our customers will schedule the launch of new product programmes for which we engineer and supply our products and for which we have incurred costs, which could adversely affect our results of operations.

6. ***A decline in the financial condition of OEMs or other customers or suppliers could have a material adverse effect on our business and results of operations.***

The financial condition of our OEM customers is affected by the sales of their products to their respective customers, which may be impacted by several factors, including general economic conditions. Any material weakening of the sales of our material customers could directly impact our business due to the potential postponement or cancellation of their planned purchases or the potential delay of their designs of new platforms.

In addition, significantly lower global production levels, tightened liquidity and increased cost of capital have historically combined to cause financial distress among many OEMs and other customers and suppliers in the automotive industry and could have similar impact in the future. For instance, during the economic downturn, OEMs and other customers and suppliers in the automotive industry suffered from declines in sales and production, which, together with structural issues specific to certain of these companies (such as significant over-capacity and pension and healthcare costs), caused certain of these companies to undergo restructurings. Any similar decline in the creditworthiness of our customers in the future could result in an increased default risk with respect to our trade receivables and there can be no assurance that any financial arrangements provided to these companies, or even a successful reorganisation of such companies through bankruptcy, will guarantee their continued viability. Any such increase in default risk or decline in the financial condition of our OEM customers and our suppliers could have a material adverse effect on our business and results of operations.

7. ***Our business subjects us to risks in multiple countries***

We manufacture and distribute our products globally, serving a customer base in 19 countries spread across the USA, Latin America, Europe, Russia and Asia. Our revenues are geographically diversified across India, Europe, USA and other foreign countries. For details of the breakdown of our Revenue From Operations (Net Of Excise Duties) by geographical markets based on location of the customers, see "*Our Business – Strengths – Well diversified business model*". Our global operations are subject to risks that are specific to each country and region in which we operate, as well as risks associated with carrying out business operations on an international scale, including the following:

- Social, economic, political, geopolitical conditions and adverse weather conditions, such as natural disasters, civil disturbance, terrorist attacks, war or other military action, which may adversely affect our business and operations;
- Compliance with local laws, including legal constraints on ownership and corporate structure, environmental, health, safety, labour and accounting laws, which may impose onerous and costly obligations on our foreign subsidiaries;
- Changes in foreign laws, regulations and policies, including restrictions on trade, import and export licence requirements, and tariffs and taxes, intellectual property enforcement issues and changes in foreign trade and investment policies, which may affect our ability to both operate and the way in which we manage our business in the countries in which we operate; and
- Fluctuations in foreign currency exchange rates against the Indian Rupee, which may affect our results of operations, the value of our foreign assets, the relative prices at which we and foreign competitors sell products in the same markets and the cost of certain inventory and non-inventory items required for our operations.

In addition, changes in laws and regulations, more stringent enforcement or alternative interpretation of existing laws and regulations in jurisdictions in which we currently operate can change the legal and regulatory environment, making compliance with all applicable laws and regulations more challenging. The growth in size or scope of our business, expansion of our footprint in existing regions in which we operate and entry into new geographies also will expose us to regulatory regimes with which we have no prior direct experience and expansion into new product areas could lead to our becoming subject to additional or different laws and regulations. If any of these risks materialises, it could have a material adverse effect on our business, results of operations and prospects.

8. ***We may not be successful in implementing our growth strategies, such as expanding our business to new geographies or increasing customer penetration and diversification, which could materially adversely affect our business, results of operations and prospects.***

We have experienced considerable growth over the past five years and we have significantly expanded our operations and product portfolio. Between fiscals 2014 to 2018, our Total Income (Net Of Excise Duties) registered a CAGR of approximately 20.60%. Between fiscals 2014 and 2018, the number of product families our Company supplied (excluding aerospace components) increased from 22 to 30. We added 21 new customers (including customers in the aerospace sector) from 50 in fiscal 2014 to 71 in fiscal 2018.

The success of our business depends greatly on our ability to effectively manage our business and implement our strategies. As part of our growth strategy, we aim to, among other things, focus on high growth business verticals, continue to diversify and expand addressable market; retain and strengthen our technological leadership and focus on operational efficiencies to improve returns. For further details, see "*Our Business – Our Strategies*" on page 151.

In pursing our growth strategy, we will require significant capital investments and cash outlays, which may have a material impact on our results of operations. We may also be exposed to certain risks, including difficulties arising from operating a larger and more complex organisation; the failure to efficiently and optimally allocate management, technology and other resources across our organisation; the failure to compete effectively with competitors; the failure to increase our production capacity; the inability to obtain sufficient financing for expected capital expenditures or control our costs; and unforeseen legal, regulatory, property, labour or other issues.

For instance, as we continue our growth by expanding our manufacturing facilities and introducing new products, we may encounter regulatory, personnel and other difficulties that may increase our expenses, delay our plans or impair our ability to become profitable. Our success in entering new verticals and sectors is also subject to factors including the nature and trends affecting these verticals and sectors, consumer demand for precision forged and machined components for products in these verticals and sectors, general economic conditions that affect OEMs in these verticals and sectors and competition in these verticals and sectors. Further, the costs associated with entering and establishing ourselves in new geographical markets, and expanding such operations, may be higher than expected, and we may face significant competition in those regions. Our business may also be subject to many risks and challenges, including language barriers, cultural differences and other difficulties in staffing and managing overseas operations, inherent difficulties and delays in contract enforcement and the collection of receivables under the legal systems of some foreign countries, the risk of non-tariff barriers, other restrictions on foreign trade or investment sanctions, and the burdens of complying with a wide variety of foreign laws, rules and regulations.

There can be no assurance that our growth strategy will be successfully implemented or completed or that if completed, they will result in the anticipated growth in our revenues or improvement in our results of operations. We also cannot assure you that we will be able to continue to expand further, or at the same rate. Further, we expect our growth strategy to place significant demands on our management, financial and other resources and require us to continue developing and improving our operational, financial and other internal controls. We cannot assure you that our existing or future management, operational and financial systems, procedures and controls will be adequate to support future operations or establish or develop business relationships beneficial to future operations. Failure to manage growth effectively may have an adverse effect on our business, results of operations and prospects.

9. ***We are subject to strict quality requirements and any product defect issues or failure by us to comply with quality standards may lead to the cancellation of existing and future orders, recalls or warranty and liability claims.***

We face an inherent risk of exposure to product defects and subsequent liability claims in the event that the use of any of our products results in personal injury or property damage. We may not meet regulatory quality standards or the quality standards imposed by our customers applicable to our manufacturing processes, which could have a material adverse effect on our business and results of operations. Our customers' failure to comply with applicable regulations may cause adverse consequences to be imposed on us, including warning letters, fines, injunctions, civil penalties, the refusal of regulatory authorities to grant approvals, delays, suspensions or withdrawal of approvals, licence revocation, seizures or recalls of products, operating restrictions and criminal prosecutions, all of which could materially harm our business and reputation.

In the event that any of our products do not meet regulatory standards or are defective, we may, among other things, (i) be responsible for damages relating to any defective products, (ii) be required to replace, recall or redesign such products or (iii) incur significant costs to defend any such claims. In addition, our customers may not place orders with us in the future. We have had warranty claims made against our products in the ordinary course of our business. In fiscals 2016, 2017 and 2018, our Company's warranty cost was ₹1.78 million, ₹3.07 million and ₹2.25 million, respectively, which represented 0.02%, 0.03% and 0.02% of our Company's revenue from operations. We cannot assure you that we comply or can continue to comply with all regulatory requirements or the quality standards required by our customers. Due to the longer useful life of some our products, it is possible that latent defects may not appear for several years.

Further, our Restated Financial Statements include customer claims of ₹159.37 million included under contingent liabilities as of March 31, 2018. These claims are in relation to products supplied by us to some of our customers. While in practice we may be able to settle these claims at a lower amount and/or recover such amounts from insurance, pending such settlements, these amounts have been shown as contingent liability. We cannot assure you that such claims will not be brought against us in the future, and any adverse determination may have an adverse effect on our business, results of operations and financial condition.

Further, our OEM customers may have their own policies regarding product recalls and other product liability actions relating to their suppliers. However, as suppliers become more integrally involved in the design process and assume more assembly functions, OEMs may seek compensation from their suppliers for contributions when faced with product recalls, product liability or warranty claims. Although we have product liability insurance, we may not be covered for all situations that may arise with regard to any defects in our products. OEMs also increasingly require suppliers to provide warranties for products and bear the costs of repair and replacement of such products. Depending on the terms under which we supply products, our customers may hold us responsible for some or all of the repair or replacement costs of defective products or when the product supplied does not perform as expected. A successful warranty or product liability claim, or costs incurred for a product recall, could result in adverse publicity against us and may have an adverse effect on our business, results of operations and reputation.

10. ***Our employees are members of unions and we may be subject to industrial unrest, slowdowns and increased wage costs, which may adversely affect our business and results of operations.***

We operate manufacturing facilities in numerous locations in India as well as in Sweden that have stringent labour legislation in place that protects the interests of workers, including legislation that sets forth detailed procedures for the establishment of unions, dispute resolution and employee removal, and legislation that imposes certain financial obligations on employers upon retrenchment.

As of May 31, 2018, 835 employees employed with our Company and Fitwel were members of labour unions. Accordingly, it may be difficult for us to maintain flexible labour policies and we may face the threat of labour unrest, work stoppages and diversion of our management's attention due to union intervention. Labour unrest or work stoppages or other slowdown at one or more of our manufacturing facilities may cause us to experience a significant disruption of our operations and to pay penalties for the late delivery of our products. There have been instances of strikes in the past at three of our manufacturing facilities (Plant 1, Plant 2 and Plant 3). For further details, see "*Our History and Certain Corporate Matters – Strikes and Lock-outs*" on page 191. Labour unrest or strikes associated with our operations could also damage our reputation with customers or in the market generally.

We have entered and may in the future enter into wage settlement agreements with unions or works councils under which we incur certain obligations or agree to certain limitations or conditions for a period of time with respect to certain personnel, workplaces, departments or product lines. If a greater percentage of our work force became unionised, our labour costs may increase. Historically, labour costs in the precision components industry in India have been significantly lower than labour costs in developed countries for comparable skilled technical personnel. However, in the long term, increases in labour costs in India may make us less competitive unless we are able to increase our efficiency and productivity proportionately and we can pass on such costs in the prices that we charge our customers. Any significant increase in our labour costs may have an adverse effect on our business, results of operations and financial condition. In addition, our collective bargaining agreements are subject to renegotiation with the unions from time to time and it is possible that employees could argue for arrangements that could cause us to incur higher employment costs. Such agreements or arrangements could limit our ability to adjust workforce headcounts or salaries or to restructure our business in response to difficult economic conditions. This reduced flexibility could have an adverse effect on our business, results of operations and financial condition.

11. ***We are dependent on smooth supply and transportation and timely delivery of our products to customers.***

We rely on transportation services for the timely delivery of our products to our customers located in India and other countries. Our domestic operations use a number of different modes of transportation including road, air and rail. Where a shipment is outbound overseas, we use a number of different modes of transportation including road, air and sea. We also utilise third party freight forwarders who contract with the relevant ocean carriers and airlines on our behalf, and engage third party logistics service providers to provide support on our transportation requirements. Therefore, we face a risk that there could be deficiency or interruption in these third party services.

Disruptions of transportation services because of weather related problems, strikes, lock-outs, inadequacy of road infrastructure or other events may affect our delivery schedules and impair our supply to our customers. To the extent that our losses are not covered by insurance, this may have a material adverse effect on our business and results of operations. Delays (including delays in customs clearance) or non-delivery of our products may also have a material adverse effect on our business and results of operations. Although we do not enter into formal contracts with our third party logistic service providers, we have purchase orders with these logistic service providers and hence are less exposed to fluctuations in transportation costs. However, in the event that these logistic service providers are unable to continue to provide these necessary services for our operations for reasons which are beyond our control and we are unable to secure alternate transport arrangements in a timely manner and at an acceptable cost, or at all, our business, results of operations and reputation may be materially adversely affected.

12. ***Our failure to compete effectively in the highly competitive precision components industry may have a material adverse effect on our business and prospects.***

We face competition in India and overseas in our business, which is based on many factors, including product quality and reliability, breadth of product range, product design and innovation, manufacturing capabilities, distribution channels, scope and quality of service, price and brand recognition. We compete with global competitors to retain our existing business as well as to acquire new business. Some of our competitors may have certain advantages, including greater financial, technical and/or marketing resources, which could enhance their ability to finance acquisitions, fund international growth and/or respond more quickly to technological changes. Some of our competitors may be able to produce similar or equivalent products at lower costs than we can produce them. Additionally, we face competitive price pressures from lower-cost manufacturers and we expect such price pressures to increase as our customers continue to expand their manufacturing footprints in emerging markets, thereby providing opportunities for local manufacturers to compete. Accordingly, we may not be able to compete effectively with our competitors, which may have an adverse impact on our business and prospects.

In addition, manufacturers that do not currently compete with us could expand their product portfolios to include products that would compete directly with ours. Changes in the product focus of larger manufacturers could also result in such manufacturers establishing relationships with our customers that may reduce or entirely replace our business with those customers. In addition, certain key customers to whom we currently sell certain products could decide to compete with us as manufacturers of these products. Any of these factors could have a material adverse effect on our business.

13. ***We depend on third parties with whom we do not have long-term supply contracts for the supply of raw materials. A loss of suppliers or interruptions in the delivery of raw materials or volatility in the prices of raw materials on which we rely may have a material adverse effect on our business and results of operations.***

We are dependent on third party suppliers for the supply of our raw materials and assembled components. Our ability to identify and build relationships with reliable suppliers contributes to our growth and our successful management of our inventory as well as other aspects of our operations. In the absence of long-term contracts, we cannot assure you that a particular supplier will continue to supply our products in the future. There have been instances in the past where we experienced interruptions in the supply of bought out components and assembly parts to us. Further, there can be no assurance that increased demand, capacity limitations or other problems experienced by our suppliers will not result in occasional shortages or delays in their supply of raw materials. Any change in the supply pattern of our raw materials can adversely affect our business and results of operations. Discontinuation of production by our suppliers, a failure by any of our suppliers to adhere to any delivery schedule or a failure to provide materials of the requisite quality could also hamper our production schedule and affect our business. If we were to experience a significant or prolonged shortage of raw materials from any of our suppliers and cannot procure the raw materials from other sources, we may be unable to meet our production schedules for our products and ship such products to our customers in timely fashion, which may adversely affect our customer relations and reputation. In such event, we may be required to airlift supplies to prevent assembly line stoppage at our customers' end. We may also be required to replace a supplier if its products or services do not meet our safety, quality or performance standards or if a supplier unexpectedly discontinues operations due to reasons beyond its or our control, including financing constraints caused by credit market conditions.

In addition, prices of certain raw materials we rely on, such as steel, stainless steel, aluminium and titanium, are linked to commodity markets and thus subject to fluctuation. There can be no assurance that the markets for these products will not develop volatility in the future. While in practice we have passed the increase in the cost of raw materials onto our domestic customers, our cash flows may still be adversely affected due to any gap in time between the date of procurement of those raw materials and the date on which we can reset the component prices for our customers so as to account for the increase in the prices of such raw materials. In addition, we may not be able to pass all of our raw material price increases to our customers. Our ability to adjust pricing terms with customers varies based on our specific customer relationships, market practice with respect to the particular raw material or component and other factors such as raw material content and whether medium-term price fluctuations have been factored into our component prices at the time of price finalisation. As a result, for some of our export customers, we may in some instances bear the risk of price increases that occur. Our inability to adequately adjust our customer pricing in response to increases in prices of raw materials in a timely manner, or at all, could have a material adverse effect on our business, prospects, results of operations, cash flows and financial condition.

14. ***Our Company was incorporated in 1981 and we are unable to trace some of our historical records. We cannot assure you that no legal proceedings or regulatory actions will be initiated against our Company in the future in relation to the missing filings and corporate records, which may impact our financial condition and reputation.***

We have been unable to trace a number of documents, including the form filings, share transfer deeds and corresponding resolutions maintained by our Company. We may be unable to obtain copies of these documents in the future to ascertain details of the relevant transactions. For instance, we have been unable to trace the following corporate records and regulatory filings of our Company:

- Copies of certain internal secretarial records, including the original memorandum of association of our Company, board and shareholder resolutions, certain RoC form filings and share transfer deeds from the date of incorporation until 1987;
- Form-2 filed with the RoC in relation to the allotment of an aggregate of 970 equity shares of our Company to our Promoters in fiscal 1984;
- Copies of board and shareholder resolutions and Form 32 filed with the RoC in relation to the appointment of our

Director, S. Sekhar Vasan, at the time of incorporation;

- Copies of share transfer forms, dematerialised statements for the transfer of certain shares and copies of circular resolutions in respect of certain share transfers;
- Irregular filings of relevant forms with RoC with respect to the appointment of B R Preetham as CEO and Ramakrishnan S. as CFO of the Company in the year 2014 and 2016, respectively.

We have been unable to trace these documents despite conducting a search at the relevant Registrar of Companies, and may be unable to obtain copies of these documents in the future to ascertain details of the relevant transactions. Accordingly, for the period between the date of our incorporation and 1984, we are unable to confirm details of any corporate action undertaken by our Company, including acquisitions of any business or undertakings, revaluation of assets, entry into any scheme of amalgamations, public offerings of debt securities, instances of strikes, lock-outs or cost overruns and any default in repayment or rescheduling of borrowings from financial institutions or banks. Further, there have also been past instances where our Company made only a post-facto noting of a share transfer (as opposed to granting an in-principle approval) and in one instance where our Company has not reflected an increase in the authorised share capital by way of an amendment to the MoA.

While no legal proceedings or regulatory action has been initiated against our Company in relation to the unavailable filings and statutory lapses as of the date of this Draft Red Herring Prospectus, we cannot assure you that such proceedings or regulatory actions will not be initiated against our Company in the future in relation to the missing filings and corporate records. The actual amount of the penalty which may be imposed or loss which may be suffered by our Company cannot be ascertained at this stage and depends on the circumstances of any potential action which may be brought against our Company. We cannot assure you that any such proceedings will not have a material adverse effect on our financial condition or reputation.

On July 8, 2013, our Company had registered transfers of (i) an aggregate of 2,800 equity shares of a face value of ₹100 each of our Company ("**Singhvi Family Shares**") from Singhvi Family Shareholders (family members of our Promoter, F R Singhvi) in favour of F R Singhvi; and (ii) 923 equity shares of a face value of ₹100 each of our Company ("**Devaraj HUF Shares**") from D Devaraj HUF in favour of D Devaraj. Subsequently, F R Singhvi and D Devaraj, each issued declarations of beneficial ownership under Section 186(C)(1) of the Companies Act, 1956, to intimate the Company that F R Singhvi was holding the Singhvi Family Shares in trust for the Singhvi Family Shareholders and D Devaraj was holding the Devaraj HUF Shares in trust for the D Devaraj HUF, and not in their personal capacities. However, our Company inadvertently failed to file a return in form III with the RoC, within the prescribed period. Accordingly, our Company has filed a compounding application dated July 14, 2018 before the Regional Director, South East Region, Hyderabad, seeking compounding of the offence under Section 187C of the Companies Act, 1956 and Section 441 of the Companies Act, 2013, which is currently pending. For details, see "*Outstanding Litigation and Material Developments*" and "*Capital Structure*" on pages 429 and 79, respectively.

15. ***Our Statutory Auditors have included certain reservations, qualifications and adverse remarks in their audit reports on the Restated Consolidated Financial Statements and Restated Standalone Financial Statements in recent fiscals.***

Our Statutory Auditors have included certain reservations, qualifications and adverse remarks in the audit reports relating to the Restated Consolidated Financial Statements and Restated Standalone Financial Statements in recent fiscals. The qualifications relate to (i) inadequacy of internal control system documented with regard to the procurement of property, plant and equipment and intangible assets which could potentially result in material misstatement in the balances of properly, plant and equipment and intangible assets of Fitwel Tools and Forgings Private Limited ("**Fitwel**") for fiscal 2017; (ii) inadequacy of internal control system with regard to joining and exit formalities of employees as well as internal control towards payroll processing and recording of employee benefit expenses of Fitwel for fiscal 2017; and (iii) the lack of accounting for gratuity and compensated absences based on the actuarial valuation as required under AS-15 on "Employee Benefits" by Gearock Forge Private Limited (India) ("**Gearock Forge**") for fiscal 2014. For fiscal 2016, our Statutory Auditors also included a disclaimer of opinion on Fitwel relating to Fitwel's internal financial controls over financial reporting as Fitwel had not established its internal financial control over financial reporting on the criteria based on or considering the essential components of internal control stated in a guidance note issued by the ICAI. In addition, there were adverse remarks relating to the disqualification of F R Singhvi from being appointed as a director of the Company for fiscal 2018 and accumulation of losses by Gearock Forge exceeding 50% of its net worth and complete erosion of its net worth for fiscal 2015, among others. For further details, see "*Management's Discussion and Analysis on Financial Condition and Results of Operations – Reservations, Qualifications and Adverse Remarks*" on page 420.

The management has taken corrective actions to rectify these weaknesses. There was no qualification in the audit reports relating to our audited financial statements for fiscal 2018. The Statutory Auditors have stated in their examination reports on the Restated Consolidated Financial Statements that no quantitative adjustment is required to be made pursuant to the audit qualifications.

We cannot assure you that our audit reports for any future fiscals will not contain qualifications, remarks, comments, emphasis of matters or other observations, or that such qualifications, remarks, comments, emphasis of matters or other observations will not require any adjustment in our financial statements for such future periods or otherwise affect our results of operations in such future periods.

Investors should consider these matters in evaluating our financial position, cash flows and results of operations. For further details on the steps taken by us to address such qualifications, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations – Reservations, Qualifications and Adverse Remarks*" on page 320.

16. ***We do not have certain supporting documents for the educational qualification included as part of the profile of one of our Independent Directors included in the section "Our Management" of this Draft Red Herring Prospectus.***

We do not have certain documents supporting the educational qualification of our Independent Director, Muthuswami Lakshminarayan, disclosed in the section "*Our Management*" on page 199. Such information included in the Draft Red Herring Prospectus is based on the details provided by Muthuswami Lakshminarayan by way of an affidavit, certifying such information. Therefore, we cannot assure you that such information relating to the educational background of our Independent Director, Muthuswami Lakshminarayan, included in the section "*Our Management*" on page 199, as may be applicable, is complete, true and accurate.

17. ***We depend on our Promoters, senior management and skilled personnel, and if we are unable to recruit and retain skilled personnel, our business and our ability to operate or grow our business may be adversely affected.***

Our success depends to a large extent on the continued services of our Promoters, senior management, executive officers, key employees and other skilled personnel. We could be adversely affected by the loss of any of these Promoters, executive officers and other key employees. The market for such qualified professionals is competitive and we may not continue to be successful in our efforts to attract and retain qualified people. We may therefore need to increase compensation and other benefits in order to attract and retain personnel in the future which may affect our costs and profitability. The specialised skills we require in our industry are difficult and time-consuming to acquire and, as a result, are in short supply. We require a long period of time to hire and train replacement personnel when we lose skilled employees. Our inability to hire, train and retain a sufficient number of qualified employees could delay our ability to bring new products or services to the market and impair the success of our operations. This could have an adverse effect on our business and results of operations.

Our success also depends, in part, on key customer relationships forged by members of our Promoters and senior management. If we were to lose these members of the senior management, we cannot assure you that we will be able to continue to maintain key customer relationships or renew them. If we are unable to retain our Promoters and the members of our senior management, our business and results of operations may be adversely affected.

18. ***Our failure to keep our technical knowledge confidential may erode our competitive advantage and have a material adverse effect on our business and prospects.***

We possess extensive technical knowledge and know-how about our products, including, in particular, engineering drawings, exclusively licensed-in technologies, data and manufacturing processes and materials expertise, machine building and automation capabilities that have been built up through our own research and development capabilities and grant us access to new technologies. While we rely on a combination of trademark laws, confidentiality procedures and contractual provisions to protect our intellectual property, we cannot be certain that the steps we have taken will prevent unauthorised use of our intellectual property. As a result, we cannot be certain that our technical knowledge will remain confidential in the long run. As on the date of this Draft Red Herring Prospectus, our Company has not made any applications for registration of its intellectual property rights, such as copyrights or patents under applicable laws. For details of our registered trademarks, see "*Government Approvals – Intellectual Property Rights*" on page 434.

Certain proprietary knowledge may be leaked, either inadvertently or wilfully, at various stages of the production process. A significant number of our employees have access to confidential design and product information and there can be no assurance that this information will remain confidential. Moreover, certain of our employees may leave us and join our various competitors. Although we may seek to enforce non-disclosure agreements with our key employees to protect our technical knowledge and other confidential information, we cannot guarantee that we will be able to successfully enforce such agreements. We also enter into non-disclosure agreements with a number of our customers and suppliers but we cannot assure you that such agreements will be successful in protecting our technical knowledge and know-how. The potential damage from such disclosure is increased as our designs and products are not patented, and thus we may have no recourse against copies of our products and designs that enter the market subsequent to such leakage.

In the event that the confidential technical information in respect of our products or business becomes available to third parties or to the general public, any competitive advantage we may have over other companies in the precision components industry could be compromised. If a competitor is able to reproduce or otherwise capitalise on our technology, it may be difficult, expensive or impossible for us to obtain necessary legal protection. Moreover, we may not be able to detect any unauthorised use or to take appropriate and timely steps to protect our confidential technical information. Consequently, any leakage of confidential technical information may have a material adverse effect on our business and prospects.

19. *We are subject to risks relating to product concentration and lack of revenue diversification.*

We derive a substantial portion of our revenue from our key product families, namely connecting rods, rocker arms, crankshafts and gear shifter forks. For details of our revenues generated from the sale of these key product families, see "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 144 and 394, respectively. We expect these products to continue to account for a large percentage of our revenue in the near term. Continued market acceptance of these products is therefore critical to our future success. Our future success will also depend in part on our ability to reduce our dependence on these few products by developing and introducing new products and product or feature enhancements in a timely manner. We continue to have an active product development pipeline to continue supporting future growth. However, there can be no assurance that any products we develop and introduce will achieve market acceptance. Any failure to successfully develop, launch and market new products could adversely affect our business and results of operations.

20. *Our estimates of production volumes may not correspond to the actual demand for our products.*

We estimate our production volumes based on close customer dialogue, purchase orders, historical production volumes by our customers, our experience and general economic and market conditions. However, we are unable to assure that the demand for our products will develop in line with our estimates. The actual demand for our products for a few of our customers has varied significantly from their estimated sales volumes in the past. There is no assurance that we will be able to plan our production schedules to meet the actual requirements. In addition, regardless of the accuracy of such indicators, factors outside our control may require revision of our estimates. If we over-estimate the volume of products we expect to sell, we will have excess production capacity which may reduce operational efficiency and the margins on the products sold. If we underestimate the volume of products we need to produce at any of our manufacturing facilities, or fail to order a sufficient volume of supplies and input materials from our third-party suppliers, we may be unable to meet customer orders, which may affect our reputation or lead to a discontinuation of future orders from customers. In some cases, our customers have required a rapid increase in production, which placed an excessive burden on our resources and caused a material increase in costs, including the costs of expedited shipping. As a result of production delays, we may also be required to airlift supplies to prevent assembly line stoppage at our customers' end, which may materially adversely affect our results of operations and financial condition. Failure to meet customer orders may also occur because existing manufacturing facilities and other equipment do not have sufficient capacity or we have an inaccurate level of inventory holding or the costs of transporting goods from one site to another would be uneconomical.

21. *We are required to obtain and maintain quality and product certifications for certain countries and customers.*

In some countries, certain certifications for products with regard to specifications and quality standards are necessary or preferred in order for these products to be accepted by customers and markets. As such, we need to be able to obtain and maintain the relevant certifications so that our customers are able to sell their products, which include precision forged and machined components that are manufactured by us, in these countries. In addition, some customers also require us to maintain certain standards and conduct inspections at regular intervals to ensure that we maintain these standards. We are materially compliant with each of these certifications in the relevant jurisdictions and have not had any such certification revoked in the past. However, any failure to meet or maintain the requirements needed to secure or renew such certifications could result in a material adverse effect on our business in the relevant countries and with the relevant customers.

22. *Start-up costs and inefficiencies relating to new products and OEM approval processes may materially adversely affect our results of operations and financial condition.*

New products that our customers commission us to develop and manufacture often entail material start-up costs with respect to product design and development, material sourcing, testing and validation to match the customers' specifications and approval processes, as well as establishing additional production lines or new manufacturing facilities where required. If we are unable to recoup start-up costs, manage our labour and equipment resources effectively, or correctly estimate the required time and resources in developing new products, our gross margins and results of operations may be adversely affected. In addition, if any of these new products were terminated or our OEM customers shift their base of operations to a location where we do not have a manufacturing facility, our operating results could be adversely affected, particularly in the short term. Accordingly, we may not be able to adequately recover these start-up costs or replace anticipated revenues from any such new products, which may materially adversely affect our results of operations and financial condition.

23. ***We require certain licenses, permits and approvals in the ordinary course of business, and the failure to obtain or retain them in a timely manner may materially adversely affect our operations.***

We are required to obtain and maintain a number of statutory and regulatory licenses, permits and approvals in India and in Sweden, generally for carrying out our business and for each of our manufacturing facilities. For further details, see "*Government Approvals*" on page 432. A majority of these approvals, including the consent to establish and operate under environmental laws, are granted for a limited duration and require renewal from time to time. While we have applied for some of these approvals, we cannot assure you that such approvals will be issued or granted to us in a timely manner, or at all. If we do not receive such approvals or are not able to renew the approvals in a timely manner, our business and operations may be materially adversely affected.

Further, the licenses, permits and approvals required by us are subject to several conditions and we cannot assure you that we will be able to continuously meet such conditions, which may lead to cancellation, revocation or suspension of the relevant licenses, permits and approvals. If there is any failure by us to comply with the applicable regulations or if the regulations governing our business are amended, we may incur increased compliance costs, be subject to penalties, have our licenses, approvals and permits revoked or suffer a disruption in our operations, any of which may materially adversely affect our business and results of operations.

24. ***There are outstanding legal proceedings involving our Company, Subsidiaries and one of our Promoters.***

There are outstanding legal proceedings involving our Company, Subsidiaries and one of our Promoters which are pending at different levels of adjudication before various courts, tribunals and other authorities. Such proceedings could divert our management's time and attention and consume financial resources in their defence or prosecution. The amounts claimed in these proceedings have been disclosed to the extent ascertainable and quantifiable and include amounts claimed jointly and severally. Any unfavourable decision in connection with such proceedings, individually or in the aggregate, could adversely affect our reputation, business, financial condition and results of operations.

A summary of such outstanding material legal proceedings as on the date of this Draft Red Herring Prospectus is set out below:

Nature of cases	No. of cases	Total amount involved (in ₹ million)
Litigation involving our Company		
Against our Company		
Action taken by statutory and regulatory authorities	3	0.35
Civil cases	6	Not ascertainable
Direct tax cases	5	21.61*
Indirect tax cases	40*	198.61**
Litigation involving our Subsidiaries		
Against Fitwel		
Civil cases	1	Not ascertainable
Direct tax cases	2	5.62
Indirect tax cases	4	4.20
Litigation involving our Promoters		
Against F.R. Singhvi		
Action taken by statutory and regulatory authorities	1***	Not ascertainable

**The amount excludes the tax amount already paid by our Company*
***Includes one indirect tax case involving Gearock Forge, which amalgamated with our Company with effect from April 1, 2017*
**** F.R. Singhvi was included in the list of disqualified directors, issued by the RoC in relation to a violation of Section 164(2)(a) of the Companies Act, by Mulder Trading Private Limited, a company in which F.R. Singhvi was a director. F.R. Singhvi filed a writ petition before the High Court of Karnataka against the said disqualification. The High Court of Karnataka issued an interim stay order dated December 15, 2017 on the disqualification of F.R. Singhvi from acting as a director. The matter is currently pending. F.R. Singhvi has also initiated proceedings before NCLT, Bengaluru to revive Mulder Trading Private Limited and rectify the violation of Section 164(2)(a) of the Companies Act, 2013. The matter is currently pending. For further details see, "Outstanding Litigation and Material Developments" on page 429.*

Further, our Company has outstanding statutory dues amounting to ₹0.24 million towards non-payment of provident fund as of the date of this Draft Red Herring Prospectus.

We cannot assure you that any of these matters will be settled in our favour or in favour of our Company, Subsidiaries and Promoters, respectively, or that no additional liability will arise out of these proceedings. For further details, see "*Outstanding Litigation and Material Developments*" on page 429.

25. *We may incur significant costs in connection with ongoing efforts by our customers to restructure their operations.*

The automotive industry continues to experience fluctuating production volumes and sales levels in certain geographic markets. In response to these conditions, some OEMs continue to explore restructuring of their operations, cutting or postponing vehicle production programmes, or cancelling or scaling back future product plans. Further, as OEMs follow a trend of localisation of production in certain lower-cost countries, they have and may in the future close plants in certain locations while opening plants in new locations, requiring suppliers to follow this geographic migration. Our ability to relocate our facilities is dependent on the availability of land and other factors including obtaining consent from certain customers. In the event that restructuring efforts by certain of our customers affect vehicle programmes for which we supply or are scheduled to supply components, we may need to restructure our own operations in order to align them with the evolving needs of our customers. In such event, we may incur restructuring, relocation, downsizing and other significant non-recurring costs in our operations for which we are not compensated under the terms of our contracts with our customers, which could have an adverse effect on our results of operations and financial condition.

26. *We have substantial capital expenditure and working capital requirements and may require additional financing to meet those requirements, which could have an adverse effect on our results of operations and financial condition.*

Our business is capital intensive as we constantly seek to add new and upgrade our existing manufacturing facilities; increase our product portfolio; and invest in the research and development of new technologies and products, among others. For fiscals 2016, 2017 and 2018, our additions to property, plant and equipment were ₹1,473.31 million, ₹1,867.59 million and ₹1,243.16 million, respectively. The actual amount of our future capital requirements may differ from estimates as a result of, among other factors, unforeseen delays or cost overruns, unanticipated expenses, regulatory changes, economic conditions, engineering design changes, weather related delays, technological changes, additional market developments and new opportunities in the precision components industry. Our sources of additional financing, where required to meet our capital expenditure plans, may include the incurrence of debt, the issue of equity or debt securities or a combination of both. If we decide to raise additional funds through the incurrence of debt, our interest and debt repayment obligations will increase, which may have a significant effect on our profitability and cash flows. We may also become subject to additional covenants, which could limit our ability to access cash flows from operations and undertake certain types of transactions. Any issuance of equity, on the other hand, would result in a dilution of the shareholding of existing shareholders.

In many cases, a significant amount of our working capital is required to finance the purchase of raw materials and the designing and manufacturing of products before payment is received from customers. Our working capital requirements may increase if the payment terms in our agreements or purchase orders include reduced advance payments or longer payment schedules. These factors may result, and have in the past resulted, in increases in the amount of our receivables and short-term borrowings. Continued increases in our working capital requirements may have an adverse effect on our results of operations and financial condition.

27. *Our financing agreements contain covenants that limit our flexibility in operating our business.*

We are bound by restrictive and other covenants in our facility agreements with various lenders, including but not limited to, restrictions on the utilisation of the loan for certain specified purposes, timely provision of information and documents, timely creation of security, obtaining prior consent from existing lenders and maintenance of financial ratios, including debt to tangible net worth, debt-service coverage ratio and fixed assets coverage ratio. Further, most of our loan documents contain restrictive covenants which require us to obtain prior written approval from the appropriate lender for various corporate actions, including effecting any change in the management or control or the majority shareholding of the Company, any merger, amalgamation or other restructuring which affects the control of the existing shareholders over the Company, or any amendment or modification of the Memorandum of Association of the Company. In addition, our terms loans and working capital facilities are secured by a charge on, among others, our immoveable properties, fixed moveable assets and current assets.

Our failure to comply with restrictive covenants or to obtain our lenders' consent to take such actions in a timely manner or at all could also result in an event of default, which may accelerate repayment of the relevant loans or increase applicable interest rates or even trigger cross-defaults under our other financing agreements or other agreements or instruments containing cross-default provisions. Further, a breach of our facility agreements may also trigger a right of the lenders to enforce the security provided. An event of default may also affect our ability to raise new funds or renew maturing borrowings that may be needed to conduct our operations and pursue our growth initiatives. In addition, our ability to obtain further financing on terms and conditions acceptable to us could be severely and negatively impacted as a result of these restrictions and breaches. Any loan agreement termination and subsequent action taken by our lenders may individually or in aggregate have an adverse effect on our business, results of operations, cash flows and financial condition.

As of March 31, 2018, our aggregate outstanding current and non-current borrowings (including current maturities) under these debt financing agreements was ₹5,393.65 million. For details, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on page 394.

28. ***We are exposed to counterparty credit risk of our customers and any significant delay in receiving payments or non-receipt of payments may materially adversely impact our results of operations.***

We are exposed to counterparty credit risk of our customers and any significant delay in receiving payments or non-receipt of payments may materially adversely impact our results of operations. There is no assurance that we will accurately assess the creditworthiness of our customers. Macroeconomic conditions such as a credit crisis in the global financial system or global economic uncertainty could lead to deterioration in our customers' financial condition, including limiting their access to the credit markets and increasing their risk of insolvency or bankruptcy. Such conditions could cause our customers to delay payment, request modifications of their payment terms, or default on their payment obligations to us, all of which may increase our receivables. Timely collection of dues from customers also depends on our ability to complete our contractual commitments and subsequently bill for and collect from our clients. If we are unable to meet our contractual obligations, we may experience delays in the collection of, or be unable to collect, our customer balances, which may materially adversely affect our results of operations and cash flows.

29. ***Some of our Subsidiaries are engaged in lines of business that are similar to our Company.***

Our Subsidiaries are engaged in lines of business that are similar to our Company. We shall adopt necessary procedures and practices as permitted by law to address any conflict situations, as and when they may arise. Further, in the event that our Company undertakes a divestment of its shareholding in any of the Subsidiaries, a conflict in operations of our Subsidiaries and our Company may arise to the extent of the common activities. There can be no assurance that our Subsidiaries will not compete with our existing business or any future business that we may undertake or that their interests will not conflict with ours. For further details of related business transactions and their significance on the financial performance of our Company, see "*Related Party Transactions*" on page 216.

30. ***The acquisition of other companies, businesses or technologies could result in operating difficulties, dilution and other adverse consequences.***

As part of our business diversification strategy, we may from time to time pursue acquisitions to expand our business. We cannot assure you that we will be able to identify suitable acquisition, strategic investment or joint venture opportunities at acceptable cost and on commercially reasonable terms, obtain the financing necessary to complete and support such acquisitions or investments, integrate such businesses or investments or that any business acquired or investment made will be profitable. If we attempt to acquire companies outside of India, we may not be able to satisfy certain Indian regulatory requirements for such acquisitions and may need prior approval from the Reserve Bank of India, which we may not be able to obtain in time or at all.

In addition, acquisitions and investments involve a number of risks, including possible adverse effects on our operating results, exposure to future funding obligations, diversion of management's attention, failure to retain key personnel, currency risks, risks associated with unanticipated events or liabilities, possible contravention of applicable laws in relation to investment and transfer of shareholding, including any pre-emptive rights of existing shareholders of such entities and difficulties in the assimilation of the operations, technologies, systems, services and products of the acquired businesses or investments, as well as other economic, political and regulatory risks. Any failure to achieve successful integration of such acquisitions or investments could have a material adverse effect on our business, financial condition and results of operations. Future acquisitions could result in potentially dilutive issuances of our equity securities, the incurrence of debt, contingent liabilities or amortization expenses, or write-offs of goodwill, any of which could harm our financial condition and may have an adverse impact on the price of our Equity Shares.

31. ***Our operations are subject to environmental and health and safety laws and other government regulations which could result in material liabilities in the future.***

We are subject to applicable laws and regulations and customer specifications with respect to the protection of the environment and employee health and safety in each of the jurisdictions in which we operate. Our manufacturing processes and products are subject to stringent quality and safety standards and new laws and regulations may be imposed from time to time that may increase our compliance costs or restrict our operations.

The nature of our operations involves individuals working under potentially dangerous circumstances. Our operations are subject to significant hazards, including explosions, fires, mechanical failures and other operational problems, discharges or releases of hazardous substances, chemicals or gases and other environmental risks. Fatalities, accidents or other incidents that may occur at our facilities or may involve our personnel or visitors or operations could result in claims for damages against us. The Senior Assistant Director of Factories, Bengaluru, issued a show cause notice dated September 25, 2017 in relation to burn injuries sustained by two contract workers pursuant to a fire accident which took place on August 13, 2017 at Plant 12. Our Company filed its response on October 24, 2017. Further, the Senior Assistant Director of Factories, Bengaluru, issued a show cause notice dated May 4, 2018 in relation to a cut and crush injury sustained by a contract worker while removing scrap struck at the hydraulic cylinder area of a compactor machine at Plant 9 on March 2, 2018. Our Company filed a response dated May 15, 2018 to the said notice. Both these matters are currently pending. For further details, see "*Outstanding Litigation and Material Developments*" on page 429. If these claims and lawsuits, individually or in the aggregate, are resolved against us, our business, results of operations and financial condition could be adversely affected. Such incidents could also do lasting damage to our reputation among customers and the general public, even if we were not actually responsible for causing such damage and no fault on our part has been proven.

A risk of environmental liability is inherent in our manufacturing activities, and we are subject to numerous environmental laws and regulations in the countries in which we operate. Under certain environmental laws, we could be held solely or jointly and severally responsible, regardless of fault, for the remediation of any hazardous substance contamination at our past and present facilities for which we may incur substantial costs or any consequences arising out of human exposure to such hazardous substances, and could also be held liable for damages to natural resources or other environmental damage. If we violate or fail to comply with environmental laws, regulations and permits, we could be subject to penalties, fines, restrictions on operations or other sanctions, and our operations could be interrupted or suspended.

32. ***We might unintentionally infringe upon the intellectual property rights of others, any misappropriation of which could harm our competitive position.***

While we take care to ensure that we comply with the intellectual property rights of others, we cannot determine with certainty as to whether we are infringing on any existing third-party intellectual property rights. We may therefore be susceptible to claims from third parties asserting infringement and other related claims. If claims or actions are asserted against us, we may be required to obtain a licence, modify our existing technology or cease the use of such technology and design a new non-infringing technology. Such licences or design modifications can be extremely costly. Furthermore, necessary licences may not be available to us on satisfactory terms, if at all. In addition, we may decide to settle a claim or action against us, the settlement of which could be costly. We may also be liable for any past infringement. Any of the foregoing could adversely affect our business and results of operations.

In certain cases, our customers share their intellectual property rights in the course of the product development process that we carry out for them. If our customer's intellectual property rights are misappropriated by our employees in violation of any applicable confidentiality agreements, our customers may seek damages and compensation from us. This could have an adverse effect on our business, results of operations and damage our reputation and relationships with our customers.

33. ***We appoint contract labour for carrying out certain of our ancillary operations and we may be responsible for paying the wages of such workers if the independent contractors through whom such workers are hired default on their obligations, and such obligations could have an adverse effect on our results of operations and financial condition.***

In order to retain flexibility and control costs, our Company appoints independent contractors who in turn engage on-site contract labour for performance of certain of our ancillary operations in India. Although our Company does not engage these labourers directly, we may be held responsible for any wage payments to be made to such labourers in the event of default by such independent contractors. Any requirement to fund their wage requirements may have an adverse impact on our results of operations and financial condition. In addition, under the Contract Labour (Regulation and Abolition) Act, 1970, as amended, we may be required to absorb a number of such contract labourers as permanent employees. Thus, any such order from a regulatory body or court may have an adverse effect on our business and results of operations.

34. ***Any shutdown of our manufacturing facilities may have an adverse effect on our business, results of operations and financial condition.***

Our manufacturing facilities are subject to operating risks, such as the breakdown or failure of equipment, power supply or processes, performance below expected levels of efficiency, obsolescence, labour disputes, natural disasters, industrial accidents and the need to comply with the directives of relevant government authorities. The assembly lines of our OEM customers rely significantly on the timely delivery of our components and our ability to provide an uninterrupted supply of our products is critical to our business. In addition, certain of our OEM customers may impose significant penalties on component manufacturers for any stoppage in any assembly line, caused either by delayed delivery of a component or a defect in the components delivered. Our customer relationships, business and financial results may be adversely affected by any disruption of operations of our product lines, including as a result of any of the factors mentioned above. Any shutdown or operational failure of our manufacturing facilities may also result in a reduction in the capacity utilisation levels at our manufacturing facilities, which may have an adverse effect on our profitability and results of operations.

35. ***Discontinuance or non-availability of fiscal benefits enjoyed by us or our inability to comply with related requirements may have an adverse effect on our business and results of operations.***

Our Company currently enjoys certain fiscal benefits on account of policies of the Government of India, including concessions on duty imports and incentives relating to Merchandise Exports from India Scheme ("**MEIS**"), Duty Drawback Scheme ("**DDS**") and under the Export Promotion Capital Goods Scheme (the "**EPCG Scheme**") of the Government of India. In the case of our export products, with our current product mix, the average rate of MEIS is approximately 2% to 3% of free on board ("**FOB**") and the average rate of DDS is 1% to 2% of FOB value of exports. The EPCG scheme allows imports at concession rates of custom duty and requires the importer to export a specified quantity of goods over a period of six years from the licence date. A 50% export obligation is required to be fulfilled within first four years with the remaining 50% within the next two years. Non-fulfilment of such obligations may result in confiscation of capital goods imported under this scheme and other penalties as set out in this scheme. As of March 31, 2018, our export obligation under EPCG scheme is ₹771.73 million. We have not been subject to any penalties on account of failure to meet our export obligations in the past, since the value of exports undertaken by us has exceeded our export commitments. However, in the event of any default under the EPCG Scheme, our results of operations may be adversely affected. As we seek to export a larger proportion of our products outside of India, any changes in the policies of the Government of India may have a proportionately greater adverse effect on our business and results of operations.

36. ***Some of our manufacturing facilities are operated on industrial land allotted to us by industrial development corporations. Failure to comply with the conditions of use of such land could result in an adverse impact on our business, results of operations and financial condition.***

As of May 31, 2018, we had 10 manufacturing facilities which were constructed on industrial land allotted to our Company by state-owned industrial development corporations ("**IDC**"). Under the terms of the allotment and the lease agreements, we are required to comply with various conditions such as achieving the investment commitment set out in the project report and adhering to the timelines for completion of setting up of the manufacturing facility and commencement of manufacturing activity. Furthermore, we are required to obtain IDC approval for assigning, underletting or parting with the leased premises. In the event that we fail to meet these conditions, we may be required to pay a non-refundable premium to the relevant IDC to extend the deadline for meeting the commitments or to forgo pursuing certain corporate actions. In addition, according to the statutory rules under which the IDCs function, IDCs also retain the power to cancel allotment of land in the event of breach of any rules of allotment.

As we are constantly looking to expand our business, we may be required to enter into arrangements with IDCs to secure land for setting up new manufacturing facilities or expanding existing ones. However, there are several factors and variables such as delay in receipt of confirmed orders from our customers, inability to arrange for manpower, inability to raise debt for unforeseen increases in project outlays and delay in securing requisite licences and approvals which could delay the completion of the manufacturing facility beyond the timeline agreed upon with the relevant IDC. In such an event, we may be required to pay a premium or face cancellation of land allotment, which could adversely impact our business.

37. ***Failure or disruption of our IT systems may adversely affect our business and results of operations.***

Our design and engineering facilities comprise IT enabled processes such as CAD, CAM and CAE facilities and design software. We also have a supplier management system and have implemented various SAP platform solutions to manage key areas of our operations including production, materials, maintenance and human resource functions. Any failure or disruption in the operation of these systems or the loss of data due to such failure or disruption (including due to human error or sabotage) may affect our ability to plan, track, record and analyse work in progress and sales, process financial information, manage product lifecycle, manage our creditors and debtors, manage payables and inventory or otherwise conduct our normal business operations, which may increase our costs and materially adversely affect our business and results of operations. Further, unavailability of, or failure to retain, well trained employees capable of constantly servicing our IT systems may lead to inefficiency of our IT systems. In addition, a large-scale IT malfunction could disrupt our business or lead to disclosure of, and unauthorised access to, sensitive company information.

38. ***Our insurance coverage may not be adequate to protect us against all potential losses, which may have an adverse***

effect on our results of operations, cash flows and financial condition.

Our operations are subject to various risks, including breakdowns, failure or substandard performance of equipment, third party liability claims, labour disturbances, employee fraud and infrastructure failure, as well as fire, theft, robbery, earthquake, flood, acts of terrorism and other force majeure events. We maintain insurance policies for our manufacturing facilities in India and abroad, including buildings, machinery and inventories, as well as for personal accident coverage, public liability coverage, product liability coverage and workmen compensation. In addition, we also maintain insurance policies covering directors' and officers' liability, general liability and policies that provide coverage for risks during the shipment of products. We are not insured against consequential damages, environmental damages, terrorist acts and war related events. For further details, see "*Our Business – Insurance*" on page 179.

While we believe that the insurance coverage which we maintain would be reasonably adequate to cover the normal risks associated with the operation of our business, we cannot assure you that any claim under the insurance policies maintained by us will be honoured fully, in part or on time, or that we have taken out sufficient insurance to cover all our losses. Our insurance policies may not provide adequate coverage in certain circumstances and are subject to certain deductibles, exclusions and limits on coverage. In addition, our insurance coverage expires from time to time. We apply for the renewal of our insurance coverage in the normal course of our business, but we cannot assure you that such renewals will be granted in a timely manner, at acceptable cost or at all. To the extent that we suffer loss or damage for which we did not obtain or maintain insurance, and which is not covered by insurance or exceeds our insurance coverage or where our insurance claims are rejected, the loss would have to be borne by us and our results of operations, cash flows and financial condition may be adversely affected.

39. ***We have power and water requirements and any disruption to power or water sources could increase our production costs.***

We require power and water for our manufacturing facilities, and energy costs represent a significant portion of the production costs for our operations. For fiscals 2016, 2017 and 2018, our power and fuel charges were ₹489.95 million, ₹546.92 million and ₹718.51 million, constituting 5.40%, 5.34% and 5.24%, respectively, of our Total Income (Net Of Excise Duties). If energy or water costs were to rise, our production costs could increase if we are unable to increase our product prices enough to offset these increased costs. If electricity or water supplies or supply arrangements were disrupted, we may need to rely on alternative sources, which may not be able to consistently meet our requirements. Interruptions of electricity supply can also result in production shutdowns, increased costs associated with restarting production and the loss of production in progress.

40. ***We are exposed to risks associated with foreign exchange rate fluctuations and hedging.***

The majority of our costs and incomes are denominated in local currencies, providing a hedge against currency exchange fluctuations. Some of our contracts with our key export customers may not allow for price adjustments in the event of unfavourable currency exchange rate developments. Our global footprint exposes us to certain currency exchange risks, arising primarily from our receivables, import of raw materials and capital goods for our operations, export of goods and our non-Indian rupee denominated borrowings. We cover some of our net exports foreign exchange exposure through forward contracts and non-Indian rupee denominated loans to hedge these risks. However, there can be no guarantee that such fluctuations will not affect our financial performance in the future as we continue to expand our operations globally, particularly in emerging markets where the risk of currency volatility is higher.

Furthermore, we generally do not engage in currency hedging on our non-Indian Rupee-denominated loans, and are also exposed to foreign currency risk on the translation of receivables, bank balances and borrowings. The realisation of any of these risks could have an adverse impact on our financial condition and results of operations.

41. ***If we fail to maintain an effective system of internal controls, we may not be able to successfully manage or accurately report our financial risks.***

Effective internal controls are necessary for us to prepare reliable financial reports and effectively avoid fraud. Moreover, any internal controls that we may implement, or our level of compliance with such controls, may deteriorate over time, due to evolving business conditions. There can be no assurance that additional deficiencies in our internal controls will not arise in the future, or that we will be able to implement and continue to maintain adequate measures to rectify or mitigate any such deficiencies in our internal controls.

42. ***Our Promoters will continue to retain a large shareholding in us after the Offer, which will allow them to exercise significant influence over us.***

After the completion of the Offer, our Promoters will hold approximately [●]% of our outstanding Equity Shares. Accordingly, our Promoters will continue to exercise significant influence over our business and all matters requiring shareholders' approval, including the composition of our Board of Directors, the adoption of amendments to our constitutional documents, the approval of mergers, strategic acquisitions or joint ventures or the sales of substantially all of our assets, and the policies for dividends, investments and capital expenditures. This fration of ownership may also delay, defer or even prevent a change in control of our Company and may make some transactions more difficult or impossible without the support of our Promoters. Further, the Promoters shareholding may limit the ability of a third party to acquire control. The interests of our Promoters, as our Company's controlling shareholder, could conflict with our Company's interests, your interests or the interests of our other shareholders. There is no assurance that our Promoters will act to resolve any conflicts of interest in our Company's or your favour.

43. ***We entered into related party transactions aggregating ₹37.78 million, ₹67.78 million and ₹95.71 million for fiscals 2016, 2017 and 2018, respectively. We will continue to enter into such transactions and there can be no assurance that we could not have achieved more favourable terms had such transactions not been entered into with related parties.***

We have entered into transactions with several related parties, including our Promoters and Subsidiaries, aggregating ₹37.78 million, ₹67.78 million and ₹95.71 million, on a consolidated basis, respectively, for fiscals 2016, 2017 and 2018, which were carried out in compliance with applicable laws. For further details, see "*Related Party Transactions*" on page 216.

While we believe that all such transactions have been conducted on an arms-length basis, 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 will continue to enter into related party transactions in the future. There can be no assurance that these or any future related party transactions that we may enter into, individually or in the aggregate, will not have an adverse effect on our business and results of operations. Further, the transactions with our related parties may potentially involve conflicts of interest. There can also be no assurance that any dispute that may arise between us and related parties will be resolved in our favour.

44. ***Some of our Directors and Promoters have interests other than reimbursement of expenses incurred and normal remuneration or benefits in our Company.***

Our Directors who are Promoters, namely S. Sekhar Vasan and Unni Rajagopal K and our Promoters, F R Singhvi and D Devaraj are interested in our Company to the extent of the Equity Shares held by them in our Company, and any dividends, bonuses or other distributions on such Equity Shares. For further details, see "*Our Management*", "*Our Promoters and Promoter Group*" and "*Financial Statements*" on pages 197, 211 and 218, respectively. Further, pursuant to the terms of the shareholders' agreement dated May 29, 2013, executed between our Company, CEL (formerly called CVCIGP II Client Ebene Limited), EEL, S Sekhar Vasan, F R Singhvi, Unni Rajagopal K, D Devaraj, Karthik Das and Anjana Iyer, as amended on March 23, 2016 ("**Shareholders Agreement**"), and further amended pursuant to the waiver and termination agreement dated August 8, 2018, as amended ("**Waiver and Termination Agreement**"), in the event of a full cash exit by CEL and EEL, our Promoters are entitled to receive an incentive (by way of cash or any other methods) from CEL and EEL, based on the formula set out under the Shareholder Agreement as amended by way of the waiver and termination. For further details, see "*History and Certain Corporate Matters - Summary of Key Agreements for our Company*" on page 194.

45. ***Our Directors or Promoters may enter into ventures that may lead to real or potential conflicts of interest with our business***

Our Directors and Promoters may become involved in ventures that may potentially compete with our Company. The interests of our Directors and Promoters may conflict with the interests of our other Shareholders, and our Directors or Promoters may, for business considerations or otherwise, cause our Company to take actions, or refrain from taking actions, in order to benefit themselves instead of our Company's interests or the interests of its other Shareholders.

While our Directors and Promoters do not, as of the date of this Draft Red Herring Prospectus, engage in any other business activities similar to our business lines, and has not undertaken any business in conflict with our Company, we cannot assure you that such a conflict will not arise in the future, or that we will be able to suitably resolve any such conflict without an adverse effect on our business or operations. In addition, while our Company has entered into the Waiver and Termination Agreement amending the Shareholders' Agreement, pursuant to which parties have agreed that the non-compete and non-solicit obligations of the Promoters under the Shareholders' Agreement will continue for a period of 24 months up to a date which is the earlier of: (i) the termination of the Shareholders' Agreement, or (ii) the Promoters executing a non-compete and non-solicit undertaking in a form acceptable to our Company, or executing an amendment to their respective employment agreements, in a form acceptable to our Company, to include such non-compete and non-solicit obligations after consummation of the Offer, we cannot assure you that our Directors or Promoters will not provide comparable services, solicit our employees or acquire interests in competing ventures in the locations, verticals or sectors in which we operate, which could have an adverse effect on our business and results of operations.

46. ***We have experienced negative cash flows in prior periods and any negative cash flows in the future could adversely affect our financial condition and the trading price of our Equity Shares.***

The following table sets forth certain information relating to our cash flows on a consolidated basis for the periods indicated. We may in the future experience negative operating cash flows as well.

(*in ₹ million*)

Particulars	Fiscal		
	2018	2017	2016
Net cash generated from/(used in) operating activities	1,374.34	925.82	1,464.93
Net cash generated from/(used in) investing activities	(2,078.77)	(1,632.81)	(1,353.59)
Net cash generated from/(used in) financing activities	979.01	440.85	209.69
Net (decrease)/increase in cash and cash equivalents	274.58	(266.14)	321.03
Cash and cash equivalents at the beginning of the year	106.16	371.89	46.61
Cash and cash equivalents at the end of the year	343.37	106.16	371.89

Negative cash flows over extended periods, or significant negative cash flows in the short term, could materially impact our ability to operate our business and implement our growth plans. This situation may have an adverse effect on our cash flows, business, future financial performance and results of operations. For further details, see "*Financial Statements*" on page 218.

47. ***Any increase in or realisation of our contingent liabilities may adversely affect our financial condition.***

As of March 31, 2018, our Restated Consolidated Financial Statements disclosed and reflected the following contingent liabilities:

(in ₹ million)

Particulars	As at March 31, 2018
Customer claims*	159.37
Excise duty and service tax matters	75.76
Income tax matters	5.59
Total	**240.72**

**The customer claims are in relation to products supplied by us to some of our customers. While the liability has not been admitted and in practice we may be able to settle these claims at a lower amount and/or recover such amounts from insurance, pending such settlements, such amounts have been shown as contingent liability.*

The aggregate contingent liabilities (to the extent ascertainable) were ₹240.72 million on a consolidated basis as compared to a net worth of ₹5,942.19 million on a consolidated basis and ₹5,999.21 million on a standalone basis, respectively, as of March 31, 2018.

If any of these contingent liabilities materialise or if at any time we are compelled to pay all or a material proportion of these contingent liabilities, it may have an adverse effect on our financial condition.

48. ***Our Company has unsecured borrowings that may be recalled by the lenders at any time.***

As of March 31, 2018, our Company has availed unsecured current borrowings aggregating to ₹551.23 million, which may be recalled by the lenders at any time. In the event that any lender seeks a repayment of any such loan, we would need to find alternative sources of financing, which may not be available on commercially reasonable terms, or at all. We may not have adequate working capital to undertake new projects or complete the ongoing projects. As a result, any such demand may materially adversely affect our business, results of operations, cash flows and financial condition.

49. ***We cannot assure payment of dividends on the Equity Shares in the future.***

Our ability to pay dividends in the future will depend on our earnings, financial condition, cash flows, capital requirements, capital expenditure and restrictive covenants of our financing arrangements. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board of Directors and subsequent approval of shareholders and will depend on factors that our Board of Directors and shareholders deem relevant, including among others, our future earnings, financial condition, cash flows, capital requirements, capital expenditures, business prospects and restrictive covenants under our financing arrangements. We may decide to retain all of our earnings to finance the development and expansion of our business and, therefore, may not declare dividends on our Equity Shares. We cannot assure you that we will be able to pay dividends at any point in the future.

50. ***Our Company shall not receive the proceeds from the Offer.***

The Offer comprises of an offer for sale of 17,244,328 Equity Shares by the Selling Shareholders. The entire proceeds after deducting relevant Offer expenses from the proceeds from the Offer for Sale will be paid to the Selling Shareholders and our Company will not receive any such proceeds. For further details, see "*The Offer*" and "*Objects of the Offer*" on pages 70 and 99, respectively.

51. ***We have relied on a third party industry report which has been used for industry related data in this Draft Red Herring Prospectus and such data have not been independently verified by us.***

We have relied on the CRISIL Report for industry related data that has been disclosed in this Draft Red Herring Prospectus. The report uses certain methodologies for market sizing and forecasting. We have not independently verified such data and therefore, while we believe them to be true, we cannot assure you that they are complete or reliable. Accordingly, investors should read the industry related disclosure in this Draft Red Herring Prospectus in this context. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. While industry sources take due care and caution while preparing their reports, they do not guarantee the accuracy, adequacy or completeness of the data. Accordingly, investors should not place undue reliance on, or base their investment decision solely on this information. For further details, see "*Industry Overview*" on page 108.

52. ***Some of our business operations are being conducted on leased premises. Our inability to seek renewal or extension of such leases may adversely affect our business operations.***

Some of our business operations are being conducted on premises leased from third parties. The tenure of the leases is generally agreed in the relevant lease agreements and subject to renewal after the agreed period of time. While there are currently no instances of non-compliance of the terms of our lease agreements, there can be no assurance that there will be no such non-compliance leading to termination of such leases in the future. Any change in the terms and conditions of the lease agreements and any premature termination of such lease agreements may have an adverse impact on our operations.

Any adverse impact on the title, ownership rights, development rights of the owners from whose premises we operate, breach of the contractual terms of any lease, leave and license agreements, or any inability to renew such agreements on acceptable terms may also affect our operations. In addition, the terms of certain of our leases require us to obtain the lessor's prior consent for certain actions, including making structural alterations to the leased premises, which may be required if we were to undertake an expansion in the future.

There can be no assurance that we will be able to renew these leasing arrangements at commercially favourable terms, or at all. If we are unable to renew all or any of our leasing arrangements, it may cause disruptions in our business and we may incur substantial costs associated with shifting to new premises, all of which may adversely affect our business operations.

53. ***Some of our business operations are being conducted on premises which require the prior consent of certain state specific development authorities for the purpose of a change in the constitution of our Company. Our inability to obtain prior consent from such authorities may adversely affect our business operations.***

Some of our business operations are being conducted on premises leased from state specific development authorities. The lease and sale agreements entered into with state specific development authorities, namely the Karnataka Industrial Areas Development Board ("**KIADB**") and the Haryana State Industrial and Infrastructure Development Corporation ("**HSIIDC**") in relation to two of our manufacturing facilities situated in Bidadi, Karnataka and Manesar, Haryana, respectively, require our Company to seek their prior consent for any change in the constitution of the Company, including conversion from a private limited company to a public limited.

While we have made the necessary applications to the KIADB and HSIIDC pursuant to letters dated July 3, 2018 and July 9, 2018, respectively, seeking a no objection for the conversion of our Company from a private limited company to a public limited company, and a waiver for post factor approval for the changes, we are yet to receive a response on the same. There is no assurance that we will be able to receive such consents at all which may cause disruptions in our business and adversely affect our business operations.

EXTERNAL RISK FACTORS

Risks Relating to India

54. ***Recent global economic conditions have been challenging and continue to affect the Indian market, which may adversely affect our business, financial condition, results of operations and prospects.***

The Indian economy and its securities markets are influenced by economic developments and volatility in securities markets in other countries. Investors' reactions to developments in one country may have adverse effects on the market price of securities of companies located in other countries, including India. For instance, the economic downturn in the U.S. and several European countries during a part of financial years 2008 and 2009 adversely affected market prices in the global securities markets, including India. Negative economic developments, such as rising fiscal or trade deficits, or a default on national debt, in other emerging market countries may also affect investor confidence and cause increased volatility in Indian securities markets and indirectly affect the Indian economy in general. Any worldwide financial instability could also have a negative impact on the Indian economy, including the movement of exchange rates and interest rates in India and could then adversely affect our business, financial performance and the price of our Equity Shares.

Any other global economic developments or the perception that any of them could occur may continue to have an adverse effect on global economic conditions and the stability of global financial markets, and may significantly reduce global market liquidity and restrict the ability of key market participants to operate in certain financial markets. Any of these factors could depress economic activity and restrict our access to capital, which could have an adverse effect on our business, financial condition and results of operations and reduce the price of our equity shares. Any financial disruption could have an adverse effect on our business, future financial performance, shareholders' equity and the price of our Equity Shares.

55. ***Our business and activities may be regulated by the Competition Act 2002.***

The Competition Act 2002, as amended (the "**Competition Act**"), was enacted for the purpose of preventing practices having an adverse effect on competition in India and has mandated the Competition Commission of India (the "**CCI**") to regulate such practices. Under the Competition Act, any arrangement, understanding or action, whether formal or informal, which causes or is likely to cause an appreciable adverse effect on competition in India is void and may result in substantial penalties. Any agreement among competitors which directly or indirectly determines purchase or sale prices, directly or indirectly results in bid rigging or collusive bidding, limits or controls production, supply, markets, technical development, investment or the provision of services, or shares the market or source of production or provision of services in any manner, including by way of allocation of geographical area or types of goods or services or number of customers in the relevant market or any other similar way, is presumed to have an appreciable adverse effect on competition in the relevant market in India and shall be void. The Competition Act also prohibits the abuse of dominant position by any enterprise. If it is demonstrated that any contravention committed by a company took place with the consent or connivance or is attributable to any neglect on the part of, any director, manager, secretary or other officer of such company, that person shall be guilty of the contravention and may be punished.

On March 4, 2011, the Government notified and brought into force the combination regulation (merger control) provisions under the Competition Act with effect from June 1, 2011. These provisions require acquisitions of shares, voting rights, assets or control or mergers or amalgamations that cross the prescribed asset and turnover based thresholds to be mandatorily notified to and pre-approved by the CCI. Additionally, on May 11, 2011, the CCI issued Competition Commission of India (Procedure for Transaction of Business Relating to Combinations) Regulations 2011, as amended, which sets out the mechanism for implementation of the merger control regime in India. Consequently, all agreements entered into by us may fall within the purview of the Competition Act.

Further, the CCI has extraterritorial powers and can investigate any agreements, abusive conduct or combination occurring outside India if such agreement, conduct or combination has an appreciable adverse effect on competition in India. However, we cannot predict the impact of the provisions of the Competition Act on the agreements entered into by us at this stage. We are not currently party to any outstanding proceedings, nor have we received notice in relation to non-compliance with the Competition Act or the agreements entered into by us. However, if we are affected, directly or indirectly, by the application or interpretation of any provision of the Competition Act, or any enforcement proceedings initiated by the CCI, or any adverse publicity that may be generated due to scrutiny or prosecution by the CCI or if any prohibition or substantial penalties are levied under the Competition Act, it would adversely affect our business, results of operation and prospects.

56. ***Political instability, changes in economic policy, changing laws, rules and regulations and legal uncertainties, including adverse application of tax laws and regulations, may adversely affect our business and financial performance.***

Our business and financial performance could be adversely affected by unfavourable changes in or interpretations of existing, or the promulgation of new, laws, rules and regulations applicable to us and our business. For further details of the laws currently applicable to us, see "*Regulations and Policies*" on page 183.

Any political instability in India, such as corruption, scandals and protests against certain economic reforms, which have occurred in the past, could slow the pace of liberalisation and deregulation. The rate of economic liberalisation could change, and specific laws and policies affecting foreign investment, currency exchange rates and other matters affecting investment in India could change as well.

There can be no assurance that the Government of India may not implement new regulations and policies which will require us to obtain approvals and licences from the Government of India and other regulatory bodies, or impose onerous requirements and conditions on our operations. Any such changes and the related uncertainties with respect to the applicability, interpretation and implementation of any amendment or change to governing laws, regulation or policy in the jurisdictions in which we operate may have a material adverse effect on our business, financial condition and results of operations. In addition, we may have to incur expenditures to comply with the requirements of any new regulations, which may also materially harm our results of operations. Any unfavourable changes to the laws and regulations applicable to us could also subject us to additional liabilities.

On November 8, 2016, the RBI, and the Ministry of Finance of the Government of India withdrew the legal tender status of ₹500 and ₹1,000 currency notes pursuant to a notification dated November 8, 2016. The short-term impact of these developments has been, among other things, a decrease in liquidity of cash in India. There is uncertainty on the long-term impact of this action. The RBI has also established, and continues to refine, a process for holders of affected banknotes to tender such notes for equivalent value credited into the holders' bank accounts. The short-term and long-term effects of demonetisation on the Indian economy, India's capital markets and our business are uncertain and we cannot accurately predict its effect on our business, results of operations, cash flows, financial condition and prospects.

The General Anti Avoidance Rules ("**GAAR**") have been notified by way of an amendment to the Income Tax Act 1961, and became effective from April 1, 2017. While the intent of this legislation is to prevent business arrangements that are set up with the intent to avoid tax avoidance under the Income Tax Act 1961, certain exemptions have been notified, viz., (i) arrangements where the tax benefit to all parties under an arrangement is less than ₹30.00 million, (ii) where Foreign Institutional Investors ("**FIIs**") have not taken benefit of a double tax avoidance tax treaty under Section 90 or 90A of the Income Tax Act 1961 and have invested in listed or unlisted securities with SEBI approval and (iii) where a non-resident has made an investment, either direct or indirect, by way of an offshore derivative instrument in an FII. Further, investments made up to March 31, 2017 shall not be subject to GAAR provided that GAAR may apply to any business arrangement pursuant to which tax benefit is obtained on or after April 1, 2017, irrespective of the date on which such arrangement was entered into.

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

57. ***An economic downturn in India could cause our business to suffer.***

Slowdown in the growth of the Indian economy could adversely affect our business and our lenders and contractual counterparties, especially if such a slowdown were to be prolonged. The growth rate of India's real GDP was 8.1%, 7.1% and 6.4% during fiscals 2016, 2017 and 2018, respectively (*Source: CRISIL Report*). The performance and growth of our business are necessarily dependent on economic conditions prevalent in India, which may be adversely affected by such economic slowdown. Notwithstanding the RBI's policy initiatives, the course of market interest rates continues to be uncertain due to the high inflation, the increase in the fiscal deficit and the Government of India's borrowing programme. Any continued or future inflation because of increases in prices of commodities such as crude oil or otherwise, may result in a tightening of monetary policy and could have a material adverse effect on our business, financial condition and results of operations. Any increase in interest rates or reduction in liquidity could adversely impact our business.

58. ***Terrorist attacks, civil disturbances and regional conflicts in South Asia may have an adverse effect on our business.***

India has, from time to time, experienced social and civil unrest within the country and hostilities with neighbouring countries. These hostilities and tensions could lead to political or economic instability in India and a possible adverse effect on our business and future financial performance. There can be no assurance that such situations will not recur or be more intense than in the past. Terrorist attacks and other acts of violence or war may adversely affect global markets and economic growth. These acts may also result in a loss of business confidence, make travel and other services more difficult and have other consequences that could have an adverse effect on our business, results of operations and financial condition. Such violence may have an adverse impact on the Indian and worldwide financial markets. In addition, any deterioration in international relations may result in investor concern regarding regional stability which could adversely affect the price of the Equity Shares. India has witnessed localised terrorist attacks recently, including the terrorist attacks in Mumbai in 2008 and 2011, in New Delhi in 2011 and in Pathankot and Uri in 2016. Such incidents could also create an increased perception that investment in Indian companies involves a higher degree of risk and could have an adverse impact on our business, financial conditions, results of operations and prospects.

59. ***Any downgrading of India's sovereign debt rating by an international rating agency could have a negative impact on our business and results of operations.***

India's sovereign rating is Baa2 with a "stable" outlook (Moody's), BBB- with a "stable" outlook (S&P) and BBB- with a "stable" outlook (Fitch). Any adverse revisions to India's credit ratings by international rating agencies may adversely affect our ratings, terms on which we are able to finance future capital expenditure or refinance any existing indebtedness. This could have an adverse effect on our business, financial conditions, results of operations and prospects.

60. ***The occurrence of natural or man-made disasters may adversely affect our business, results of operations and financial condition.***

The occurrence of natural disasters, including hurricanes, floods, tsunamis, earthquakes, tornadoes, fires, explosions, pandemic disease and man-made disasters, including acts of terrorism and military actions, may adversely affect our financial condition or results of operations. The potential impact of a natural disaster such as the H5N1 "avian flu" virus, H1N1 swine flu virus, Middle East Respiratory Syndrome ("**MERS**") or Zika (the mosquito virus) on our results of operations and financial position is speculative, and would depend on numerous factors. Although the long-term effect of such diseases cannot currently be predicted, previous occurrences of avian flu, swine flu, MERS and Zika had an adverse effect on the economies of those countries in which they were most prevalent. In the case of any of such diseases, should the virus mutate and lead to human-to-human transmission of the disease, the consequence for our business could be severe. An outbreak of a communicable disease in India or in the particular region in which we have projects would adversely affect our business and financial conditions and the result of operations. We cannot assure prospective investors that such events will not occur in the future or that our business, results of operations and financial condition will not be adversely affected.

61. ***Investors may not be able to enforce judgments obtained in foreign courts against us.***

We are a public limited company under the laws of India. Many of our directors and officers are Indian nationals and all or a significant portion of the assets of all of the directors and officers and a substantial portion of our assets are located in India. As a result, it may be difficult for investors to effect service of process outside India on us or on such directors or officers or to enforce judgments against them obtained from courts outside India, including judgments predicated on the civil liability provisions of the United States federal securities laws.

India has reciprocal recognition and enforcement of judgments in civil and commercial matters with only a limited number of jurisdictions, which includes the United Kingdom, Singapore and Hong Kong. In order to be enforceable, a judgment from a jurisdiction with reciprocity must meet certain requirements of the Indian Code of Civil Procedure, 1908 (the "**Civil Code**"). The Civil Code only permits the enforcement of monetary decrees, not being in the nature of any amounts payable in respect of taxes, other charges, fines or penalties. Judgments or decrees from jurisdictions which do not have reciprocal recognition with India cannot be enforced by proceedings in execution in India. Therefore, a final judgment for the payment of money rendered by any court in a non-reciprocating territory for civil liability, whether or not predicated solely upon the general laws of the non-reciprocating territory, would not be enforceable in India. Even if an investor obtained a judgment in such a jurisdiction against us, our officers or directors, it may be required to institute a new proceeding in India and obtain a decree from an Indian court. However, the party in whose favour such final judgment is rendered may bring a fresh suit in a competent court in India based on a final judgment that has been obtained in a non-reciprocating territory within three years of obtaining such final judgment. It is unlikely that an Indian court would award damages on the same basis or to the same extent as was awarded in a final judgment rendered by a court in another jurisdiction if the Indian court believed that the amount of damages awarded was excessive or inconsistent with public policy in India. In addition, any person seeking to enforce a foreign judgment in India is required to obtain prior approval of the RBI to repatriate any amount recovered pursuant to the execution of the judgment.

Risks Relating to the Offer and the Equity Shares

62. ***The Offer Price is not indicative of the market price of the Equity Shares and the trading volume and market price of the Equity Shares may be volatile following the Offer.***

The Offer Price of the Equity Shares will be determined by our Company in consultation with the BRLMs and the Selling Shareholders through the Book Building Process. The Offer Price will be based on numerous factors, including the basic and diluted earnings per share, price earnings ratio in relation to the offer price per equity share of the face value, comparison with listed industry peers, if any, and return on net worth as described under "*Basis for Offer Price*" on page 101 and may not be indicative of the market price for the Equity Shares after the Offer.

The market price of the Equity Shares may fluctuate as a result of, among other things, the following factors, some of which are beyond our control:

- quarterly variations in our results of operations;
- results of operations that vary from the expectations of securities analysts and investors;
- results of operations that vary from those of our competitors;
- changes in expectations as to our future financial performance, including financial estimates by research analysts and investors;
- a change in research analysts' recommendations;
- announcements by us or our competitors of significant acquisitions, strategic alliances, joint operations or capital commitments; announcements by third parties or governmental entities of significant claims or proceedings against us;
- new laws and governmental regulations applicable to our industry;
- additions or departures of key management personnel;
- changes in exchange rates;
- changes in the price of conventional and renewable energy;
- fluctuations in stock market prices and volume; and
- general economic and stock market conditions.

Changes in relation to any of the factors listed above could adversely affect the price of the Equity Shares. The market price of the Equity Shares may decline below the Offer Price and investors may not be able to re-sell Equity Shares at or above the Offer Price resulting in a loss of all or part of the investment. Further, the BRLMs have previously handled issues wherein the market price of the issued shares declined below the issue price of shares within 30 days of their listing and in certain cases continued to trade at a price lower than their listing price on the 180th day from listing. For details of the price information of the past issues handled by the BRLMs, see "*Other Regulatory and Statutory Disclosures*" on page 435.

63. ***There is no guarantee that the Equity Shares will be listed on the Stock Exchanges in a timely manner or at all, or that after such listing that they will remain listed on the Stock Exchanges.***

In accordance with Indian law and practice, permission for listing of the Equity Shares will not be granted until after those Equity Shares have been issued and allotted. Approval requires all other relevant documents authorising the issue of Equity Shares to be submitted. There could be a failure or delay in listing the Equity Shares on the Stock Exchanges. Any failure or delay in obtaining an approval could restrict investors' ability to dispose of their Equity Shares.

Although it is currently intended that the Equity Shares will remain listed on the Stock Exchanges, there is no guarantee of the continued listing of the Equity Shares. Among other factors, we may not continue to satisfy the listing requirements of the Stock Exchanges. Accordingly, shareholders will not be able to sell their Equity Shares through trading on the Stock Exchanges if the Equity Shares are no longer listed on the relevant Stock Exchange.

64. ***Investors can be subject to Indian taxes arising out of capital gains on the sale of the Equity Shares. Recently, the Finance Act, 2018 levies taxes on such long term capital gains exceeding ₹ 100,000 arising from sale of Equity Shares on or after April 1, 2018, while continuing to exempt the unrealised capital gains earned up to January 31, 2018 on such Equity Shares.***

Under current Indian tax laws, capital gains arising from the sale of Equity Shares in an Indian company are generally taxable in India. However, any gain realised on the sale of listed equity shares on or before March 31, 2018 on a stock exchange held for more than 12 months will not be subject to long term capital gains tax in India if Securities Transaction Tax ("**STT**") is paid on the sale transaction and additionally, as stipulated by the Finance Act, 2017, STT had been paid at the time of acquisition of such equity shares on or after October 1, 2004, except in the case of such acquisitions of equity shares which are not subject to STT, as notified by the Central Government under notification no. 43/2017/F. No. 370142/09/2017-TPL on June 5, 2017. However, the Finance Act, 2018, has now levied taxes on such long term capital gains exceeding ₹ 100,000 arising from sale of Equity Shares on or after April 1, 2018, while continuing to exempt the unrealised capital gains earned up to January 31, 2018 on such Equity Shares. 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 realised 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 will be exempt from taxation in India in cases where the exemption from taxation in India is provided under a treaty between India and the country of which the seller is 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 a gain upon the sale of the Equity Shares.

65. ***Any future issuance of Equity Shares may dilute your shareholding and sales of the Equity Shares by our shareholders may adversely affect the trading price of the Equity Shares.***

We may be required to finance our growth through future equity offerings. Any future equity issuances by our Company, including a primary offering, may lead to the dilution of investors' shareholdings in the Company. Any future issuances of Equity Shares or the disposal of Equity Shares by our shareholders or the perception that such issuance or sale may occur, may adversely affect the trading price of the Equity Shares, which may lead to other adverse consequences including difficulty in raising capital through offering of the Equity Shares or incurring additional debt. Any future issuances could also dilute the value of your investment in the Equity Shares. In addition, any perception by investors that such issuances or sales might occur may also affect the market price of the Equity Shares.

66. ***Holders of Equity Shares may be restricted in their ability to exercise pre-emptive rights under Indian law and thereby may suffer future dilution of their ownership position.***

Under the Companies Act, a company having share capital and incorporated in India must offer its holders of equity shares pre-emptive rights to subscribe and pay for a proportionate number of equity shares to maintain their existing ownership percentages before the issuance of any new equity shares, unless the pre-emptive rights have been waived by adoption of a special resolution by our Company. However, if the laws of the jurisdiction the investors are located in do not permit them to exercise their pre-emptive rights without our filing an offering document or registration statement with the applicable authority in such jurisdiction, the investors will be unable to exercise their pre-emptive rights unless our Company makes such a filing. If our Company elects not to file a registration statement, the new securities may be issued to a custodian, who may sell the securities for the investor's benefit. The value the custodian receives on the sale of such securities and the related transaction costs cannot be predicted. In addition, to the extent that the investors are unable to exercise pre-emptive rights granted in respect of the Equity Shares held by them, their proportional interest in our Company would be reduced.

67. ***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.

68. ***QIBs and Non-Institutional Investors are not permitted to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after submitting a Bid.***

Pursuant to the SEBI ICDR Regulations, QIBs and Non-Institutional Investors are not permitted to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after submitting a Bid. Retail Individual Investors can revise their Bids during the Bid/Offer Period and withdraw their Bids until Bid/Offer Closing Date. While our Company is required to complete Allotment pursuant to the Offer within six Working Days from the Bid/Offer Closing Date, events affecting the Bidders' decision to invest in the Equity Shares, including material adverse changes in international or national monetary policy, financial, political or economic conditions, our business, results of operation or financial condition may arise between the date of submission of the Bid and Allotment. Our Company may complete the Allotment of the Equity Shares even if such events occur, and such events limit the Bidders' ability to sell the Equity Shares Allotted pursuant to the Offer or cause the trading price of the Equity Shares to decline on listing.

Prominent Notes:

1. Initial public offering of upto 17,244,328 Equity Shares for cash at a price of ₹[●] per Equity Share (including a share premium of ₹[●] per Equity Share) aggregating up to ₹[●] million, consisting of an Offer for Sale of up to 8,635,408 Equity Shares by CEL; up to 4,836,723 Equity Shares by EEL; up to 571,376 Equity Shares by F R Singhvi (acting in trust, for the offer for sale of up to 61,221 Equity Shares by Lalita Singhvi, up to 102,031 Equity Shares by Praveen Singhvi, up to 102,031 Equity Shares by Lata Singhvi, up to 102,031 Equity Shares by Jayaraj Singhvi, up to 102,031 Equity Shares by Tara Singhvi and up to 102,031 Equity Shares by Indira Singhvi); up to 2,058,069 Equity Shares by S Sekhar Vasan; up to 571,376 Equity Shares by Unni Rajagopal K; up to 571,376 Equity Shares by D Devaraj (acting in trust for the offer for sale of up to 111,899 Equity Shares by the D Devaraj HUF, and the offer for sale of up to 459,477 Equity Shares in his

individual capacity) aggregating to up to ₹[●] million.

2. As of March 31, 2018, the Net Worth of our Company was ₹5,942.19 million as per our Restated Consolidated Financial Statements and ₹5,999.21 million as per our Restated Standalone Financial Statements. For further details, please see "*Financial Statements*" on page 218.

3. As of March 31, 2018, the Net Asset Value per Equity Share was ₹91,785 as per our Restated Consolidated Financial Statements and ₹92,666 as per our Restated Standalone Financial Statements. For further details, please see "*Financial Statements*" on page 218.

4. The average cost of acquisition per Equity Share by our Promoters, calculated by taking the average of the amounts paid by our Promoters to acquire Equity Shares (other than the Equity Shares acquired in trust, for the benefit of other persons), is as given below:

Name of Promoter	Average cost of acquisition per Equity Share (in ₹)*
S Sekhar Vasan	6.75
F R Singhvi	16.97
Unni Rajagopal K	9.09
D Devaraj	11.34

**As certified by Manian and Rao, Chartered Accountants by their certificate dated August 9, 2018.*

5. For details of related party transactions entered into by our Company during the last fiscal and the nature of transactions, see "*Related Party Transactions*" on page 216 of this Draft Red Herring Prospectus.

6. There are no financing arrangements pursuant to which our Promoters, our Directors and/or their immediate relatives have financed the purchase of Equity Shares by any other person other than in the ordinary course of business during the six months preceding the date of filing of this Draft Red Herring Prospectus with the SEBI.

7. Except as stated in the sections "*Our Promoters and Promoter Group", "Our Group Companies*" and "*Related Party Transactions*" on pages 211, 215 and 216, respectively, our Group Companies do not have any business or other interest in our Company.

8. Our Company has undergone changes to its name in the past one year prior to filing this Draft Red Herring Prospectus by virtue of its being converted from a private limited company to a public limited company (see "*History and Certain Corporate Matters*" on page 187). However, there has been no change to the nature of activities carried on by our Company on account of such changes to the name.

9. Bidders may contact any of the BRLMs who have submitted the due diligence certificate to the SEBI, for any complaint pertaining to the Offer. For further information regarding grievances in relation to the Offer, see "*General Information*" on page 72 of this Draft Red Herring Prospectus.

SECTION III: INTRODUCTION

SUMMARY OF INDUSTRY

*Unless noted otherwise, the information in this section has been obtained or derived from the report titled "Assessment of market potential for precision forged and machined components" dated May 2018, prepared by CRISIL Research, a division of CRISIL Limited ("**CRISIL Research**" and such report, the "**CRISIL Report**"). All information contained in the CRISIL Report has been obtained by CRISIL Research from sources believed by it to be accurate and reliable. CRISIL Research obtains information for its analysis from sources it considers reliable, but does not guarantee the accuracy or completeness of its analysis or any information contained in the CRISIL Report. Further, the CRISIL Report was prepared on the basis of information as of specific dates which may no longer be current or reflect current trends, and opinions in the CRISIL Report may be based on estimates, projections, forecasts and assumptions that may prove to be incorrect. CRISIL Research has confirmed that certain third-party information used or cited in the CRISIL Report has been obtained from publicly available information and acknowledgements of sources have been given wherever necessary in the CRISIL Report. In other cases, CRISIL Research has obtained specific consent from the persons/companies having intellectual rights in the information for use of such information in the CRISIL Report. CRISIL Research and its affiliates make no representation or warranty, either express or implied, with respect to the information or analysis from the CRISIL Report, including without limitation the implied warranties of fitness for a particular purpose and merchantability and CRISIL Research specifically disclaims any such warranty. The CRISIL Report is not a comprehensive evaluation of the industry, the Company or the Equity Shares and all material within the CRISIL Report should be deemed as expressions of opinion which are subject to change without notice. For further details and risks in relation to commissioned reports, see "Risk Factors — We have relied on a third party industry report which have been used for industry related data in this Draft Red Herring Prospectus and such data have not been independently verified by us" on page 35.*

MACROECONOMIC OVERVIEW OF THE GLOBAL ECONOMY

The International Monetary Fund's (IMF) April 2018 update of the World Economic Outlook stated that world growth strengthened in 2017 to 3.8% compared to 3.2% in 2016, driven by an investment recovery in advanced economies, continued strong growth in emerging Asia, and a notable upswing in Europe. IMF expects growth and expansion to continue, with global growth increasing to 3.9% in 2018 and 2019, supported by strong growth momentum in advanced economies and emerging market and developing economies.

According to CRISIL Research, the real GDP growth of the United States of America for the first quarter of 2018 was 2.3% on-quarter, as per the advance estimate of the Bureau of Economic Analysis, compared to 2.9% in the fourth quarter of 2017. This was due to a slowdown in personal consumption expenditure (PCE), fixed investment and government spending, which were partially offset by an upturn in private inventory investment and net exports. S&P Global expects the real GDP growth of the United States of America to reach 2.9% in 2018 and 2.6% in 2019 as the tax package and increased fiscal spending support demand.

The GDP of the Eurozone or Euro Area moderated to 0.4% on-quarter (not annualised) in the first quarter of 2018 from 0.7% in fourth quarter of 2017, as per the preliminary flash estimate released by Eurostat. S&P Global expects the region's economic expansion to continue at a fast pace, estimating the 2018 growth at 2.3% and 2019 at 1.9%, from 2.5% in 2017.

The United Kingdom's (UK) GDP was at 0.1% on-quarter (not annualised) growth in the first quarter of 2018, marking the slowest growth since the fourth quarter of 2012, which was due to a decline in construction activity (which fell by 3.3%) and a slowdown in manufacturing (which registered a 0.2% growth). S&P Global expects growth in the UK to be 1.3% in 2018 and 1.5% in 2019.

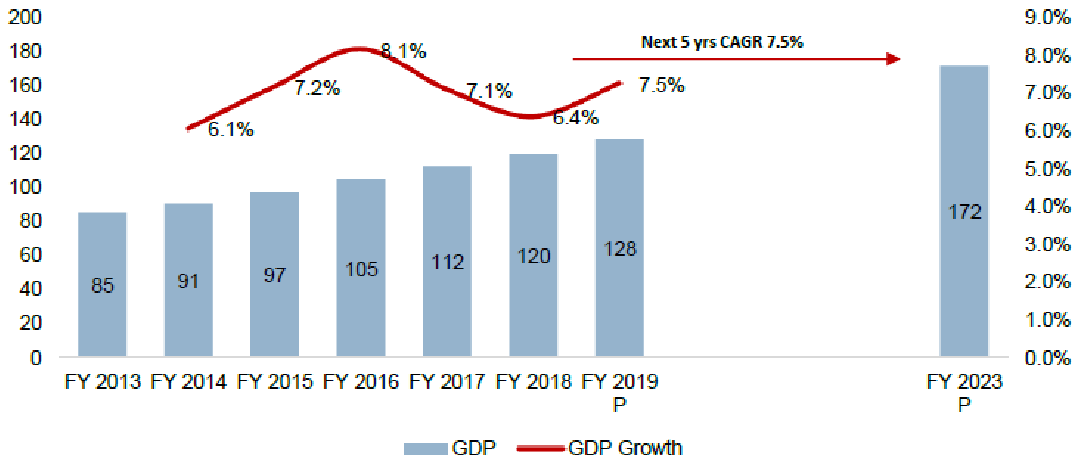
Japan had a 1.7% GDP growth in 2017 compared to 0.9% in 2016, which was driven by domestic demand. S&P Global expects the momentum to continue, estimating growth at 1.4% in 2018 and 1.2% in 2019. The trade surplus widened to ¥797 billion in March, from ¥603.5 billion a year ago, as exports grew (2.1%) while imports declined (0.6%).

China's GDP grew 6.8% on-year in the first quarter of 2018, consistent with the previous quarter, as per the preliminary estimate. The strong growth was supported by both the manufacturing and services sectors. S&P Global expects the economy to grow 6.5% in 2018 and 6.3% in 2019, with the US-China trade dispute being a downside risk.

MACROECONOMIC OVERVIEW OF THE INDIAN ECONOMY

According to CRISIL Research, India's GDP grew at a 6.9% CAGR between fiscals 2012 and 2017. It slowed between fiscals 2012 and 2014, mainly due to subdued income growth, high interest rates, rising inflation and slowdown in industrial output. Post fiscal 2014, improving industrial activity, lower crude oil prices and supportive policies led to a recovery in GDP. However, demonetisation and introduction of Goods and Services Tax (GST) slowed GDP growth in fiscal 2017, on top of dwindling private investment and slower global growth.

Real GDP growth in India



Note: P-Projected
Source: CSO (Central Statistical Organization), CRISIL Research, IMF

India's real GDP growth continued to increase to 7.2% in the third quarter of 2017 from 6.5% in the second quarter, suggesting that the economy was steadily recovering from impact of demonetisation and transition to the GST regime. The growth was primarily driven by fixed investments growth at 12% on-year, almost double the pace of 6.9% in the second quarter. However, the growth was partially offset by private consumption growth which slowed to 5.6% from 6.6%. Government consumption supported the overall consumption by growing at 6.1%, up from 2.9% in the second quarter. With imports rising at 8.7% compared to a muted 2.5% growth in exports, GDP growth slowed down in the third quarter.

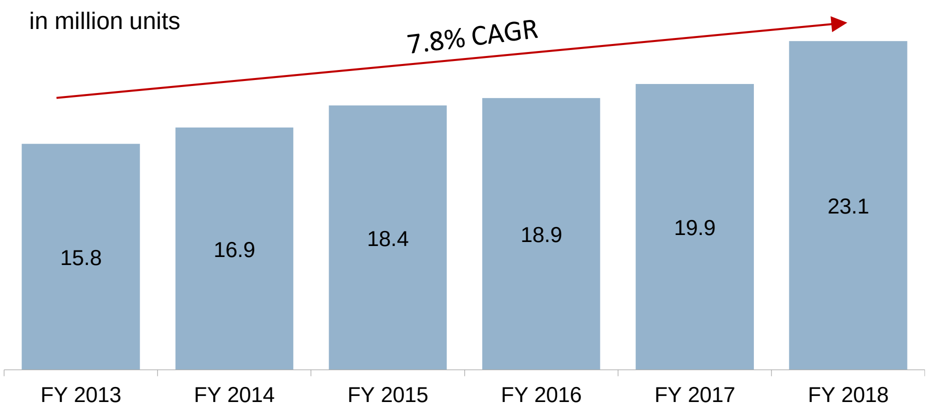
CRISIL Research expects the real GDP growth in India to recover to 7.5% in fiscal 2019 from 6.4% in fiscal 2018. Growth would continue to be driven by consumption, with interest rates expected to remain low, inflation under control and implementation of Seventh Pay Commission salary increase at the state level. Investments, driven largely by public sector investment in infrastructure as well as public spending (with a rural focus) in infrastructure (especially roads) would also contribute to growth. The government's ₹0.21 million core bank recapitalisation plan would mean that banks would be sufficiently funded to support growth. As global recovery is expected to gather pace, Indian exports are expected to grow as well.

INDIAN TWO-WHEELER INDUSTRY

Review of the Indian two-wheeler industry (Fiscals 2013 to 2018)

According to CRISIL Research, India, which is the second largest two-wheeler manufacturer in the world, posted a 7.8% CAGR in production of two-wheeler between fiscals 2013 and 2018. During the period, domestic sales rose at a 7.9% CAGR, whereas exports registered a 7% CAGR. However, sales fluctuated on-year within such period.

Two-wheeler production volume development – Fiscals 2013-2018



Source: SIAM - Society of Indian Automobile Manufacturers, and CRISIL Research

Fiscal 2015 saw domestic demand rise at a sharp 9.1% on-year, whereas fiscal 2016 saw a subdued demand owing to rainfall deficiency and consequently weak rural incomes. In fiscal 2017, despite good monsoon seasons and favourable economic factors, demonetisation affected domestic wholesale as well as retail demand of two-wheelers. In fiscal 2018, domestic sales and exports accelerated. The rise in domestic sales at 14.8% on-year was due to improvement in the rural economy, supported by two consecutive years of normal monsoons. Exports rose 17% on-year as the economies of African countries revived. The growth in exports was supported by manufacturers expanding into new geographies and catering to Southeast Asian scooter-oriented markets.

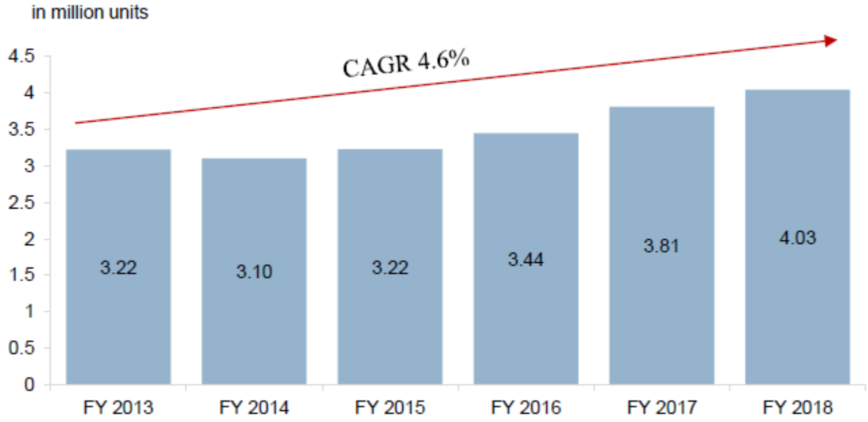
INDIAN PASSENGER VEHICLE INDUSTRY

Review of the Indian passenger vehicle industry (Fiscals 2013 to 2018)

According to CRISIL Research, India is the fifth largest passenger vehicle manufacturer globally. In fiscal 2018, India produced 4.03 million passenger vehicles, of which 3.28 million vehicles were sold in the domestic market and 0.75 million were exported.

Production of passenger vehicles in India registered a 4.6% CAGR between fiscals 2013 and 2018. Production slowed in fiscal 2014, with a 3.2% growth in fiscal 2013. Domestic sales were low in fiscals 2013 and 2014, owing to a slowdown in the economy and deregulation of petrol and diesel prices, which led to a sharp increase in fuel prices. However, the industry recovered and grew at a healthy pace over fiscals 2015 and 2018.

Passenger vehicle production volume development – Fiscals 2013-2018



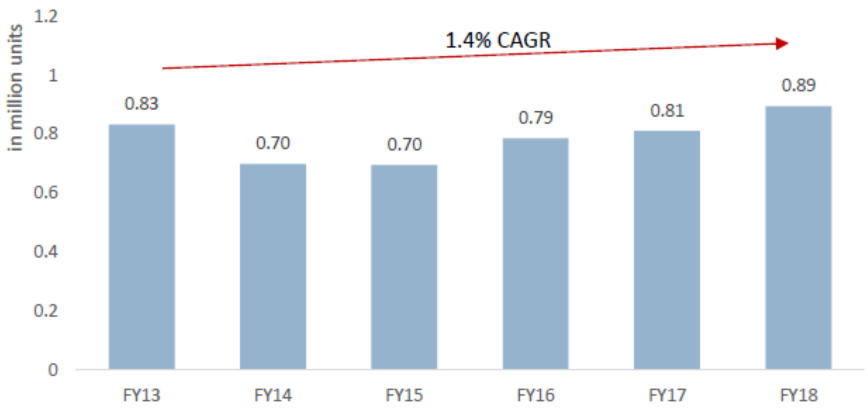
Source: SIAM- Society of Indian Automobile Manufacturers, and CRISIL Research

INDIAN COMMERCIAL VEHICLE INDUSTRY

Review of the Indian commercial vehicle industry (Fiscals 2013 to 2018)

According to CRISIL Research, the Indian commercial vehicle industry registered a 1.4% CAGR in production between fiscals 2013 and 2018. During this period, domestic sales rose at a similar pace of 1.9% CAGR, whereas exports registered a 5.0% CAGR.

Commercial vehicle production volume development – Fiscals 2013-2018



Source: SIAM- Society of Indian Automobile Manufacturers, and CRISIL Research

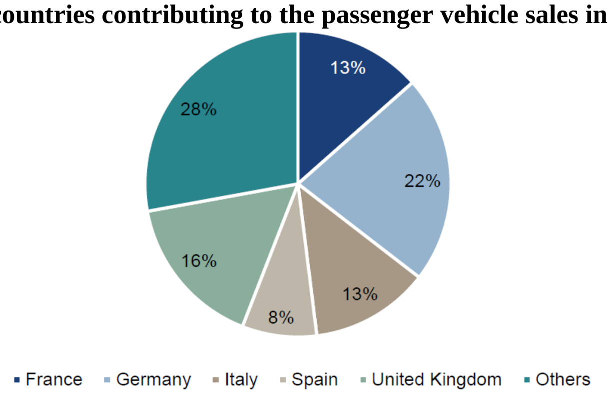
Production volume of commercial vehicles in the past has been volatile due to the cumulative effect of domestic factors such as government policies, industrial production, agricultural output, declining share of roads in the goods transportation resulting in a strain on transporters' cost of operations and profitability. Post fiscals 2013 to 2014, the industry started recovering slowly, in line with economic growth. In fiscals 2016 to 2017, commercial vehicle domestic sales increased from April to October, growing at 7% year-on-year. However, demonetisation had a negative impact on industrial output and slowed sales growth. Between November and January, commercial vehicle sales fell by 5% year-on-year. Sales in February and March was aided by advanced purchases, especially for medium and heavy commercial vehicles, as transporters tried to avoid higher prices in new vehicle purchase after enforcement of BS-IV norms. In fiscals 2017 to 2018, the commercial vehicle recovered and grew by a healthy 20%, resulting in an increase in domestic commercial vehicle production.

EUROPEAN PASSENGER VEHICLE INDUSTRY

Review of the European passenger vehicle industry (2012 to 2017)

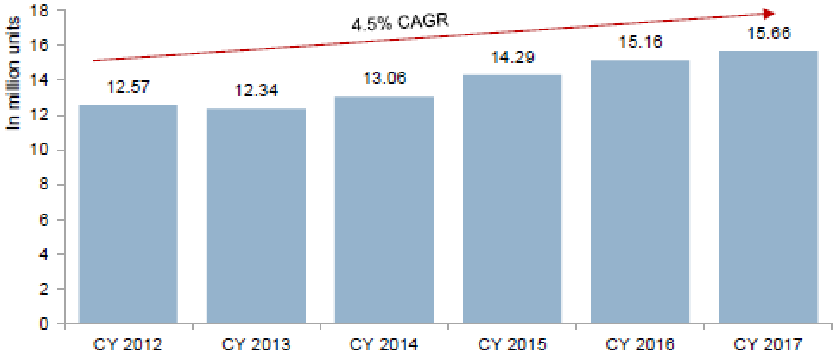
According to CRISIL Research, Germany, Italy, France, Spain and the UK accounted for approximately 72% of sales volume in the European Union and the European Free Trade Association (EFTA) passenger vehicle market in 2017. Domestic sales grew at a 4.5% CAGR in the period between 2012 and 2017 owing to sales growth across all major markets.

Key countries contributing to the passenger vehicle sales in 2017



Source: OICA and CRISIL Research

Passenger vehicle sales development in Europe*, 2012-2017



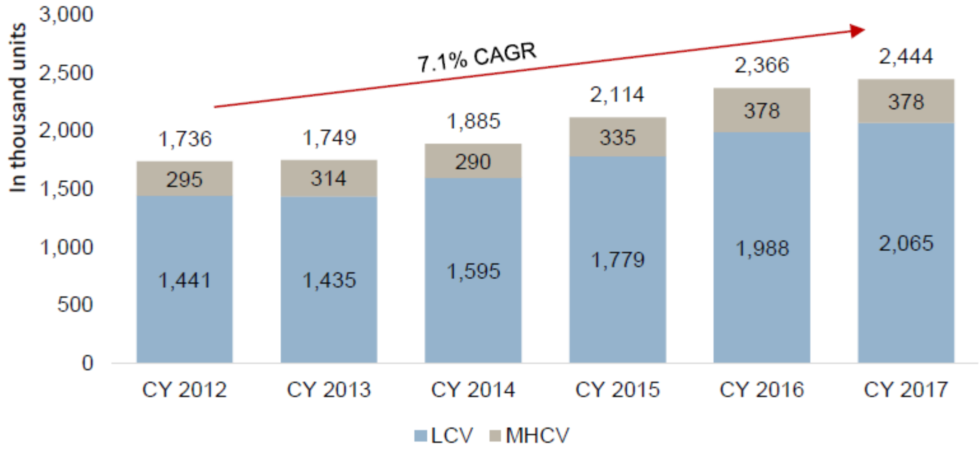
Source: OICA and CRISIL Research
*Note: * includes EU 28 countries and the European Free Trade Association*

EUROPEAN COMMERCIAL VEHICLE INDUSTRY

Review of the European commercial vehicle industry (2012 to 2017)

According to CRISIL Research, the commercial vehicle registrations across Europe grew at a 7.1% CAGR between 2012 and 2017, highlighting increased demand. Among the five large economies, Spain saw a rise of 20%, with the UK and Italy witnessing 7.8% and 11% increases, respectively. However, sales growth was moderate in France and Germany, where registrations increased by 2.8% and 3.5%, respectively.

Commercial vehicle domestic sales development in Europe*, 2012-2017



Source: European Automobile Manufacturers' Association, CRISIL Research
*Note: * Includes EU 28 countries and the European Free Trade Association*

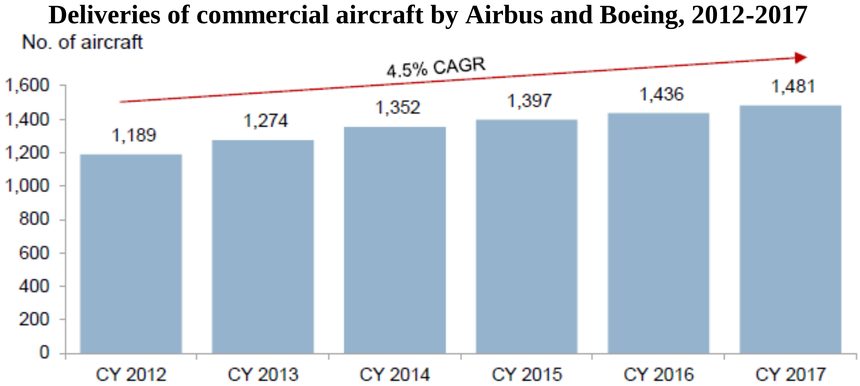
According to CRISIL Research, France, UK and Germany accounted for approximately 52% of commercial vehicle sales in Europe in 2017.

AIRCRAFT INDUSTRY

Review of deliveries by Airbus and Boeing (2012 to 2017)

According to CRISIL Research, Boeing delivered more aircraft than Airbus for the sixth consecutive year in 2017. Boeing also received more orders than Airbus during the year although Airbus has a bigger backlog due to its A320neo family. The commercial aerospace sector has been witnessing strong profitability and rising deliveries for seven consecutive years.

Deliveries of commercial aircraft by Airbus and Boeing, 2012-2017



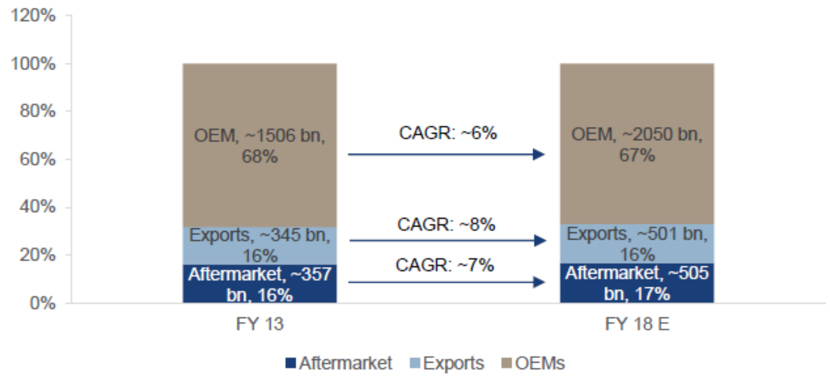
Source: CRISIL Research and Airbus and Boeing publications

INDIAN AUTOMOTIVE COMPONENT INDUSTRY

Review of Indian automotive component industry in value terms (Fiscals 2013 to 2018)

According to CRISIL Research, the Indian automotive component production (which includes sales to OEM, exports and replacement market) has grown by a CAGR of approximately 7% from ₹2,208 billion to ₹3,057 billion between fiscals 2013 and 2018. Approximately two-thirds of automotive components produced are consumed by OEMs, whereas the remaining one-third is equally shared between aftermarket and exports.

Automotive component production split by OEM, aftermarket and exports



Note: Value in ₹ billion, domestic sales includes sale to OEM and aftermarket
Source: CRISIL Research

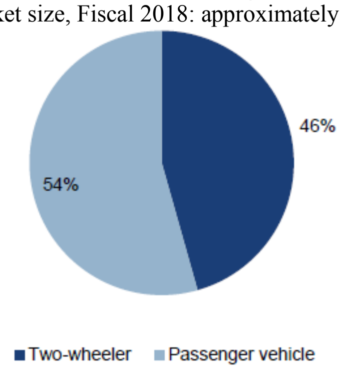
MARKET SIZING AND OUTLOOK OF KEY AUTOMOTIVE COMPONENT SEGMENTS

Connecting rods

Two-wheeler and passenger vehicle connecting rod market in India

CRISIL Research estimates the size of the two-wheeler and passenger vehicle connecting rod market (catering to OEM demand) at ₹8.7 to ₹9.7 billion in fiscal 2018. The average realisation for a two-wheeler connecting rod ranges from about ₹100 to ₹250, depending on the engine size and material specification across motorcycles, scooters and mopeds. For passenger vehicle connecting rods, the average realisation ranges from ₹200 to ₹900.

Connecting rod market split by vehicle category in value terms, Fiscal 2018
Total market size, Fiscal 2018: approximately ₹9.2 billion



Source: CRISIL Research

Key players

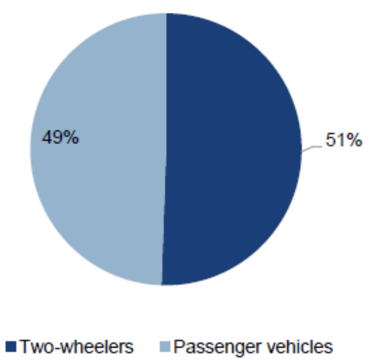
According to CRISIL Research, we are among the leading two-wheeler and passenger vehicle connecting rod manufacturers in India (i.e. among the top two in the former category (i.e. two-wheeler) and among the top three in the latter category (i.e. passenger vehicle)). Other key players in the two-wheeler connecting rod market in India include Amtek Auto, FIE group and Kalyani group. For the passenger vehicle connecting rod market in India, the key manufacturers include Amtek Auto, Kalyani group, Magal Tech, Amul Industries, Bajaj Motors and Kalyani Forge.

Crankshaft

Two-wheeler and passenger vehicle crankshaft market in India

CRISIL Research estimates the size of the two-wheeler and passenger vehicle crankshaft market in India catering to OEMs at ₹20.4 to 22.6 billion in fiscal 2018. The average realisation from a two-wheeler crankshaft approximately ranges from ₹200 to ₹600, varying across motorcycles, scooters and mopeds in the two-wheeler segment. In a passenger vehicle segment, the average realisation ranges from ₹1,500 to ₹9,000.

Crankshaft market split by vehicle category in value terms, Fiscal 2018
Market size Fiscal 2018: approximately ₹21.5 billion



Source: CRISIL Research

Key players

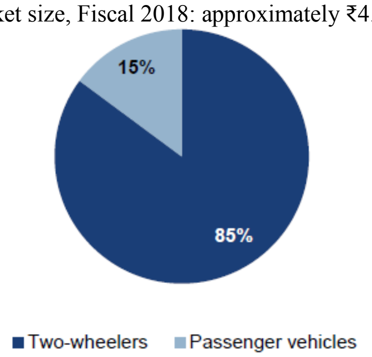
According to CRISIL Research, we are among the leading manufacturers of two-wheeler crankshafts in India. Other key players in the two-wheeler crankshaft market in India include Amtek Auto, Kalyani Forge and Kalyani group. Amtek Auto, Bajaj Motors, Kalyani group and Mahindra CIE are key manufacturers of passenger vehicle crankshafts in India.

Rocker arms

Two-wheeler and passenger vehicle rocker arm market in India

CRISIL Research estimates the two-wheeler and passenger vehicle rocker arms market catering to OEM demand at ₹4.0 to ₹4.4 billion in fiscal 2018. In the two-wheeler segment, the realisation for a pair of rocker arms ranges from ₹135 to ₹160, varying across motorcycles, scooters and mopeds. In the passenger vehicle segment, the realisation range varies between ₹120 to ₹300.

Rocker arms market split by vehicle category in value terms, Fiscal 2018
Total market size, Fiscal 2018: approximately ₹4.2 billion



Source: CRISIL Research

Key players

According to CRISIL Research, we are among the leading two-wheeler and passenger vehicle rocker arm manufacturers in India (i.e. among the top two in the former category (i.e. two-wheeler) and the largest in the latter category (i.e. passenger vehicle)). Other key players in the two-wheeler rocker arm segment in India include Bajaj Motors and FIE group. For passenger vehicle rocker arms, other key manufacturers include Bajaj Motors and Micro Turner.

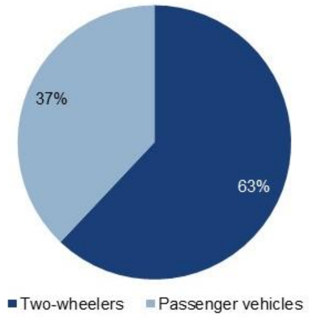
Gear shift forks

Two-wheeler and passenger vehicle gear shifter fork market in India

CRISIL Research estimates the two-wheeler and passenger vehicle gear shift fork market catering to OEM demand at ₹3.3 to ₹3.6 billion in fiscal 2018. The average realisation from a two-wheeler gear shift fork ranges from ₹40 to ₹100, varying across motorcycles, scooters and mopeds. In the passenger vehicle segment, it ranges from ₹70 to ₹120 per gear shifter fork.

Gear shift forks market split by vehicle category in value terms, Fiscal 2018

Total market size, Fiscal 2018: approximately ₹3.4 billion



Source: CRISIL Research

Key players

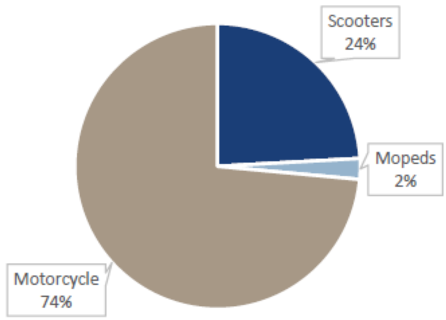
According to CRISIL Research, we are among the leading two-wheeler (i.e. among the top three) and passenger vehicle gear shift fork manufacturers in India. Other key players in the two-wheeler gear shift fork segment in India include Bajaj Motors and FIE group. For passenger vehicle gear shift forks, other key manufacturers include Bajaj Motors, Kalyani group and RICO Auto.

Stem comp for two-wheelers

Two-wheeler stem comp market in India

CRISIL Research estimates the size of the two-wheeler stem comp market catering to OEMs' demand at ₹7.7 to ₹8.5 billion in fiscal 2018. The average realisation from a two-wheeler stem comp ranges from about ₹200 to ₹900, depending on the terrain suitability and material specification across motorcycles, scooters and mopeds.

Two-wheeler stem comp market segmental revenue, Fiscal 2018



Source: CRISIL Research

Key players

The key suppliers for the two-wheeler stem comps in India include Endurance Technologies, Modern Automotives and Bajaj Sons Ltd.

SUMMARY OF OUR BUSINESS

Some of the information in the following discussion, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read "Forward Looking Statements" on page 16 for a discussion of the risks and uncertainties related to those statements and also "Risk Factors" on page 17. Our actual results may differ materially from those expressed in or implied by these forward-looking statements. Our fiscal ends on March 31 of each year, and references to a particular fiscal are to the twelve months ended March 31 of that year.

Unless otherwise indicated or context requires otherwise, the financial information included herein is based on our Restated Consolidated Financial Statements for fiscals 2014, 2015, 2016, 2017 and 2018 included in this Draft Red Herring Prospectus. For further information, see "Financial Statements" on page 218. Wherever any financial information is presented from our Restated Standalone Financial Statements, it has been specifically mentioned.

Until June 30, 2017, our revenues were presented including applicable excise duty. Following the implementation of GST with effect from July 1, 2017, our revenues are presented net of GST. We therefore present the numbers without excise duties for comparison purposes.

We define Sale Of Products (Net Of Excise Duties), Revenue From Operations (Net Of Excise Duties) and Total Income (Net Of Excise Duties) as, sale of products, revenue from operations and total income reduced by excise duty in each case. Prospective investors should note that these figures are not required by, nor presented in accordance with, Ind AS or Indian GAAP.

*Unless otherwise indicated, industry and market data used in this section has been derived from industry publications and other publicly available information, including, in particular, the report "Assessment of market potential for precision forged and machined components" dated May 2018 (the "**CRISIL Report**") prepared and issued by CRISIL Research commissioned by us. Unless otherwise indicated, all financial, operational, industry and other related information derived from the CRISIL Report and included herein with respect to any particular year refers to such information for the relevant calendar year.*

Overview

We are an engineering-led integrated manufacturer of complex and high-quality precision components for the automotive and aerospace sectors, primarily supplying to original equipment manufacturers ("**OEMs**") in India and internationally. We manufacture and supply a wide range of precision forged and machined components that are critical for engine, transmission and other systems for the two-wheeler, passenger vehicle and light and heavy commercial vehicle verticals in the automotive sector. We also supply our components to the aerospace sector and for off-road vehicles as well as for other segments including tractors, generator sets, stationary engines and other non-automotive applications.

We are a leading supplier to the two-wheeler and passenger vehicle verticals in India. Specifically, we are one of the leading Indian manufacturers of (i) connecting rods, crankshafts, rocker arms and gear shifter forks for two-wheelers and (ii) connecting rods, rocker arms and gear shifter forks for passenger vehicles (*Source: CRISIL Report*). We are among the top two and top three manufacturers of two-wheeler and passenger vehicle connecting rods in India, respectively; among the top two manufacturers and the largest manufacturer of two-wheeler and passenger vehicle rocker arms in India, respectively; and among the top three manufacturers of two-wheeler gear shifter forks in India (*Source: CRISIL Report*). We supply most of our products directly to OEMs and in forged and machined condition, resulting in higher value addition by us.

We have longstanding relationships with several well-known Indian and global OEMs. Specifically, (i) in the two-wheeler vertical we have relationships of over 20 years with Bajaj, over 20 years with Yamaha and over 15 years with HMSI, the fourth, fifth and second largest two-wheeler Indian OEMs in terms of domestic production volume for fiscal 2018, respectively (*Source: CRISIL Report*); and (ii) in the passenger vehicle vertical we have relationships of over 30 years with Maruti Suzuki, the leading Indian passenger vehicle OEM in terms of domestic production volume for fiscal 2018 (*Source: CRISIL Report*), and over eight years with FCA, a leading European passenger vehicle OEM. We have regularly been recognised by our customers for the quality of our products and we are the single source supplier in certain product categories for some of our key customers. We added 21 new customers (including customers in the aerospace sector) between fiscals 2014 and 2018. Bajaj, our largest customer, contributed 21.13% and 25.05% of our consolidated and standalone revenues from the Sale Of Products (Net Of Excise Duties), respectively, in fiscal 2018.

As of May 31, 2018, we had 15 manufacturing facilities in close proximity to the production facilities of certain of our OEM customers, enabling faster supply times. 14 of these facilities are situated in India at various locations, namely, Bengaluru, Manesar, Pune, Pantnagar and Tumkur, and one facility is situated at Trollhattan, Sweden, in Europe. Our largest greenfield facility in Bidadi, Karnataka has recently commenced commercial production.

Our manufacturing operations are (i) integrated across the product cycle with the entire manufacturing process (encompassing forging, heat treatment and machining) being carried out in-house and (ii) coordinated through concurrent design and engineering, machine building and automation. This enables us to streamline our production processes, achieve shorter product development and delivery times, exercise greater control over key inputs and processes, reduce inventories and manage capital expenditure.

As of May 31, 2018, a team of over 150 personnel supported our Company's design, engineering, machine building and automation functions. Our Company's design and engineering capabilities comprise product, process, machine, tool and fixture design as well as advanced engineering. Our Company has a facility in Bengaluru dedicated to machine building and machine design which employed 45 personnel as of May 31, 2018 and manufactured an average of approximately eight machines per month during fiscal 2018. As of May 31, 2018 we had built over 700 computer numerical control ("**CNC**") special purpose machines ("**SPMs**") which are deployed across our manufacturing facilities. Our Company's automation division included a team of 16 personnel as of May 31, 2018 who work concurrently with machine and fixture design and have implemented multiple automation projects intended to increase our productivity and control labour costs.

We were incorporated on December 15, 1981 with our Registered Office and Corporate Office located in Bengaluru. We are promoted by S. Sekhar Vasan, F.R. Singhvi, Unni Rajagopal K and D. Devaraj. We commenced commercial production of passenger vehicle components in 1986 for Maruti Suzuki (formerly known as Maruti Udyog Limited). We then grew our precision components manufacturing business organically in India by commencing supplies to the two-wheeler vertical in 1996, for off road vehicles in 2009 and to the light commercial vehicle vertical in 2011. We set up a manufacturing facility dedicated to high precision aluminium and titanium machined aerospace components in 2013. In April 2017, we acquired a 100% stake in Sansera Sweden AB ("**Sansera Sweden**"), which has facilitated our entry into the heavy commercial vehicle vertical in the automotive sector, expanded our customer base and improved geographical access to OEMs outside India. For further details, see "*History and Certain Corporate Matters – Summary of Key Agreements for our Company*" on page 194. In fiscal 2018, our standalone and consolidated business in India accounted for 75.68% and 68.61%, respectively, of our Revenue From Operations (Net Of Excise Duties).

We are an employee driven, professionally managed organisation and none of our Promoters' family members are involved in any executive capacity with our Company. Our management is led by a professional team comprising of a CEO, head of operations and a CFO. The majority of our management team has been with our Company for more than 10 years and has led the expansion of our product and customer base over the last several years, resulting in business growth and diversification. Our management team has ownership stakes in our Company through ESOP schemes with a view to aligning their interests with our performance.

Over the years, we have established a strong track record of growth and financial performance. This has been driven by an increase in the share of business from our customers for our existing product supplies and consistent track record of new customer and product additions. From fiscal 2014 to fiscal 2018, our revenues from customers in India grew at a compound annual growth rate ("**CAGR**") of 16.14% and our revenues from customers in Europe grew at a CAGR of 42.73%.

Our Total Income (Net Of Excise Duties) for fiscal 2018 was ₹13,710.62 million and grew at a CAGR of approximately 20.60% between fiscal 2014 and fiscal 2018. Our Average RoCE and Net Debt to Equity Ratio for fiscal 2018 was 18.90% and 0.84 respectively.

As of July 2018, our long-term bank facilities were domestically rated ICRA AA-/Positive and our short-term bank facilities were domestically rated ICRA A1+. We have enjoyed steadily improving domestic credit ratings, which has helped us to manage our cost of funding more effectively. Our ICRA rating history is as follows:

Rating history	Fiscal 2014	Fiscal 2015	Fiscal 2016	Fiscal 2017	Fiscal 2018
Long-term bank facilities	[ICRA] A+ (Stable)	[ICRA] A+ (Stable)	[ICRA] AA- (Stable)	[ICRA] AA- (Stable)	[ICRA] AA- (Positive)
Short-term bank facilities	[ICRA] A1	[ICRA] A1	[ICRA] A1+	[ICRA] A1+	[ICRA] A1+

Our key lenders include Citibank, HDFC Bank, HSBC and SBI.

Our Strengths

We consider our business strengths to be the following:

Well diversified business model

Our business model is well diversified by customer base, end segment, geographical spread of revenues and product portfolio.

Customer base: Our ability to obtain orders from new customers has resulted in a diversified customer base that has helped us to reduce customer concentration risk. In fiscal 2014, our top five customers accounted for 74.37% of our revenue from Sale Of Products (Net Of Excise Duties), with our top customer contributing 37.76%. With continued penetration of our existing customer base and the development of new OEM relationships, in fiscal 2018, the contribution of our top five customers to our revenue from Sale Of Products (Net Of Excise Duties) reduced to 62.37%, with our top customer accounting for 21.13%. We have expanded our customer base from 50 customers in fiscal 2014 to 71 customers in fiscal 2018 and are continuously pursuing new OEM relationships.

The following tables set forth the percentages of our revenues from Sale Of Products (Net Of Excise Duties) from our top five customers on a consolidated and standalone basis for the fiscals indicated:

	Fiscal 2014		**Fiscal 2015**		**Fiscal 2016**		**Fiscal 2017**		**Fiscal 2018**	
	Consolidated Customer wise revenues									
	Revenue	**% share**	**Revenue**	**% share**	**Revenue**	**% share**	**Revenue**	**% share**	**Revenue**	**% share**
Customer 1	2,304.64	37.76%	2,415.63	31.08%	2,592.42	30.63%	2,676.67	27.87%	2,719.37	21.13%
Customer 2	963.99	15.79%	1,218.57	15.68%	1,209.60	14.29%	1,337.73	13.93%	1,705.70	13.26%
Customer 3	-	-	-	-	-	-	-	-	1,368.71	10.64%
Customer 4	579.17	9.49%	716.76	9.22%	846.90	10.01%	959.24	9.99%	1,310.24	10.18%
Customer 5	397.79	6.52%	481.58	6.20%	443.90	5.24%	730.97	7.61%	921.48	7.16%
Customer 6	-	-	-	-	-	-	481.73	5.02%	-	-
Customer 7	-	-	709.70	9.13%	568.27	6.71%	-	-	-	-
Customer 8	293.85	4.81%	-	-	-	-	-	-	-	-
Total top 5 customers	4,539.44	74.37%	5,542.25	71.32%	5,661.08	66.88%	6,186.32	64.41%	8,025.50	62.37%
Sale Of Products (Net Of Excise Duties)	**6,103.58**	**100.00%**	**7,771.15**	**100.00%**	**8,464.40**	**100.00%**	**9,603.97**	**100.00%**	**12,866.77**	**100.00%**

	Fiscal 2014		**Fiscal 2015**		**Fiscal 2016**		**Fiscal 2017**		**Fiscal 2018**	
	Standalone Customer wise revenues									
	Revenue	**% share**	**Revenue**	**% share**	**Revenue**	**% share**	**Revenue**	**% share**	**Revenue**	**% share**
Customer 1	2,304.44	40.77%	2,415.71	33.11%	2,592.38	32.53%	2,676.76	29.33%	2,719.38	25.05%
Customer 2	963.99	17.05%	1,218.58	16.70%	1,209.60	15.18%	1,337.61	14.66%	1,705.70	15.71%
Customer 3	579.17	10.25%	716.76	9.82%	846.93	10.63%	959.24	10.51%	1,310.25	12.07%
Customer 4	397.79	7.04%	481.58	6.60%	443.90	5.57%	730.96	8.01%	921.48	8.49%
Customer 5	-	-	-	-	-	-	-	-	630.31	5.81%
Customer 6	245.86	4.35%	709.70	9.73%	568.20	7.13%	476.28	5.22%	-	-
Total top 5 customers	4,491.25	79.46%	5,542.34	75.96%	5,661.01	71.04%	6,180.86	67.74%	7,287.13	67.12%
Sale Of Products (Net Of Excise Duties)	**5,652.36**	**100.00%**	**7,296.37**	**100.00%**	**7,968.24**	**100.00%**	**9,124.92**	**100.00%**	**10,857.36**	**100.00%**

End segment: We have sought to reduce our dependence on the two-wheeler vertical by expanding into other automotive verticals and industry sectors. This has led to a reduced dependence on the two-wheeler vertical, which contributed 64.65% to our revenue from Sale Of Products (Net Of Excise Duties) in fiscal 2014 as compared to 47.27% in fiscal 2018. With an increased focus on the passenger vehicle, light and heavy commercial vehicle and on the aerospace sector, the sales contribution of these verticals increased from 22.37%, 3.55% and 1.79%, respectively, in fiscal 2014 to 26.05%, 15.45% and 3.38%, respectively, in fiscal 2018. The tables below set out the revenues generated from various end segments on a standalone and consolidated basis.

	Fiscal 2014		**Fiscal 2015**		**Fiscal 2016**		**Fiscal 2017**		**Fiscal 2018**	
	Consolidated Segment wise breakup									
	Revenue	**% share**	**Revenue**	**% share**	**Revenue**	**% share**	**Revenue**	**% share**	**Revenue**	**% share**
Two-wheeler	3,945.98	64.65%	4,529.62	58.29%	4,855.23	57.36%	5,290.20	55.08%	6,082.25	47.27%
Passenger vehicle	1,365.64	22.37%	1,726.21	22.21%	1,949.18	23.03%	2,618.77	27.27%	3,351.22	26.05%
LCV/HCV	216.47	3.55%	281.22	3.62%	372.63	4.40%	397.92	4.14%	1,988.04	15.45%
Off-road	386.82	6.34%	879.46	11.32%	756.21	8.93%	672.86	7.01%	718.57	5.58%
Aerospace	109.12	1.79%	195.62	2.52%	320.41	3.79%	425.06	4.43%	435.21	3.38%
Others	79.54	1.30%	159.02	2.05%	210.75	2.49%	199.16	2.07%	291.48	2.27%
Total	**6,103.58**	**100.00%**	**7,771.15**	**100.00%**	**8,464.40**	**100.00%**	**9,603.97**	**100.00%**	**12,866.77**	**100.00%**

	Fiscal 2014		Fiscal 2015		Fiscal 2016		Fiscal 2017		Fiscal 2018	
	Standalone Segment wise breakup									
	Revenue	**% share**	**Revenue**	**% share**	**Revenue**	**% share**	**Revenue**	**% share**	**Revenue**	**% share**
Two-wheeler	3,945.94	69.81%	4,529.57	62.08%	4,855.17	60.93%	5,290.15	57.97%	6,082.06	56.02%
Passenger vehicle	1,222.36	21.63%	1,600.52	21.94%	1,823.87	22.89%	2,518.81	27.60%	3,258.84	30.02%
LCV/HCV	98.98	1.75%	176.68	2.42%	285.99	3.59%	315.51	3.46%	451.62	4.16%
Off-road	245.85	4.35%	709.70	9.73%	568.27	7.13%	476.27	5.22%	505.71	4.66%
Aerospace	109.12	1.93%	195.62	2.68%	320.41	4.02%	425.06	4.66%	435.21	4.01%
Others	30.11	0.53%	84.29	1.16%	114.53	1.44%	99.12	1.09%	123.91	1.14%
Total	**5,652.36**	**100.00%**	**7,296.37**	**100.00%**	**7,968.24**	**100.00%**	**9,124.92**	**100.00%**	**10,857.36**	**100.00%**

Geographical spread: We have focused on increasing our export revenues with a view to reducing dependence on the Indian market. Our revenues are geographically diversified with Europe, USA and other foreign countries accounting for 24.32% and 31.39% of our standalone and consolidated Revenue From Operations (Net Of Excise Duties) in fiscal 2018.

	Fiscal 2014		Fiscal 2015		Fiscal 2016		Fiscal 2017		Fiscal 2018	
	Consolidated Geography wise revenues									
	Revenue	**% share**	**Revenue**	**% share**	**Revenue**	**% share**	**Revenue**	**% share**	**Revenue**	**% share**
India	5,122.20	79.88%	5,977.45	73.43%	6,782.24	75.27%	7,722.37	75.83%	9,317.84	68.61%
Europe	763.10	11.90%	1,002.48	12.32%	1,178.68	13.08%	1,462.83	14.36%	3,166.59	23.32%
USA	360.48	5.62%	916.64	11.26%	893.85	9.92%	908.77	8.92%	954.34	7.03%
Others	166.76	2.60%	243.40	2.99%	155.76	1.73%	90.11	0.88%	142.49	1.05%
Total	**6,412.54**	**100.00%**	**8,139.97**	**100.00%**	**9,010.53**	**100.00%**	**10,184.08**	**100.00%**	**13,581.26**	**100.00%**

	Fiscal 2014		Fiscal 2015		Fiscal 2016		Fiscal 2017		Fiscal 2018	
	Standalone Geography wise revenues									
	Revenue	**% share**	**Revenue**	**% share**	**Revenue**	**% share**	**Revenue**	**% share**	**Revenue**	**% share**
India	4,596.16	78.08%	5,442.47	71.56%	6,207.24	73.58%	7,205.03	74.53%	8,684.27	75.68%
Europe	763.10	12.96%	1,002.48	13.18%	1,178.68	13.97%	1,462.83	15.13%	1,693.30	14.76%
USA	360.48	6.12%	916.64	12.05%	893.85	10.60%	908.77	9.40%	954.34	8.32%
Others	166.76	2.83%	243.40	3.20%	155.76	1.85%	90.11	0.93%	142.49	1.24%
Total	**5,886.50**	**100.00%**	**7,605.00**	**100.00%**	**8,435.53**	**100.00%**	**9,666.74**	**100.00%**	**11,474.40**	**100.00%**

Product portfolio: Between fiscals 2014 and 2018, the number of product families our Company supplied (excluding aerospace components) increased from 22 to 30. Within each of our key product families, we manufacture a range of products for different vehicle categories and have the capacity to manufacture finished components from 1.75 grams (an aerospace component) to up to 8,940 grams (integral crankshaft).

Our varied product offering and continuous product development efforts have enabled us to cater to multiple customers, enhance our ability to attract new customers, improve our share of business among existing customers and help reduce our dependence on any single product family, end-application or customer.

The following table sets out the number of product families supplied to the following key customers in fiscal 2014 and fiscal 2018:

Customer	Number of product families supplied in	
	Fiscal 2014	**Fiscal 2018**
Hero	1	2
HMSI	4	5
Royal Enfield	3	6

Customer	Number of product families supplied in	
	Fiscal 2014	**Fiscal 2018**
Maruti Suzuki	3	5
Toyota	6	15

We have developed new products such as multiple suspension, steering and chassis components for a global passenger vehicle OEM and integral crankshafts which are being supplied to premium two-wheeler OEMs such as Harley Davidson and Royal Enfield. We continue to have an active pipeline of products under development, including aluminium forged and machined components and steering and suspension components for two-wheelers, reverse idlers for passenger vehicles as well as common rails and valve bridges for other applications.

A leading supplier of complex and high-quality precision components in fast growing markets

We are one of the leading Indian manufacturers of (i) connecting rods, crankshafts, rocker arms and gear shifter forks for two-wheelers and (ii) connecting rods, rocker arms and gear shifter forks for passenger vehicles (*Source: CRISIL Report*). Specifically, we are among the top two and top three manufacturers of two-wheeler and passenger vehicle connecting rods in India, respectively; among the top two manufacturers and the largest manufacturer of two-wheeler and passenger vehicle rocker arms in India, respectively; and among the top three manufacturers of two-wheeler gear shifter forks in India (*Source: CRISIL Report*). These precision components are manufactured using complex engineering processes and given the criticality to automotive systems, require adherence to high levels of quality and delivery to exact specifications (*Source: CRISIL Report*). This requires a close coordination between component manufacturers and OEMs throughout the product cycle from design through testing and validation to delivery.

We believe that our market position is the result of our established presence in the precision components manufacturing industry and our ability to manufacture and supply complex and high-quality precision components according to our customers' specifications, resulting in our being a preferred supplier to many of them. Further, our ability to manufacture certain components which our OEM customers in India otherwise would have to import is an additional attraction of our product offering.

From fiscal 2013 to fiscal 2018, production volumes in the two-wheeler and passenger vehicle verticals in the automotive sector have registered CAGRs of 7.8% and 4.6% respectively (*Source: CRISIL Report*). From fiscal 2014 to fiscal 2018, in our key product categories, we have registered sales volume CAGR of 22.76% for connecting rods, 11.92% for crankshaft assemblies, 6.18% for rocker arms and 12.83% for gear shifter forks, on a standalone basis.

India is the second largest two-wheeler manufacturer in the world and overall Indian two-wheeler production is expected to grow at a 6 to 8% CAGR in the next five years to reach 32.7 million units by fiscal 2023 from 23.1 million units in fiscal 2018 (*Source: CRISIL Report*). Similarly, the Indian passenger vehicle market is expected to grow at a CAGR of 6 to 8% over the next five years to reach 6.06 million units by fiscal 2023 from 4.03 million units in fiscal 2018 (*Source: CRISIL Report*).

We believe we are well positioned to leverage our strengths towards the expected growth in the automotive components industry, particularly as OEMs are starting to outsource not only the manufacture of forged precision components but also the machining operations of these components, which they previously performed themselves to integrated component manufacturers (*Source: CRISIL Report*).

Strong capabilities in engineering and design, machine building and automation

We are engineering-led in our capabilities, with integrated operations across the product cycle. As of May 31, 2018, our Company had a team of over 150 personnel working on design, engineering, machine building and automation functions.

Design and engineering capabilities: We possess design and engineering capabilities from product conceptualisation to production, encompassing product, process, machine, fixture and cutting tool design to supply of finished assembled products. We also have advanced engineering capabilities to optimise cycle times to plan our personnel needs and enhance the performance of our existing production lines while seeking to invest efficiently in them. These engineering capabilities enable us to develop new products, streamline the associated testing and validation and increase opportunities for our OEM customers to outsource their component manufacturing processes to us. As examples of such capabilities, we have developed and launched a number of new products for our customers, such as (i) high performance diamond-like carbon ("**DLC**") coated rocker arms for reputed two-wheeler OEMs in USA and Europe; (ii) gear shifter forks through forged route for a leading global passenger vehicle OEM (previously manufactured through fabrication, welding and assembly); (iii) integral connecting rods by eliminating costly and hazardous copper plating requirement through process re-engineering and validation for a leading domestic two-wheeler OEM; (iv) precise and complex passenger vehicle connecting rods for multiple OEMs.

Machine building capabilities: We possess integrated machine building capabilities with several SPMs manufactured in-house. Our CNC SPMs are built in a separate dedicated facility which employed 45 personnel as of May 31, 2018 and manufactured an average of approximately eight machines per month during fiscal 2018. We manufacture advanced CNC SPMs including cracking machines, trumpet-form hole machines, crank-pin bore vertical honing machines, double disc grinding machines and bolt hole gantry lines. Machines needed to manufacture several of the precision components in our product categories are expensive and generally imported in India. Hence, the manufacturers who are able to build these machines in-house can derive competitive benefits from such integrated machine building capabilities (*Source: CRISIL Report*). Our integrated machine building capabilities enable capital and operating efficiencies and help us to respond quickly to customers' changing product specifications. As of May 31, 2018, we had built over 700 CNC SPMs which are deployed across our manufacturing facilities and which have reduced our reliance on third party suppliers.

Automation capabilities: Our Company's automation division included a team of 16 personnel as of May 31, 2018 who work concurrently on machine and fixture design to implement automation projects intended to increase our productivity and control labour costs. We currently have 75 automation projects underway with a number of these targeted for implementation during the current fiscal year. Key automation projects implemented in-house include pick and place systems, material handling gantries, machine tending robots, automated inspection cells and assembly automation. Our automation capabilities are critical to eliminating multiple operations in the production process in order to increase productivity while controlling costs and maintaining consistent product quality.

We have leveraged our design and engineering, machine building and automation capabilities in our existing production facilities to stay competitive. For example, in the case of our fractured connecting rod manufacturing lines we have been able to utilise our automation capabilities to reduce the number of manual operators per shift per line from 23 in 2010 to nine in 2018. These lines have increased production of fractured connecting rods from 4,200 pieces per day in 2010 to 5,200 pieces per day in 2018. We intend to deploy our capabilities on our other existing product lines, including rocker arms, two-wheeler connecting rods and crankshafts.

Longstanding relationships with well-known Indian and global OEM customers

We have longstanding relationships with several well-known Indian and global OEMs. Specifically, (i) in the two-wheeler vertical we have relationships of over 20 years with Bajaj, over 20 years with Yamaha and over 15 years with HMSI, the fourth, fifth and second largest two-wheeler Indian OEMs in terms of domestic production volume for fiscal 2018, respectively (*Source: CRISIL Report*); and (ii) in the passenger vehicle vertical we have relationships of over 30 years with Maruti Suzuki, the leading Indian passenger vehicle OEM in terms of domestic production volume for fiscal 2018 (*Source: CRISIL Report*), and over eight years with FCA, a leading European passenger vehicle OEM. Between fiscals 2014 and 2018, we added 21 new customers (including customers in the aerospace sector) which increased our number of customers from 50 in fiscal 2014 to 71 in fiscal 2018. From fiscal 2014 to fiscal 2018, we have increased the number of customers with whom we have over ₹0.5 billion in annual sales from three to seven.

Our key customers across the verticals we supply to are as follows:

Vertical / Sector	Customers
Two-wheelers	Bajaj, Harley Davidson, Hero, HMSI, KTM, Royal Enfield, Yamaha
Passenger vehicles	FCA, Honda Cars, Maruti Suzuki, Toyota, Volkswagen
LCV/HCV	Ashok Leyland, CNHi, a leading Japanese OEM, a leading German OEM, a leading Swedish OEM
Aerospace	Boeing, UTAS, a leading European OEM
Off-road vehicles and other segments	Bosch, JCB, Polaris

Our OEM customers typically have stringent and time-consuming selection, inspection and review procedures for procurement of components from manufacturers. These procedures include review of the manufacturer's expertise, available manufacturing facilities, processes, financial capabilities and logistical capabilities. For further details, see "*Our Business – Customer acquisition process*" on page 171.

We believe that our consistent delivery of quality and cost competitive products over the past years and our ability to continuously engineer our products to meet our customers' designs and specifications have helped us in receiving orders from multiple OEMs and in multiple locations globally. For instance, we supply our products to Yamaha India, which are further exported to Brazil, China, Indonesia and Thailand, and FCA in Argentina, Brazil and Italy.

We also undertake product development initiatives for our customers based on their specifications which we believe enables us to deepen our customer relationships through cost optimization and reduction of development and testing time. Specific examples include: (i) the development of crankshafts for BS VI engines of motorcycles for a leading two-wheeler manufacturer in India, (ii) the development of a rocker arms for BS VI engines for a leading passenger vehicle manufacturer in India and (iii) development of fractured connecting rods for a leading two wheeler OEM.

We have been recognised with several awards by our customers for the quality of our products. In fiscal 2017, we received the "Quality Performance Award" from Volkswagen, the "Zero Defect Supply Award" from Toyota, the "Best Quality Performance Award" from Fiat India and the "Delivery Performance Award" from Polaris. In addition, we received the "Quality Excellence Award" from General Motors in 2017, marking the fourth consecutive award we have received from General Motors. In fiscal

2015, we received the "Express Development Award" from GKN Aerospace and were also the first Indian supplier to be recognised and accredited by Fiat for having "Perfect Quality" in fiscal 2013.

Skilled and experienced management team

Our Promoter, Chairman and Managing Director, S. Sekhar Vasan founded the Company in 1981 and oversees our research and development efforts which include machine and automation design, metallurgical advancement, and engineering technology absorption and assimilation, apart from overseeing overall performance of the Company. Our Promoter and President, F.R. Singhvi, joined us on a full-time basis in 2004 and oversees our strategy, customer relationships, finance, human resource development, administration and CSR activities, apart from overseeing general performance of the Company.

We are an employee driven, professionally managed organisation and none of our Promoters' family members are involved in any executive capacity with our Company. Our management is led by a professional team comprising of a CEO, head of operations and a CFO. We take pride in our employee culture and endeavour to emphasise teamwork and collaboration across functions to ensure that our employees are able to suggest and implement ideas regardless of their role.

The majority of our management team has been with our Company for more than 10 years and has extensive experience in the precision components manufacturing industry, including operations, business development, quality assurance, customer relationships and human resources, as well as overseen the growth of our business. B R Preetham (Group CEO since 2014) has been with the Company for 25 years and has oversight across all areas of our business, including developing and maintaining relationships with our customers and suppliers. Praveen Chauhan (Vice President, Group Operations since 2016) has been with the Company for 13 years and is responsible for our day-to-day operations.

Our management team currently has ownership stakes in our Company through ESOP schemes with a view to aligning their interests with our performance. We also have in place incentive schemes for employees at various levels as well as in house talent development programmes and career progression pathways.

Our Strategies

Our business strategies include the following:

Focus on high growth business verticals and sectors in India and overseas

Indian automotive components production is expected to grow from ₹3,057 billion in fiscal 2018 to ₹5,176 billion in fiscal 2023 at a CAGR of 10 to 12% (*Source: CRISIL Report*). The growth in the Indian automotive components industry is expected to be aided by, among others, strong growth potential in different verticals in the automotive sector (*Source: CRISIL Report*). Further, as OEMs focus their resources on the final assembly of vehicles, they are increasingly looking to external suppliers for content that they have previously produced in-house. This trend is underpinned by OEMs' growth outside their home markets, consumer expectations with regard to product complexity and feature integration and an increased focus on safety and the environment. Accordingly, we intend to take advantage of this outsourcing trend that has led to an increase in OEM dependency on suppliers that are capable of managing complex component production while maintaining high quality standards across multiple geographies.

Our presence extends across the two-wheeler, passenger vehicle and light and heavy commercial vehicle verticals in the automotive sector and the aerospace sector as well as for off-road vehicles and other segments including tractors, generator sets, stationary engines and other non-automotive applications. We intend to focus in particular on increasing revenue in the two-wheeler, passenger vehicle and commercial vehicle verticals in the automotive sector as well as in the aerospace sector.

In order to increase our share of business with customers, we typically enter into a new customer relationship with one particular product line, seeking to demonstrate the quality and cost efficiency of our products and services and we then seek to strengthen our relationship by expanding into other product lines, resulting in overall business growth. For example, we started with supplies of gear shifter forks to Royal Enfield in fiscal 2014 and in fiscal 2018 we supplied six product families including all our key product categories to Royal Enfield.

Most of the components that we supply are fully finished. For some of our customers, we may start supplying semi-finished products and eventually progress towards supplying products in fully finished form. For example, we are now supplying fully finished crankshafts to Yamaha having graduated from supplying crankshafts in semi-finished condition. Similarly for Toyota, we have started supplying components in semi-finished form and fully finished form. In addition, we intend to focus on geographical expansion of our product categories for certain of our OEMs with whom we have long standing relationships.

Two-wheelers: India, which is the second largest two-wheeler manufacturer in the world, registered a 7.8% CAGR in production between fiscals 2013 to 2018 (*Source: CRISIL Report*). CRISIL estimates overall Indian two-wheeler production to grow at a 6 to 8% CAGR in the next five years to reach 32.7 million units by fiscal 2023 from 23.1 million units in fiscal 2018.

In addition to our longstanding relationships with existing customers, we are continually seeking new OEM customers to expand our customer base. For example, we have recently started supplying two of our key product families to Hero and started a new relationship after receiving a purchase order from a leading two-wheeler OEM.

We have also made progress in developing new product families to diversify and grow our business in this vertical. For example, we invested in a single piece crankshaft line in 2015 and are now supplying these products to Royal Enfield and Harley Davidson. Similarly, we have selectively made progress in new product categories such as aluminium forged components and suspension and steering components and have received a letter of intent from customers for these new product categories.

Passenger vehicles: The Indian passenger vehicle market has grown consistently, with the production of passenger vehicles registering a CAGR of 4.60% from fiscals 2013 to 2018 (*Source: CRISIL Report*). This is expected to grow at a CAGR of 6 to 8% over the next five years to reach 6.06 million units by fiscal 2023 from 4.03 million units in fiscal 2018 (*Source: CRISIL Report*). Similarly, passenger vehicle sales in the European market have grown at a CAGR of 4.5% from 2012 to 2017, and are expected to register a CAGR of 2 to 4% over the next five years (*Source: CRISIL Report*).

We intend to continue to focus on expanding our share of business with leading passenger vehicle OEMs. We will also strive to add new customers to grow and diversify our passenger vehicle revenue base. As an example, we have added several new customers in the last 18 months such as a global tier-1 supplier, a leading OEM based out of USA and a premium European OEM. Further, with our supplies to Toyota, we have expanded our number of product families supplied to include steering, suspension and chassis components and we intend to explore supplying these to other customers.

Light and Heavy Commercial Vehicles: The European commercial vehicle market has grown consistently, registering a CAGR of 6.8% in sales in Europe from 2012 to 2017 (*Source: CRISIL Report*). This is expected to grow at a CAGR of 3 to 5% over the next five years (*Source: CRISIL Report*).

We have recently expanded our customer base through addition of multiple new light and heavy commercial vehicle customers. For example, supplies to two leading European OEMs in India and overseas are expected to begin in the near term.

Further, through Sansera Sweden, we have the capabilities to supply components to heavy commercial vehicle customers. We intend to leverage Sansera Sweden's product portfolio in the European market and our access to OEMs outside India to add new customers in this vertical.

Aerospace sector: The aerospace sector has witnessed growth at a 4.5% CAGR in the number of deliveries of commercial aircraft by Airbus and Boeing from 2012 to 2017 (*Source: CRISIL Report*). This is expected to continue over the next five years at a CAGR of 2 to 4% to reach 1,717 aircraft in 2022 from 1,481 aircraft in 2017 (*Source: CRISIL Report*).

For fiscal 2018, we supplied seven different functional systems to 11 customers in the aerospace segment. We intend to increase our revenue from aerospace OEMs and tier-1 suppliers to aerospace OEMs by supplying high value components such as engine and landing gear components and targeting additional product ranges relating to the existing products that we supply. In particular, we aim to grow our existing relationship with Boeing as well as develop new direct relationships with another leading aerospace OEM.

Continue to diversify business and expand addressable market

We have sought to leverage our experience of being a trustworthy supplier of complex and critical precision forged and machined components to become a preferred supplier for many of our customers. Our in-house design, engineering and production capabilities further enable us to enhance integration of our operations. These capabilities have enabled us to grow our product and customer portfolio and to expand into new geographies. Our acquisition of Sansera Sweden is also an extension of our continued focus on customer, segment and geographical diversification.

We have selectively and gradually focused on diversifying our product portfolio in areas which require a deeper engagement of our design and engineering teams and allows us to service the higher end manufacturing requirements of key OEMs as well as increase opportunities for them to outsource their component manufacturing processes to us. For example, we invested in a single piece crankshaft line in 2015, leveraging our existing capabilities, keeping in view a gradual shift towards premium motorcycles and a significant export market opportunity. We now supply integral crankshafts to two-wheeler OEMs including Royal Enfield and Harley Davidson. Further, this could facilitate our entry into manufacturing multiple cylinder engine crankshafts for passenger vehicles (which are currently mostly done in-house by OEMs).

We have made progress towards supplying aluminium forged components and have already secured a letter of intent from an Indian two-wheeler OEM. With the worldwide introduction of stringent emission norms, light weighting of vehicles has become one of the key focus areas, especially in premium vehicles. With a track record of supplying aluminium and titanium machined products in our aerospace segment, we believe recent progress in aluminium forged products is a step towards enhancing capabilities in light weighting manufacturing.

In addition, our recent foray into steering and suspension products facilitates our entry into a high growth product segment with the advent of enhanced safety norms and also as a diversification away from engine and transmission components in line with our overall diversification strategy. We have received a letter of intent from a two-wheeler OEM for supply of stem comp steering and expect to start supplies in the medium term. We have already developed and supplied multiple steering and suspension parts to Toyota over the last few years.

Further, our ability to deliver precision forged and machined components on a timely basis to our customers has enabled us to follow them to new geographical locations. For instance, we intend to supply connecting rods to new OEMs in Europe, USA and Southeast Asia, rocker arms to OEMs in Indonesia, Vietnam and Thailand and gear shifter forks to OEMs in USA and Southeast Asia. We intend to continue to expand and strengthen our existing relationships with OEMs in India and overseas, maintaining our track record of repeat orders as part of our organic growth efforts, while simultaneously pursuing opportunities to develop new OEM relationships.

We intend to (i) continue to strengthen our innovation efforts in engineering and product manufacturing processes, and use new technologies to deliver high quality and competitively priced products, (ii) increase our supply of "content per vehicle" by increasing the number of parts we supply per vehicle, (iii) capitalise on the current trend of OEMs consolidating their supplier bases in order for us to increase our share of business in individual automobile model programmes, and (iv) replace the in-house manufacturing of certain products by some of our OEM customers by leveraging our experience of the new products that we have manufactured and supplied to other customers. In order to achieve this, we intend to actively manage our customer accounts to increase customer interaction, partner with our customers in the various stages of product development and help our customers manage their supply chain relationships with lower tier suppliers.

Retain and strengthen our technological leadership through continued focus on research and development

We are focused on retaining and strengthening our technological leadership through the continued development of innovative products, which we believe will enable us to expand and diversify our product portfolio and drive increased product orders going forward.

For example, we are jointly developing rocker arms from a statement of requirement ("**SOR**") for a leading passenger vehicle OEM for their new engine likely to be introduced in fiscal 2020. Similarly, we are in the process of concurrently developing fractured connecting rod for a leading passenger vehicle OEM on the basis of SOR. We intend to continue to pursue collaboration opportunities with our existing customers, jointly developing innovative solutions to cater to their needs. Further, to enhance our capabilities, we are undertaking a number of initiatives. For example, we have ordered a new fatigue testing machine, which will enable us to test our products under simulated conditions. This machine is expected to be delivered in 2018 and is expected to enhance our ability to analyse and enhance product reliability, durability and performance.

Our customers' demand for higher performance and top quality products is growing. In response to this, we have placed a strong emphasis on continually improving our design and engineering capabilities so that we can focus on providing high value-added and technology-driven components which will present us with opportunities to capture shifts in customer preferences as well as evolving regulatory requirements, such as heightened emissions control standards. Further, this will increase opportunities for us to become a preferred supplier to our customers, thus giving us the opportunity to consolidate our position with our customers.

For example, with our existing machining capabilities in aluminium and titanium products and our proposed entry into aluminium forged products, we believe that we will be well-positioned to capitalise on the growing demand and increasing need for components that are lighter in weight and environmentally friendly as OEMs strive to reduce the ecological footprint of their vehicles. We intend to explore this vertical as technology drives innovations in the automotive industry and results in greater penetration of electric and hybrid vehicles in India and internationally. In addition, we believe that our ability to ensure consistent delivery of quality and high customer satisfaction will encourage our customers to commission us to manufacture new parts in their upcoming projects.

Focus on operational efficiencies to improve returns

We have been able to deliver Average RoCE of 18.90% in fiscal 2018, 15.83% in fiscal 2017, 17.77% in fiscal 2016 and 19.75% in fiscal 2015. This has occurred against the backdrop of our continued focus on improving operational efficiency, including by the following key initiatives:

- Our operations are integrated across the product cycle, and almost all of our manufacturing processes are carried out in-house. This allows us to respond quickly and efficiently to any customer requirements or change in product specifications without the need to depend on any external vendors. This helps us in closely monitoring product quality, production costs and delivery schedules.

- Our ability to design and build specialised CNC SPMs allows us savings in operational and capital expenditure through savings in capital cost, footprint, power and maintenance costs etc. which would have been otherwise higher. This is because we are able to build these machines only for the specific process required rather than having to purchase standard machines which are generally built to cater for several processes as against a specific process requirement.

- We have adopted a number of initiatives to increase our operational efficiency such as (i) improving production line output by constantly improving productivity at the bottleneck operation through implementing TPM (total productive maintenance) methodology on the shop floor and balancing line output through partial investments (if required), (ii) inventory management (working towards single piece flow and streamlining material movement), (iii) optimising shop floor layouts through simulation software to streamline people and material movement, (iv) utilising simulations to improve input raw material yield in forgings, (v) adopting ECRS (eliminate, combine, reduce and simplify) methodology on various aspects of process and operations to improve productivity and reduce costs, (vi) optimising tool consumption to increase tool life and reduce costs, (vii) reduction in internal rejection or rework by streamlining manufacturing processes, and (viii) energy costs reduction through efficient power sourcing and reduction in consumption through implementation of EMS (energy management systems), with all our plants being EMS certified. As an example, we have developed eight station rotary table machines which combine six operations performed simultaneously in one machine and are managed by a single operator. This has helped improve productivity and reduced manpower, besides lower energy consumption and investments.

- We have implemented several automation projects in-house including pick and place systems, material handling gantries, machine tending robots, automated assembly and automated inspection cells. We have automated a number of our forging and machining operations and currently have more than 40 robots installed across all our manufacturing facilities in India.

- We have a practice of sharing kaizens and QCC results implemented in any one plant, across various plants for horizontal deployment. This helps plants to improve SPQCD (safety, productivity, quality, cost and delivery) simultaneously. This practice is monitored centrally as a corporate function.

- We closely monitor operational efficiency at each of our individual plants, benchmarking performance to relevant key performance indicators. We focus on continuous training and certifications for our employees to help to improve quality control and reliability of our manufacturing processes.

- We have implemented preventive maintenance initiatives across several of our manufacturing locations to reduce losses and rejections through preventive maintenance measures.

- We centralise sourcing and vendor management processes in order to derive economies of scale in raw material procurement and logistics.

We intend to take a variety of other steps to continue to improve our operational efficiencies. For example, we plan to (i) leverage our experience in evolution of automation in our fractured connecting rod line and horizontally deploy the same across other product lines (for further details, see "*Our Business – Engineering and Design, Machine Building and Automation Capabilities*" on page 161); (ii) add new products (including for new customers) so that some of our plants which are dedicated to products for specific customers are utilised more efficiently; (iii) steadily increase capacity utilisation at our greenfield facility at Bidadi, Karnataka which has recently commenced commercial production; (iv) complete Sansera Sweden's move to a new greenfield facility and improve productivity thereafter; (v) take further steps to reduce our energy requirements and secure better energy prices by purchasing power on a long term basis; and (vi) use our design and engineering capabilities to further reduce component and manufacturing process costs.

SUMMARY OF FINANCIAL INFORMATION

The following tables set forth summary financial information derived from the Restated Financial Statements of our Company.

The Restated Financial Statements of our Company have been prepared, based on financial statements as at and for the Financial Years ended March 31, 2018, 2017, 2016, 2015 and 2014 (presented in accordance with Ind AS prepared in accordance with Ind AS as prescribed under Section 133 of the Companies Act 2013 read with the Companies (Indian Accounting Standards) Rules 2015, other relevant provisions of the Act and SEBI ICDR Regulations).

The summary financial information presented below should be read in conjunction with "*Financial Statements*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 218 and 394 respectively.

RESTATED STANDALONE FINANCIAL INFORMATION ON ASSETS AND LIABILITIES

(in ₹ million)

Particulars	Note No. of Annexure A - VI	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016 Proforma	As at 31 March 2015 Proforma	As at 31 March 2014 Proforma
ASSETS						
Non-current assets						
Property, plant and equipment	1	6,070.62	5,497.83	4,148.30	3,064.59	2,769.56
Capital work-in-progress	2	910.61	321.47	326.71	452.64	171.64
Intangible assets	3	9.58	-	2.73	7.36	9.22
Financial assets						
(i) Investments in subsidiaries	4	810.94	201.65	201.65	201.65	127.55
(ii) Loans	5	114.48	101.99	63.78	40.35	29.65
Income tax assets, net	6(a)	52.75	97.64	107.51	110.36	33.99
Other non-current assets	7	149.67	91.19	152.54	89.27	72.35
Total non-current assets		**8,118.65**	**6,311.77**	**5,003.22**	**3,966.22**	**3,213.96**
Current assets						
Inventories	8	1,641.34	1,275.86	1,145.07	1,174.56	1,045.37
Financial assets						
(i) Current investments	9	7.09	4.81	2.97	2.96	1.58
(ii) Trade receivables	10	2,405.57	1,980.22	1,534.69	1,359.27	1,174.81
(iii) Cash and cash equivalents	11	310.25	105.43	364.42	20.96	68.34
(iv) Bank balances other than cash and cash equivalents	12	73.99	70.85	65.53	60.00	87.41
(iv) Other current financial assets	13	214.75	159.16	93.98	42.33	24.29
Other current assets	14	470.03	550.99	425.60	297.80	233.56
Total current assets		**5,123.02**	**4,147.32**	**3,632.26**	**2,957.88**	**2,635.36**
Total assets		**13,241.67**	**10,459.09**	**8,635.48**	**6,924.10**	**5,849.32**
EQUITY AND LIABILITIES						
Equity						
Equity share capital	15 (a)	6.47	6.47	6.47	6.47	6.47
Instruments entirely equity in nature	15 (b)	105.00	105.00	105.00	105.00	105.00
Other equity	16	5,887.74	4,885.28	4,222.22	3,452.84	2,844.22
Total equity		**5,999.21**	**4,996.75**	**4,333.69**	**3,564.31**	**2,955.69**
Liabilities						
Non-current liabilities						
Financial liabilities						
(i) Non-current borrowings	17	1,720.42	1,101.18	722.10	483.02	526.34
Non-current provisions	18	38.07	21.60	30.23	16.03	11.21
Deferred tax liabilities (net)	19	517.06	321.49	210.19	177.44	142.40
Other non-current liabilities	20	242.80	231.42	115.16	92.12	73.80
Total non-current liabilities		**2,518.35**	**1,675.69**	**1,077.68**	**768.61**	**753.75**
Current liabilities						
Financial liabilities						
(i) Current borrowings	21	2,633.91	2,124.29	1,840.53	1,696.95	1,198.69
(ii) Trade payables	22					
- Total outstanding dues to micro enterprises and small enterprises		-	-	-	-	-

Particulars	Note No. of Annexure A - VI	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016 Proforma	As at 31 March 2015 Proforma	As at 31 March 2014 Proforma
- Total outstanding dues other than to micro enterprises and small enterprises		1,015.19	836.38	731.93	451.52	467.08
(iii) Other current financial liabilities	23	962.30	655.20	570.67	392.26	431.26
Income tax liabilities, net	6(b)	-	51.84	-	0.94	12.16
Other current liabilities	24	79.19	81.75	49.95	30.71	20.37
Current provisions	25	33.52	37.19	31.03	18.80	10.32
Total current liabilities		**4,724.11**	**3,786.65**	**3,224.11**	**2,591.18**	**2,139.88**
Total equity and liabilities		**13,241.67**	**10,459.09**	**8,635.48**	**6,924.10**	**5,849.32**

RESTATED STANDALONE FINANCIAL INFORMATION ON PROFITS AND LOSSES

(in ₹ million)

Particulars	Note No. of Annexure A - VI	For the year ended 31 March 2018	For the year ended 31 March 2017	For the year ended 31 March 2016 Proforma	For the year ended 31 March 2015 Proforma	For the year ended 31 March 2014 Proforma
Revenue						
Revenue from operations	26	11,717.76	10,392.55	9,074.23	8,109.91	6,318.10
Other income	27	126.69	63.18	55.92	14.22	73.09
Total income		**11,844.45**	**10,455.73**	**9,130.15**	**8,124.13**	**6,391.19**
Expenses						
Cost of materials consumed	28	4,785.43	4,125.17	3,482.52	3,197.25	2,496.19
Excise duty	52	243.36	725.81	638.70	504.91	431.60
Changes in inventory of finished goods and work in progress	29	(201.29)	(128.67)	(32.08)	(48.12)	(95.48)
Conversion charges		427.98	403.87	335.62	305.30	238.73
Consumption of stores and spares		1,037.52	953.81	878.84	754.89	602.44
Power and fuel		614.86	477.65	410.32	345.76	296.01
Employee benefit expenses	30	1,933.07	1,740.33	1,563.55	1,182.56	935.55
Finance costs	31	396.20	298.31	289.12	200.13	268.02
Depreciation and amortisation expense	32	538.72	444.54	349.62	316.15	338.72
Other expenses	33	520.85	451.69	337.58	493.47	321.15
Total expenses		**10,296.70**	**9,492.51**	**8,253.79**	**7,252.30**	**5,832.93**
Profit before exceptional items and tax		1,547.75	963.22	876.36	871.83	558.26
Exceptional items	34	-	-	-	-	11.39
Profit before tax		**1,547.75**	**963.22**	**876.36**	**871.83**	**546.87**
Tax expenses:						
Current tax/ Minimum Alternate Tax (MAT)		379.76	220.43	207.99	231.22	125.74
Deferred tax		170.39	98.69	79.73	25.78	13.72
MAT entitlement credit		-	-	(44.40)	-	-
Total tax expenses		**550.15**	**319.12**	**243.32**	**257.00**	**139.46**
Profit for the year		**997.60**	**644.10**	**633.04**	**614.83**	**407.41**
Other comprehensive income/(expense)						
Items that will not to be reclassified to profit or loss						
Re-measurement of the net defined benefit liability/asset	39	(17.67)	(1.44)	(7.45)	(9.35)	(1.00)
Income tax relating to items that will not be reclassed to profit and loss	45	6.11	0.50	2.58	3.24	0.35
Other comprehensive income for the year, net of income tax		**(11.56)**	**(0.94)**	**(4.87)**	**(6.11)**	**(0.65)**
Total comprehensive income for the year, net of tax		**986.04**	**643.16**	**628.17**	**608.72**	**406.76**
Earnings per equity share (face value of ₹ 100 each)	35					
Basic (in ₹)		15,409.33	9,949.03	9,778.19	9,496.91	6,293.02
Diluted (in ₹)		13,763.23	8,886.22	8,733.63	8,675.95	5,749.02

RESTATED STANDALONE FINANCIAL INFORMATION ON CASH FLOWS

(in ₹ million)

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017 Proforma	For the year ended 31 March 2016 Proforma	For the year ended 31 March 2015 Proforma	For the year ended 31 March 2014 Proforma
Cash flows from operating activities					
Profit before tax	1,547.75	963.22	876.36	871.83	546.87
Adjustments for:					
Depreciation and amortisation expense	538.72	444.54	349.62	316.15	338.72
Interest income	(5.51)	(6.11)	(10.90)	(6.05)	(32.00)
Fair value gain on financial instruments at fair value through statement of profit and loss	(2.28)	(1.85)	(0.01)	(1.39)	(0.56)
(Profit)/ Loss on sale of property, plant and equipments, net	(0.47)	(0.35)	(2.26)	3.03	0.99
Employee stock compensation expense	16.42	19.90	141.21	-	-
Dividend income	(0.06)	(0.03)	(0.02)	-	(0.01)
Loss allowance on trade receivables	1.57	-	2.33	2.45	4.07
Income from government grants	(21.30)	(12.54)	(8.84)	(6.56)	(4.66)
Share issue expenses	-	-	-	-	89.01
(Profit)/ loss on sale of investment	-	-	-	-	(77.62)
Unrealised foreign exchange gain (net)	1.14	(45.73)	(7.99)	24.31	10.85
Finance costs	396.20	298.31	289.12	200.13	268.02
Operating cash flows before working capital changes	**2,472.18**	**1,659.36**	**1,628.62**	**1,403.90**	**1,143.68**
Working capital adjustments:					
Changes in trade receivables	(384.00)	(461.00)	(167.51)	(203.10)	(323.92)
Changes in other current and non-current assets and current financial assets	9.16	(228.30)	(202.15)	(97.33)	(112.09)
Changes in inventory	(365.48)	(130.79)	29.49	(129.19)	(246.59)
Changes in trade payables and financial liabilities	271.00	138.09	297.41	26.32	18.97
Changes in other liabilities and provisions	(31.65)	8.36	46.25	6.69	9.45
Cash generated from operations	**1,971.21**	**985.72**	**1,632.11**	**1,007.29**	**489.50**
Income taxes paid, net	(355.42)	(145.61)	(206.08)	(306.31)	(110.70)
Net cash generated from operating activities (A)	**1,615.79**	**840.11**	**1,426.03**	**700.98**	**378.80**
Cash flows from investing activities					
Purchase of property, plant and equipments	(1,708.12)	(1,564.96)	(1,333.60)	(890.01)	(687.76)
Purchase of intangible assets	(10.32)	-	-	(2.38)	-
Proceeds from sale of property, plant and equipments	0.87	0.50	11.58	7.29	9.00
Investments in subsidiaries	(609.29)	0.01	-	(74.09)	-
Proceeds from sale of investment	-	-	-	-	167.50
Interest received	5.51	6.11	10.90	6.05	32.00
Dividend income	0.06	0.03	0.02	-	0.01
Movement in other bank balances, net	(3.14)	(5.32)	(5.53)	27.41	(36.95)
Net cash used in investing activities (B)	**(2,324.43)**	**(1,563.63)**	**(1,316.63)**	**(925.73)**	**(516.20)**

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017 Proforma	For the year ended 31 March 2016 Proforma	For the year ended 31 March 2015 Proforma	For the year ended 31 March 2014 Proforma
Cash flows from financing activities					
Proceeds/(repayment) of long-term borrowings:					
Proceeds	1271.80	844.86	625.00	278.90	232.03
Repayment	(424.02)	(366.29)	(249.63)	(390.83)	(496.76)
Proceeds/(repayment) of short-term borrowings:					
Proceeds	30,888.44	40,105.98	5,263.21	19,499.70	17,389.46
Repayment	(30,378.82)	(39,822.22)	(5,119.63)	(19,001.44)	(17,440.59)
Issue of preference share capital, net of issue expenses	-	-	-	-	785.99
Finance cost	(396.20)	(298.31)	(289.12)	(200.13)	(268.02)
Net cash flow from financing activities (C)	**961.20**	**464.02**	**229.83**	**186.20**	**202.11**
Net increase / (decrease) in cash and cash equivalents (A+B+C)	252.56	(259.50)	339.23	(38.55)	64.71
Cash and cash equivalents at the beginning of the year	105.43	364.42	20.96	68.34	7.55
Effects of exchange gain on restatement of foreign currency cash and cash equivalent	(47.74)	0.51	4.23	(8.83)	(3.92)
Cash and cash equivalents at the end of the year (refer below)	**310.25**	**105.43**	**364.42**	**20.96**	**68.34**
For the purpose of statement of cash flows, cash and cash equivalents comprise the following:					
Cash on hand	0.83	0.68	0.95	1.87	1.15
Balance with banks					
- in current accounts	309.42	104.75	363.47	19.09	67.19
Total cash and cash equivalents (refer note 11 of Annexure A-VI)	**310.25**	**105.43**	**364.42**	**20.96**	**68.34**

RESTATED CONSOLIDATED FINANCIAL INFORMATION ON ASSETS AND LIABILITIES

(in ₹ million)

Particulars	Note No. of Annexure A - VI	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016 Proforma	As at 31 March 2015 Proforma	As at 31 March 2014 Proforma
ASSETS						
Non-current assets						
Property, plant and equipment	1	6,541.55	5,776.75	4,378.58	3,281.08	2,970.30
Capital work-in-progress	2	940.44	328.56	336.74	457.10	181.28
Other intangible assets	3	39.36	1.92	5.05	7.70	7.24
Goodwill	4	342.96	146.72	146.72	146.72	110.48
Financial assets						
(i) Loans	5	256.69	119.87	81.67	40.72	42.83
(ii) Other financial assets	6	1.10	5.37	1.10	-	-
Income tax assets, net	7(a)	69.15	112.37	115.19	108.83	41.85
Other non-current assets	8	178.19	117.87	171.54	121.86	73.16
Total non-current assets		**8,369.44**	**6,609.43**	**5,236.59**	**4,164.01**	**3,427.14**
Current assets						
Inventories	9	2,080.90	1,441.53	1,312.27	1,351.62	1,151.15
Financial assets						
(i) Current Investments	10	7.09	4.81	2.97	2.96	1.58
(ii) Trade receivables	11	2,630.71	2,083.58	1,685.39	1,475.95	1,287.48
(iii) Cash and cash equivalents	12	343.37	106.16	371.89	46.61	73.33
(iv) Bank balances other than cash and cash equivalents	13	80.20	72.57	71.53	66.58	92.03
(iv) Other financial assets	14	225.93	159.94	95.56	44.16	26.40
Other current assets	15	513.71	560.02	438.02	304.68	209.91
Assets classified as held for sale		-	5.01	-	-	-
Total current assets		**5,881.91**	**4,433.62**	**3,977.63**	**3,292.56**	**2,841.88**
Total assets		**14,251.35**	**11,043.05**	**9,214.22**	**7,456.57**	**6,269.02**
EQUITY AND LIABILITIES						
Equity						
Equity share capital	16 (a)	6.47	6.47	6.47	6.47	6.47
Instruments entirely equity in nature	16 (b)	105.00	105.00	105.00	105.00	105.00
Other equity	17	5,830.72	4,969.75	4,308.53	3,535.32	2,908.50
Total equity attributable to owners of Sansera Engineering Private Limited		5,942.19	5,081.22	4,420.00	3,646.79	3,019.97
Non Controlling Interest		67.99	52.33	54.42	52.20	78.94
Total equity		**6,010.18**	**5,133.55**	**4,474.42**	**3,698.99**	**3,098.91**
Liabilities						
Non-Current Liabilities						
Financial liabilities						
(i) Non-current borrowings	18	1,824.50	1,172.94	786.35	531.65	562.78
Non-current provisions	19	59.55	38.43	46.51	31.43	23.96
Deferred tax liabilities (net)	20	537.47	332.44	220.70	185.91	153.56
Other non-current liabilities	21	242.80	231.42	115.16	92.12	73.80
Total non-current liabilities		**2,664.32**	**1,775.23**	**1,168.72**	**841.11**	**814.10**
Current liabilities						
Financial Liabilities						
(i) Current borrowings	22	2,894.28	2,338.33	2,002.93	1,861.65	1,290.48
(ii) Trade payables	23	1,382.33	891.46	836.24	509.25	524.98
(iii) Other current financial liabilities	24	1,165.12	726.79	644.88	453.42	482.19
Income tax liabilities, net	7(b)	4.28	51.84	-	2.90	29.30
Other current liabilities	25	91.00	83.21	51.87	65.87	17.62
Current provisions	26	39.84	42.64	35.16	23.38	11.44
Total current liabilities		**5,576.85**	**4,134.27**	**3,571.08**	**2,916.47**	**2,356.01**
Total equity and liabilities		**14,251.35**	**11,043.05**	**9,214.22**	**7,456.57**	**6,269.02**

RESTATED CONSOLIDATED FINANCIAL INFORMATION ON PROFITS AND LOSSES

(in ₹ million)

Particulars	Notes	For the year ended 31 March 2018	For the year ended 31 March 2017	For the year ended 31 March 2016 Proforma	For the year ended 31 March 2015 Proforma	For the year ended 31 March 2014 Proforma
Revenue						
Revenue from Operations	27	13,840.22	10,971.86	9,715.71	8,709.11	6,906.04
Other income	28	129.36	64.71	56.74	15.22	68.75
Total income		**13,969.58**	**11,036.57**	**9,772.45**	**8,724.33**	**6,974.79**
Expenses						
Cost of material consumed	29	6,080.77	4,408.94	3,773.90	3,516.30	2,783.75
Changes in inventory of finished goods and work in progress	30	(235.25)	(124.07)	(27.29)	(71.24)	(105.21)
Excise duty	51	258.96	787.78	705.18	569.14	493.50
Conversion charges		355.23	258.59	251.48	211.85	171.04
Consumption of stores and spares		1,096.19	1,008.27	913.33	769.93	613.35
Power and fuel		718.51	546.92	489.95	422.22	362.44
Employee benefit expenses	31	2,471.99	1,915.74	1,728.20	1,319.13	1,058.03
Finance costs	32	440.03	329.43	321.70	226.97	295.56
Depreciation and amortisation expense	33	607.73	467.03	370.35	337.30	360.21
Other expenses	34	600.41	481.47	361.48	515.59	346.77
Total expenses		**12,394.57**	**10,080.10**	**8,888.28**	**7,817.19**	**6,379.44**
Profit before tax and exceptional items		**1,575.01**	**956.47**	**884.17**	**907.14**	**595.35**
Exceptional items	35	122.07	-	-	-	16.06
Profit before tax		**1,452.94**	**956.47**	**884.17**	**907.14**	**579.29**
Tax expenses:						
Current tax/ Minimum Alternate Tax (MAT)	38	400.91	220.43	211.76	241.30	142.88
Deferred tax	38	183.54	98.00	79.43	24.49	13.83
MAT entitlement credit		-	-	(44.40)	-	-
Total tax expenses		**584.45**	**318.43**	**246.79**	**265.79**	**156.71**
Profit for the year		**868.49**	**638.04**	**637.38**	**641.35**	**422.58**
Other comprehensive income/(expense)						
Items that will not to be reclassified to profit or loss						
Re-measurement of the net defined benefit liability/asset		(18.97)	1.82	(4.83)	(9.31)	(0.32)
Income tax relating to items that will not be reclassed to profit and loss		6.57	(0.63)	1.67	3.23	0.12
Net other comprehensive income not to be reclassified subsequently to profit or loss		**(12.40)**	**1.19**	**(3.16)**	**(6.08)**	**(0.20)**
Items that will be reclassified subsequently to profit or loss						
Exchange differences in translating financial statements of foreign operations		11.37	-	-	-	-
Net other comprehensive income to be reclassified subsequently to profit or loss		**11.37**	**-**	**-**	**-**	**-**
Other comprehensive income for the year, net of income tax		**(1.03)**	**1.19**	**(3.16)**	**(6.08)**	**(0.20)**
Total comprehensive income for the year		**867.46**	**639.23**	**634.22**	**635.27**	**422.38**
Profit attributable to :						
Owners of the Company		852.57	640.77	635.67	632.91	412.90
Non-controlling interests		15.92	(2.73)	1.71	8.44	9.68

Particulars	Notes	For the year ended 31 March 2018	For the year ended 31 March 2017	For the year ended 31 March 2016 Proforma	For the year ended 31 March 2015 Proforma	For the year ended 31 March 2014 Proforma
Profit for the year		**868.49**	**638.04**	**637.38**	**641.35**	**422.58**
Other comprehensive income attributable to:						
Owners of the Company		(0.77)	0.55	(3.67)	(6.09)	(0.42)
Non-controlling interests		(0.26)	0.64	0.51	0.01	0.22
Other comprehensive income for the year		**(1.03)**	**1.19**	**(3.16)**	**(6.08)**	**(0.20)**
Total comprehensive income attributable to:						
Owners of the Company		851.80	641.32	632.00	626.82	412.48
Non-controlling interests		15.66	(2.09)	2.22	8.45	9.90
Total comprehensive income for the year		**867.46**	**639.23**	**634.22**	**635.27**	**422.38**
Earnings per equity share (face value of ₹ 100 each)						
Basic (in ₹)	36	13,169.14	9,897.59	9,818.81	9,776.18	6,377.82
Diluted (in ₹)	36	11,762.34	8,840.28	8,769.92	8,931.08	5,826.49

RESTATED CONSOLIDATED FINANCIAL INFORMATION ON CASH FLOWS

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017	For the year ended 31 March 2016 Proforma	For the year ended 31 March 2015 Proforma	For the year ended 31 March 2014 Proforma
Cash flows from operating activities					
Profit before tax	1,452.94	956.47	884.17	907.14	579.29
Adjustments to reconcile profit before tax to net cash flows:					
Depreciation and amortisation expense	607.73	467.03	370.35	337.30	360.21
(Profit)/ Loss on sale of property, plant and equipments, net	(16.46)	(0.35)	(1.49)	3.12	0.99
Interest income	(6.89)	(6.83)	(11.63)	(6.98)	(32.87)
Employee stock compensation expense	16.42	19.90	141.21	-	-
Unrealised foreign exchange gain, net	(0.93)	10.13	(7.99)	24.31	10.85
Dividend income	(0.06)	(0.03)	(0.02)	(0.01)	(0.01)
Income from government grants	(21.30)	(12.54)	(8.84)	(6.56)	(4.66)
Loss allowance on trade receivables	1.57	1.43	2.33	2.45	4.07
Fair value gain on financial instruments at fair value through statement of profit and loss	(2.28)	(1.84)	(0.01)	(1.38)	(0.56)
Share issue expenses	-	-	-	-	89.01
(Profit)/ loss on sale of Joint venture	-	-	-	-	(72.95)
Finance cost	440.03	329.43	321.70	226.97	295.56
Operating cash flows before working capital changes	**2,470.77**	**1,762.80**	**1,689.78**	**1,486.36**	**1,228.93**
Working capital adjustments:					
Changes in inventory	(480.33)	(129.26)	39.35	(200.47)	(258.18)
Changes in trade receivables	(437.09)	(415.83)	(200.95)	(207.57)	(288.94)
Changes in other current and non-current assets and current financial assets	(142.90)	(228.37)	(216.62)	(123.40)	(29.42)
Changes in trade payables and financial liabilities	384.23	76.22	357.19	13.75	(1.37)
Changes in other liabilities and provisions	(43.15)	12.92	15.77	50.22	8.80
Cash generated from operations	**1,751.53**	**1,078.48**	**1,684.52**	**1,018.89**	**659.82**
Income taxes paid, net	(377.19)	(152.66)	(219.59)	(323.59)	(127.45)
Net cash generated from operating activities (A)	**1,374.34**	**925.82**	**1,464.93**	**695.30**	**532.37**
Cash flows from investing activities					
Purchase of property, plant and equipments	(1,845.75)	(1,639.49)	(1,369.89)	(926.63)	(716.22)
Purchase of intangible assets	(42.82)	-	(1.98)	(5.66)	-
Proceeds from sale of property, plant and equipments	27.88	0.86	11.58	7.42	93.87
(Investment)/ Proceeds from sale of subsidiary	(7.25)	-	-	(71.43)	(17.77)
Payment for acquisition of business	(210.15)	-	-	-	-
Interest received	6.89	6.83	11.63	6.98	32.87
Dividend income	0.06	0.03	0.02	0.01	0.01
Movement in other bank balances, net	(7.63)	(1.04)	(4.95)	25.45	(39.28)
Net cash used in investing activities (B)	**(2,078.77)**	**(1,632.81)**	**(1,353.59)**	**(963.86)**	**(646.52)**
Cash flow from financing activities					
Proceeds/(repayment) of long-term borrowings:					
Proceeds	1,324.19	886.24	688.26	387.11	315.97
Repayment	(461.10)	(451.36)	(298.15)	(480.64)	(569.71)

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017	For the year ended 31 March 2016 Proforma	For the year ended 31 March 2015 Proforma	For the year ended 31 March 2014 Proforma
Proceeds/(repayment) of short-term borrowings:					
Proceeds	30,962.64	40,160.38	5,428.21	19,664.70	17,509.46
Repayment	(30,406.69)	(39,824.98)	(5,286.93)	(19,093.53)	(17,591.41)
Issue of preference share capital, net of issue expenses	-	-	-	-	785.99
Finance cost	(440.03)	(329.43)	(321.70)	(226.97)	(295.56)
Net cash flow from financing activities (C)	**979.01**	**440.85**	**209.69**	**250.67**	**154.74**
Cash and cash equivalents at the beginning of the year	106.16	371.89	46.61	73.33	36.66
Cash acquired on acquisition of business	10.34	-	-	-	-
Effect of exchange differences on translation of foreign currency cash and cash equivalents	(47.71)	0.41	4.25	(8.83)	(3.92)
Net increase / (decrease) in cash and cash equivalents (A+B+C)	274.58	(266.14)	321.03	(17.89)	40.59
Cash and cash equivalents at the end of the year (refer below)	**343.37**	**106.16**	**371.89**	**46.61**	**73.33**
For the purpose of statement of cash flows, cash and cash equivalents comprise the following:					
Cash on hand	1.16	0.71	2.01	2.84	2.35
Balances with banks					
- on current accounts	342.21	105.45	369.88	43.77	70.98
Total cash and cash equivalents (refer note 11 of Annexure A-VI)	**343.37**	**106.16**	**371.89**	**46.61**	**73.33**

THE OFFER

Equity Shares Offered	
Offer of Equity Shares(1)	Up to 17,244,328^ Equity Shares
of which	
Offer for Sale(2)	Up to 17,244,328^ Equity Shares
Employee Reservation Portion(3)	Up to [●] Equity Shares aggregating up to ₹[●] million
Accordingly,	
Net Offer	[•] Equity Shares
of which	
A) QIB Portion(4)(5)	Not more than [•] Equity Shares
of which:	
Anchor Investor Portion	[•] Equity Shares
Balance available for allocation to QIBs other than Anchor Investors (assuming Anchor Investor Portion is fully subscribed)	[•] Equity Shares
of which:	
Available for allocation to Mutual Funds only (5% of the QIB Portion (excluding the Anchor Investor Portion))	[•] Equity Shares
Balance for all QIBs including Mutual Funds	[•] Equity Shares
B) Non-Institutional Portion(5)	Not less than [•] Equity Shares
C) Retail Portion(5)(6)	Not less than [•] Equity Shares
Pre and post Offer Equity	
Equity Shares outstanding prior to the Offer, as on the date of the this Draft Red Herring Prospectus	46,936,500 Equity Shares
Equity Shares outstanding prior to the Offer, post conversion of Series A CCPS and Series B CCPS, prior to filing of the Red Herring Prospectus with the RoC	51,377,850 Equity Shares
Equity Shares outstanding after the Offer	51,377,850 Equity Shares
Use of Net Proceeds	Our Company will not receive any proceeds from the Offer.

Allocation to all categories, except the Anchor Investor Portion and the Retail Portion, if any, shall be made on a proportionate basis. For further details, see "*Offer Procedure – Basis of Allotment*" on page 496.

S Sekhar Vasan, F R Singhvi, Unni Rajagopal K and D Devaraj are the Promoters of our Company and are in control of the day to day affairs of our Company.

^The Equity Shares being offered by F R Singhvi acting in trust for the Singhvi Family Shareholders, and by D Devaraj acting in trust for the D Devaraj HUF in the Offer for Sale are subject to a compounding application filed by our Company, in relation to the failure of our Company to file the requisite beneficial interest disclosures with respect to the aforesaid arrangement with the RoC. For details, see Risk Factors – "Our Company was incorporated in 1981 and therefore we are unable to trace some of our historical secretarial records. We cannot assure you that no legal proceedings or regulatory actions will be initiated against our Company in the future in relation to the missing filings and corporate records, which may impact our financial condition and reputation." and "Outstanding Litigation and Material Developments – Litigation involving our Promoters" on pages 23 and 429, respectively

Sr. No.	***Name of Investor***	***No. of Series A CCPS, as on the date of this DRHP***	***No. of Series B CCPS, as on the date of this DRHP***	***No. of Equity Shares to be issued on conversion of Series A CCPS, prior to filing of the RHP with the RoC****	***No. of Equity Shares to be issued on conversion of Series B CCPS, prior to filing of the RHP with the RoC****	***Total no. of Equity Shares to be issued, prior to filing of the RHP with the RoC***
1.	*Client Ebene Limited*	*192,300*	*480,750*	*2,845,625*	*725*	***2,846,350***
2.	*CVCIGP II Employee Ebene Limited*	*107,700*	*269,250*	*1,594,275*	*725*	***1,595,000***
	Total	***300,000***	***750,000***	***4,439,900***	***1450***	***4,441,350***

**The number of Equity Shares to be issued prior to filing of the RHP with the RoC includes the impact of the sub-division of equity shares of ₹100 each to Equity Shares of ₹2 each and the bonus issue of Equity Shares in the ratio of 27 Equity Shares for every 2 Equity Shares*

(1) The Offer has been authorized by a resolution of our Board of Directors dated July 31, 2018 and by a special resolution of our Shareholders in their EGM dated August 3, 2018.

(2) The Offer for Sale has been authorised by the Selling Shareholders as follows:

Selling Shareholder	***Number of Equity Shares offered in the Offer for Sale***	***Date of consent/board resolution***
Client Ebene Limited	Up to 8,635,408	August 3, 2018
CVCIGP II Employee Ebene Limited	Up to 4,836,723	August 3, 2018
S Sekhar Vasan	Up to 2,058,069	August 9, 2018
F R Singhvi*	Up to 571,376	August 9, 2018

Selling Shareholder	*Number of Equity Shares offered in the Offer for Sale*	*Date of consent/board resolution*
Unni Rajagopal K	Up to 571,376	August 9, 2018
D Devaraj**	Up to 571,376	August 9, 2018
Total	**Upto 17,244,328**	

F R Singhvi is acting in trust for the offer for sale of up to 61,221 Equity Shares by Lalita Singhvi, up to 102,031 Equity Shares by Praveen Singhvi, up to 102,031 Equity Shares by Lata Singhvi, up to 102,031 Equity Shares by Jayaraj Singhvi, up to 102,031 Equity Shares by Tara Singhvi and up to 102,031 Equity Shares by Indira Singhvi (collectively, the "*Singhvi Family Shareholders***"). F R Singhvi holds the Equity Share of the Singhvi Shareholders in trust, for the benefit of the Singhvi Family Shareholders. For details, see "Capital Structure" on page 79, respectively.*

*** D Devaraj is acting in trust for the offer for sale of up to 111,899 Equity Shares by the D Devaraj HUF, while the offer for sale of up to 459,477 Equity Shares is being made by D Devaraj in his individual capacity. D Devaraj holds the Equity Share of the D Devaraj HUF in trust, for the benefit of D Devaraj HUF. For details, see "Capital Structure" on page 79.*

Each Selling Shareholder severally confirms that the Equity Shares being offered by it in the Offer, have been held by it for a period of at least one year prior to the filing of this Draft Red Herring Prospectus with SEBI, calculated in the manner as set out under Regulation 26(6) of the SEBI ICDR Regulations and are eligible for being offered for sale in the Offer for Sale.

(3) The unsubscribed portion if any, in the Employee Reservation Portion shall be added back to the Net Offer. In case of under-subscription in the Net Offer, spill-over to the extent of such under subscription shall be permitted from the Employee Reservation Portion, subject to the Net Offer constituting [●]% of the post-Offer equity share capital of the Company. Employee Discount of ₹[●] to the Offer Price, not being more than 10% of the Offer Price, may be offered to Eligible Employees bidding in the Employee Reservation Portion

(4) Our Company and Investor Selling Shareholders may, in consultation with the BRLMs and the Promoter Selling Shareholders allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis, in accordance with the SEBI ICDR Regulations. The QIB portion will accordingly be reduced from the shares allocated to Anchor Investors. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription in the Anchor Investor Portion, the remaining Equity Shares shall be added to the QIB Portion. 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 a proportionate basis to all QIB Bidders, including Mutual Funds, subject to valid Bids being received at or above the Offer Price. However, if the aggregate demand from Mutual Funds is less than [•] Equity Shares, the balance Equity Shares available for Allotment in the Mutual Fund Portion will be added to the QIB Portion and allocated proportionately to the QIB Bidders (other than Anchor Investors) in proportion to their Bids. For details, see "Offer Procedure" on page 462

(5) Subject to valid Bids being received at or above the Offer Price, under-subscription, if any, in any category except the QIB Portion, would be allowed to be met with spill over from any other category or combination of categories at the discretion of our Company and the Investor Selling Shareholders in consultation with the BRLMs, the Promoter Selling Shareholders and the Designated Stock Exchange. Under-subscription, if any, in the QIB Portion will not be allowed to be met with spill-over from other categories or a combination of categories

(6) Our Company may in consultation with the BRLMs and the Selling Shareholders offer a Retail Discount to Retail Individual Bidders in accordance with the SEBI ICDR Regulations

GENERAL INFORMATION

Our Company was originally incorporated as Sansera Engineering Private Limited on December 15, 1981 at Bengaluru, India as a private limited company under the Companies Act, 1956. Our Company was converted into a public limited company consequent to a special resolution passed by our Shareholders at the extraordinary general meeting held on June 19, 2018 and the name of our Company was changed to Sansera Engineering Limited. A fresh certificate of incorporation consequent upon conversion to a public limited company was issued on June 29, 2018. For details of the change in the name and registered office of our Company, see "*History and Certain Corporate Matters*" on page 187.

Registered and Corporate Office
Plant 7, Plot No. 143/A
Jigani Link Road
Bommasandra Industrial Area
Anekal Taluk, Bengaluru 560 105
Karnataka, India

Registration number: 004542
Corporate identification number: U34103KA1981PLC004542

Address of the RoC

Our Company is registered with the RoC situated at the following address:

Registrar of Companies
'E' Wing, 2nd Floor
Kendriya Sadan
Koramangala
Bengaluru 560 034
Karnataka, India

Board of Directors

The Board of our Company as on the date of filing of this Draft Red Herring Prospectus comprises the following:

Name	Designation	DIN	Address
S Sekhar Vasan	Chairman and Managing Director	00361245	#51, Oriental Home, Ranga Rao Road, Basavangudi, Bengaluru South, Bengaluru 560 004, Karnataka, India
Unni Rajagopal K	Non-Executive Director	00229915	Tarawad, Palanahalli, Yelahanka, Bangalore North, Bengaluru 560 064, Karnataka, India
Raunak Gupta	Non-Executive, Nominee Director	06624489	B-1608, Oberoi Splendor, JVLR, Andheri (East), Mumbai 400 060, Maharashtra, India
Muthuswami Lakshminarayan	Non-Executive, Independent Director	00064750	#464 7th Main, NGEF Layout, Sadanandanagar, Bangalore North, Indiranagar, Bengaluru 560 038, Karnataka, India
Revathy Ashok	Non-Executive, Independent Director	00057539	13976-2, Domlur Layout, Sharadamma Layout, Bengaluru 560 071, Karnataka, India
Sylvain Bilaine	Non-Executive, Independent Director	00128817	18-A, Jean Marx Street (Et 2), L-8250 Mamer

For further details of our Directors, see "*Our Management*" on page 197.

Chief Financial Officer

S. Ramakrishnan
Sansera Engineering Limited
Plant 7, Plot No. 143/A, Jigani Link Road
Bommasandra Industrial Area
Hebbagodi Post, Anekal Taluk
Bengaluru 562 106
Karnataka, India
Tel: +91 80 2783 9081/ 9082/ 9083
Fax: +91 80 2783 9309
E-mail: cfo@sansera.in

Company Secretary and Compliance Officer

Sourabh Kumar

Plant 7, Plot No. 143/A, Jigani Link Road
Bommasandra Industrial Area
Hebbagodi Post, Anekal Taluk
Bengaluru 562 106
Karnataka, India
Tel: +91 80 2783 9081/ 9082/ 9083
Fax: +91 80 2783 9309
E-mail: cs@sansera.in

Investor Selling Shareholders

Client Ebene Limited
IFS Court, Bank Street
Twenty Eight Cybercity
Ebene 72201
Republic of Mauritius
Tel: +230 467 3000
Fax: +230 467 4000
Email: vcigpii@sannegroup.mu

CVCIGP II Employee Ebene Limited
IFS Court, Bank Street
Twenty Eight Street Cybercity
Ebene 72201
Republic of Mauritius
Tel: +230 467 3000
Fax: +230 467 4000
Email: vcigpii@sannegroup.mu

Investor Grievances

Investors can contact the Company Secretary and Compliance Officer, the BRLMs or the Registrar to the Offer or the respective SCSBs in case of any pre-Offer or post-Offer related problems, such as non receipt of letters of Allotment, non credit of Allotted Equity Shares in the respective beneficiary account, non receipt of refund orders and non receipt of funds by electronic mode.

All grievances, other than those of Anchor Investors, may be addressed to the Registrar to the Offer with a copy to the relevant Designated Intermediary/(ies) with whom the Bid cum Application Form was submitted. The Bidder should give full details such as name of the sole or first Bidder, Bid cum Application Form number, Bidder's DP ID, Client ID, PAN, date of submission of the Bid cum Application Form, address of the Bidder, number of Equity Shares applied for, ASBA Account number in which the amount equivalent to the Bid Amount was blocked, date of ASBA Form and the name and address of the Designated Intermediary/(ies) where the Bid cum Application Form was submitted by the Bidder.

Further, the Bidder shall also enclose a copy of the Acknowledgment Slip received from the Designated Intermediaries in addition to the documents or information mentioned hereinabove.

All grievances of the Anchor Investors may be addressed to the Registrar to the Offer, giving full details such as the name of the sole or First Bidder, Bid cum Application Form number, Bidders' DP ID, Client ID, PAN, date of the Bid cum Application Form, address of the Bidder, number of the Equity Shares applied for, Bid Amount paid on submission of the Bid cum Application Form and the name and address of the BRLMs where the Bid cum Application Form was submitted by the Anchor Investor.

All grievances relating to Bids submitted through the Registered Broker maybe addressed to the Stock Exchange with a copy to the Registrar to the Offer.

Further, the investor shall also enclose a copy of the Acknowledgment Slip received from the Designated Intermediaries in addition to the information mentioned hereinabove.

Book Running Lead Managers	
ICICI Securities Limited ICICI Center, H.T. Parekh Marg Churchgate, Mumbai 400 020 Maharashtra, India Tel: +91 22 2288 2460 Fax: +91 22 2282 6580 E-mail: sansera.ipo@icicisecurities.com	**Credit Suisse Securities (India) Private Limited** Ceejay House, 9th Floor Plot F, Shivsagar Estate Dr. Annie Besant Road Worli, Mumbai 400 018 Maharashtra, India Tel: +91 22 6777 3671

Investor Grievance
E-mail: customercare@icicisecurities.com
Website: www.icicisecurities.com
Contact Person: Arjun A Mehrotra/ Anurag Byas
SEBI Registration No.: INM000011179

Fax: +91 22 6777 3820
E-mail: list.sanseraipo@credit-suisse.com
Investor grievance email: list.igcellmerbnkg@credit-suisse.com
Website: www.credit-suisse.com/in/en/investment-banking/regional-presence/asia-pacific/india/ipo.html
Contact Person: Rishi Agrawal
SEBI Registration No.: INM000011161

IIFL Holdings Limited
10th Floor, IIFL Centre
Kamala City, Senapati Bapat Marg
Lower Parel (West), Mumbai 400 013
Maharashtra, India
Tel: +91 22 4646 4600
Fax: +91 22 2493 1073
E-mail: Sansera.ipo@iiflcap.com
Investor grievance email: ig.ib@iiflcap.com
Website: www.iiflcap.com
Contact Person: Pinak Bhattacharyya/ Rajshekhar Swamy
SEBI Registration No.: INM000010940

Nomura Financial Advisory and Securities (India) Private Limited
Ceejay House, Level 11, Plot F
Shivsagar Estate, Dr. Annie Besant Road, Worli, Mumbai 400 018
Maharashtra, India
Tel.: +91 22 4037 4037
Fax: +91 22 4037 4111
E-mail: sanseraipo@nomura.com
Investor grievance e-mail:
investorgrievances-in@nomura.com
Website:
www.nomuraholdings.com/company/group/asia/india/index.html
Contact person: Manish Agarwal / Sandeep Baid
SEBI registration number: INM000011419

BNP Paribas
BNP Paribas House
1 North Avenue, Maker Maxity
Bandra-Kurla Complex
Bandra (East), Mumbai 400 051
Tel: +91 22 3370 4000
Fax: +91 22 6196 5194
E-mail: dl.sansera.ipo@asia.bnpparibas.com
Investor grievance email:
indiainvestors.care@asia.bnpparibas.com
Website: www.bnpparibas.co.in
Contact Person: Pranay Shetty / Shrey Biyani
SEBI Registration No.: INM000011534

Syndicate Members

[●]

Indian Legal Counsel to our Company and the Investor Selling Shareholders

Cyril Amarchand Mangaldas
201, Midford House, Midford Garden
Off MG Road
Bengaluru 560 001
Karnataka, India
Tel: +91 80 2558 4870
Fax: +91 80 2558 4266

Indian Legal Counsel to the BRLMs

AZB & Partners
A-8, Sector 4
Noida 201 301
Uttar Pradesh, India
Tel: +91 120 4179999
Fax: +91 120 417 9900

International Legal Counsel to the BRLMs

Herbert Smith Freehills LLP
#24-01 Singapore Land Tower
50 Raffles Place
Singapore 048623
Tel: +65 6868 8000
Fax: +65 6868 8001

Statutory Auditors to our Company

B S R & Associates LLP
Maruthi Info-Tech Centre
11-12/1, Inner Ring Road
Koramangala, Bengaluru 560 071
Karnataka, India
E-mail : umaiya@bsraffiliates.com
Tel : +91 80 7134 7000

Fax : +91 80 7134 7999
Firm Registration No : 116231W/W-100024
Peer review no.: 009059

Registrar to the Offer

Link Intime India Private Limited
C-101, 1st Floor, 247 Park
Lal Bahadur Shastri Marg
Vikhroli (West), Mumbai 400 083
Maharashtra, India
Tel: +91 22 4918 6200
Fax: +91 22 4918 6195
E-mail: sansera.ipo@linkintime.co.in
Investor grievance email: sansera.ipo@linkintime.co.in
Website: www.linkintime.co.in
Contact Person: Shanti Gopalkrishnan
SEBI Registration No. INR000004058

Bankers to the Offer/ Escrow Collection Banks

[●]

Refund Bank

[●]

Banker to our Company

Bajaj Finance Ltd
801 to 805, 8th Floor
Prestige Towers
Residency Road
Bengaluru 560 025
Tel: +91 80 30434603
Fax: NA
E-mail: senthil.kaliyamoorthi@bajajfinserv.in
Website: www.bajajfinserv.in
Contact Person: Senthil Kumar Kaliyamoorthi

Citibank NA
No. 5, MG Road
Bengaluru
Karnataka, India
Tel: +91 80 6773 0334
Fax: +91 80 6773 9696/ 7128 9693/ 2532 0588
E-mail: hemant.gadodia@citi.com
Contact Person: Hemant Gadodia

DBS Bank Limited
3, Ground Floor
Salarpuria Windsor
Ulsoor Road, Ulsoor
Bengaluru 560 042
Karnataka, India
Tel: +91 80 6632 8888
Fax: +91 80 6632 8899
E-mail: thammaiah@dbs.com
Wesite: www.dbs.com
Contact Person: Giridhar Rajaram and Thammaiah

HDFC Bank Limited
No. 8/24, Salco Centre
Richmond Road
Bengaluru 560 025
Karnataka, India
Tel: +91 80 6663 3224/ +91 88 0078 8660
Fax: +91 80 6663 3126
E-mail: balakumar.sampath@hdfcbank.com
Contact Person: Balakumar Sampath

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SBI Commercial Branch
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Tel: +91 80 2594 3358
Fax: +91 80 2594 3359/ 61
E-mail: sbi.04196@sbi.co.in
Website: https://sbi.co.in
Contact Person: Shri Rajkumar S

The Hong Kong and Shanghai Banking Corporation Limited, India
No. 7, MG Road
Bengaluru 560 001
Karnataka, India
Tel: 99451 16196
Fax: NA
E-mail: lalithaakshaylodaya@hsbc.co.in
Website: www.hsbc.co.in
Contact Person: Lalitha Lodaya

Designated Intermediaries

Self Certified Syndicate Banks/ Broker Centres

The list of banks that have been notified by SEBI to act as the SCSBs for the ASBA process is provided on the website of SEBI at http://www.sebi.gov.in/sebiweb/other/otherAction.do?doRecognised=yes, as updated from time to time. For a list of branches of the SCSBs named by the respective SCSBs to receive the ASBA Forms from the Designated Intermediaries, please refer to the above-mentioned link.

Registered Brokers

The list of the Registered Brokers, including details such as postal address, telephone number and e-mail address, is provided on the websites of the Stock Exchanges at http://www.bseindia.com/Markets/PublicIssues/brokercentres_new.aspx?expandable=3 and http://www.nseindia.com/products/content/equities/ipos/ipo_mem_terminal.htm, respectively, as updated from time to time.

RTAs

The list of the RTAs eligible to accept ASBA Forms at the Designated RTA Locations, including details such as address, telephone number and e-mail address, is provided on the websites of the Stock Exchanges at http://www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx?expandable=6 and http://www.nseindia.com/products/content/equities/ipos/asba_procedures.htm, as updated, respectively, from time to time.

Collecting Depository Participants

The list of the CDPs eligible to accept ASBA Forms at the Designated CDP Locations, including details such as name and contact details, is provided on the websites of Stock Exchanges at http://www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx?expandable=6 and http://www.nseindia.com/products/content/equities/ipos/asba_procedures.htm, respectively, as updated from time to time.

Experts

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

a) Our Company has received written consent from the Auditors namely, B S R & Associates LLP, Chartered Accountants, to include their name as "expert" as defined under Section 2(38) of the Companies Act, 2013 to the extent and in their capacity as an auditor and in respect of their examination report dated July 31, 2018 on our Restated Financial Statements and their report dated August 8, 2018 on the Statement of Tax Benefits included in this Draft Red Herring Prospectus, and such consent has not been withdrawn as of the date of this Draft Red Herring Prospectus. However, the term "expert" shall not be construed to mean an "expert" as defined under Securities Act.

Monitoring Agency

Since the Offer is an offer for sale by the Selling Shareholders, in terms of Regulation 16(1) of the SEBI ICDR Regulations, our Company is not required to appoint a monitoring agency.

Appraising Entity

Since the Offer is an offer for sale by the Selling Shareholders, our Company shall not receive any proceeds from the Offer. Consequently, our Company does not have to appoint any appraising agency.

Inter-se allocation of Responsibilities

The following table sets forth the inter-se allocation of responsibilities for various activities among the BRLMs for the Offer:

Sr. No.	Activities	Responsibility	Coordinator
1.	• Capital structuring with the relative components and formalities such as composition of debt and equity, type of instruments, and positioning strategy • Pre-Issue due diligence of the Company including its operations/ management/ business plans/ legal etc., drafting and design of DRHP, RHP and Prospectus, ensure compliance and completion of prescribed formalities with the Stock Exchanges, SEBI and RoC including finalization of RHP, Prospectus and RoC filing	Credit Suisse, ICICI Securities, IIFL, Nomura, BNP Paribas	ICICI Securities
2.	• Drafting and approval of all statutory advertisements	Credit Suisse, ICICI Securities, IIFL, Nomura, BNP Paribas	ICICI Securities
3.	• Publicity material other than statutory advertisements, including corporate advertising, brochures, etc	Credit Suisse, ICICI Securities, IIFL, Nomura, BNP Paribas	Credit Suisse
4.	• Appointment of Registrar to the Offer, Advertising agency (including coordinating all agreements to be entered with such Parties)	Credit Suisse, ICICI Securities, IIFL, Nomura, BNP Paribas	ICICI Securities
5.	• Appointment of Monitoring Agency, Printers, Banker(s) to the Offer (including coordinating all agreements to be entered with such parties)	Credit Suisse, ICICI Securities, IIFL, Nomura, BNP Paribas	IIFL
6.	• International institutional marketing of the Offer, which will cover, inter alia: • Institutional marketing strategy	Credit Suisse, ICICI Securities, IIFL, Nomura, BNP Paribas	Nomura

Sr. No.	Activities	Responsibility	Coordinator
	• Finalizing the list and division of international investors for one-to-one meetings • Finalizing international road show and investor meeting schedules		
7.	• Preparation of road-show / investor presentation and FAQs	Credit Suisse, ICICI Securities, IIFL, Nomura, BNP Paribas	Credit Suisse
8.	• Domestic institutional marketing of the Offer, which will cover, inter alia: • Institutional marketing strategy • Finalizing the list and division of domestic investors for one-to-one meetings • Finalizing domestic road show and investor meeting schedules	Credit Suisse, ICICI Securities, IIFL, Nomura, BNP Paribas	ICICI Securities
9.	• Non-Institutional and Retail marketing of the Offer, which will cover, inter alia: • Formulating marketing strategies, preparation of publicity budget • Finalize media and PR strategy • Finalizing centres for holding conferences for press and brokers • Finalizing collection centres; • Follow-up on distribution of publicity and Issuer material including form, prospectus and deciding on the quantum of the Offer material	Credit Suisse, ICICI Securities, IIFL, Nomura, BNP Paribas	IIFL
10.	• Co-ordination with Stock Exchanges for book building software, bidding terminals, mock trading and for deposit of 1% security deposit and intimation of anchor allocation	Credit Suisse, ICICI Securities, IIFL, Nomura, BNP Paribas	Nomura
11.	• Managing the book and finalization of pricing in consultation with the Company and the Investor Selling Shareholder	Credit Suisse, ICICI Securities, IIFL, Nomura, BNP Paribas	ICICI Securities
12.	• Post-issue activities, which shall involve essential follow-up steps including follow-up with bankers to the issue and Self Certified Syndicate Banks to get quick estimates of collection and advising the issuer about the closure of the issue, based on correct figures, finalization of the basis of allotment or weeding out of multiple applications, listing of instruments, dispatch of certificates or demat credit and refunds and coordination with various agencies connected with the post- Offer activity such as Registrar to the Offer, Bankers to the Offer, SCSBs etc., including responsibility for underwriting arrangements, as applicable, coordinating with Stock Exchanges and SEBI for release of 1% security deposit post closure of the Offer and payment of securities transaction tax on behalf of the Selling Shareholders	Credit Suisse, ICICI Securities, IIFL, Nomura, BNP Paribas	IIFL

Credit Rating

As this is an offer of Equity Shares, there is no credit rating for the Offer.

Trustees

As this is an offer of Equity Shares, the appointment of trustees is not required.

IPO Grading

No credit rating agency registered with the SEBI has been appointed in respect of obtaining grading for the Offer.

Book Building Process

Book building, in the context of the Offer, refers to the process of collection of Bids from Bidders on the basis of the Red Herring Prospectus and the Bid cum Application Forms within the Price Band, which will be decided by our Company and the Investor Selling Shareholders, in consultation with the BRLMs and the Promoter Selling Shareholders, and advertised in all editions of the English national newspaper [●], all editions of the Hindi national newspaper, [●] and the [●] edition of the Kannada daily newspaper [●] (Kannada being the regional language of Karnataka where the Registered Office of our Company is located), each with wide circulation, at least five Working Days prior to the Bid/Offer Opening Date. The Offer Price shall be determined by our Company, in consultation with the BRLMs and the Selling Shareholders after the Bid/Offer Closing Date.

All Bidders, except Anchor Investors, are mandatorily required to use the ASBA process for participating in the Offer.

In accordance with the SEBI ICDR Regulations, QIBs bidding in the QIB Portion and Non-Institutional Bidders bidding in the Non-Institutional Portion are not allowed to withdraw or lower the size of their Bids (in terms of the quantity of the Equity Shares or the Bid Amount) at any stage. Retail Individual Bidders and Eligible Employees bidding in the Employee Reservation Portion can revise their Bids during the Bid/Offer Period and withdraw their Bids until the Bid/Offer Closing Date. Further, Anchor Investors cannot withdraw their Bids after the Anchor Bid/Offer Period. Allocation to the Anchor Investors will be on a discretionary basis.

Except Allocation to Retail Individual Bidders and the Anchor Investors, allocation in the Offer will be on a proportionate basis.

For further details on the method and procedure for Bidding, see "*Offer Procedure*" on page 462.

Illustration of the Book Building and Price Discovery Process

For an illustration of the Book Building Process and the price discovery process, see "*Offer Procedure – Part B – Basis of Allocation - Illustration of the Book Building and Price Discovery Process*" on page 495.

Underwriting Agreement

After the determination of the Offer Price, but prior to the filing of the Prospectus with the RoC, our Company and the Selling Shareholders will enter into an Underwriting Agreement with the Underwriters for the Equity Shares proposed to be offered through the Offer. It is proposed that pursuant to the terms of the Underwriting Agreement, the BRLMs will be responsible for bringing in the amount devolved in the event that the Syndicate Members do not fulfil their underwriting obligations. The Underwriting Agreement is dated [●]. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriters will be several and will be subject to certain conditions specified therein.

The Underwriters have indicated their intention to underwrite the following number of Equity Shares:

(This portion has been intentionally left blank and will be completed before filing the Prospectus with the RoC.).

Name, address, telephone number, fax number and e-mail address of the Underwriters	Indicative Number of Equity Shares to be Underwritten	Amount Underwritten (₹ in millions)
[●]	[●]	[●]

The above-mentioned is indicative underwriting and will be finalised after determination of Offer Price and Basis of Allotment and subject to the provisions of the SEBI ICDR Regulations.

In the opinion of the Board of Directors (based on representations made by the Underwriters), the resources of the Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. The Underwriters are registered with SEBI under Section 12(1) of the SEBI Act or registered as brokers with the Stock Exchange(s). The Board of Directors/Committee of Directors, at its meeting held on [●], has accepted and entered into the Underwriting Agreement mentioned above on behalf of our Company.

Allocation among the Underwriters may not necessarily be in proportion to their underwriting commitment set forth in the table above.

Notwithstanding the above table, the Underwriters shall be severally responsible for ensuring payment with respect to the Equity Shares allocated to investors procured by them. In the event of any default in payment, the respective Underwriter, in addition to other obligations defined in the Underwriting Agreement, will also be required to procure subscribers for or subscribe to the Equity Shares to the extent of the defaulted amount in accordance with the Underwriting Agreement.

The underwriting arrangement mentioned above shall not apply to subscription by the Bidders in the Offer, except for Bids procured by any member of the Syndicate.

CAPITAL STRUCTURE

The share capital of our Company as at the date of this Draft Red Herring Prospectus is set forth below:

(In ₹ except share data)

		Aggregate value at face value	Aggregate value at Offer Price
A	**AUTHORIZED SHARE CAPITAL(1)**		
	62,500,000 Equity Shares of face value of ₹2 each	125,000,000	
	300,000 Series A Compulsorily Convertible Preference Shares of face value ₹100 each	30,000,000	
	750,000 Series B Compulsorily Convertible Preference Shares of face value ₹100 each	75,000,000	
B	**ISSUED, SUBSCRIBED AND PAID UP CAPITAL BEFORE THE OFFER**		
	46,936,500 Equity Shares of face value of ₹2 each	93,873,000	
	300,000 Series A Compulsorily Convertible Preference Shares of face value ₹100 each	30,000,000	
	750,000 Series B Compulsorily Convertible Preference Shares of face value ₹100 each	75,000,000	
C	**ISSUED, SUBSCRIBED AND PAID UP CAPITAL POST CONVERSION OF SERIES A CCPS AND SERIES B CCPS(2)**		
	51,377,850 Equity Shares of face value of ₹2 each	102,755,700	
D	**PRESENT OFFER IN TERMS OF THIS DRAFT RED HERRING PROSPECTUS(3)**		
	Offer for Sale of up to 17,244,328^ Equity Shares of face value of ₹2 each aggregating up to ₹[●] million (4)	34,488,656	[●]
	Which includes		
	Employee Reservation Portion of up to [●] Equity Shares(5)	[●]	[●]
E	**ISSUED, SUBSCRIBED AND PAID UP CAPITAL AFTER THE OFFER**		
	51,377,850 Equity Shares of face value of ₹2 each	102,755,700	
F	**SECURITIES PREMIUM ACCOUNT**		
	Before the Offer	1,216,479,865	
	After the Offer	[●]	

^The Equity Shares being offered by F R Singhvi acting in trust for the Singhvi Family Shareholders, and by D Devaraj acting in trust for the D Devaraj HUF in the Offer for Sale are subject to a compounding application filed by our Company, in relation to the failure of our Company to file the requisite beneficial interest disclosures with respect to the aforesaid arrangement with the RoC. For details, see Risk Factors – "Our Company was incorporated in 1981 and therefore we are unable to trace some of our historical secretarial records. We cannot assure you that no legal proceedings or regulatory actions will be initiated against our Company in the future in relation to the missing filings and corporate records, which may impact our financial condition and reputation." and "Outstanding Litigation and Material Developments – Litigation involving our Promoters" on pages 23 and 429, respectively.

(1) For details in relation to the changes in the authorised share capital of our Company, see "History and Certain Corporate Matters" on page 187.

(2) The Series A CCPS and Series B CCPS held by the Investor Selling Shareholders shall be converted into Equity Shares prior to the filing of the Red Herring prospectus with the RoC, as follows.For details, see "Capital Structure – Preference Share Capital History of our Company" on page 81.

Sr. No.	*Name of Investor*	*Series A CCPS, as on the date of this DRHP*	*Series B CCPS, as on the date of this DRHP*	*No. of Equity Shares to be issued on conversion of Series A CCPS, prior to filing of the RHP with the RoC*	*No. of Equity Shares to be issued on conversion of Series B CCPS, prior to filing of the RHP with the RoC*	*Total no. of Equity Shares to be issued, prior to filing of the RHP with the RoC*
1.	*Client Ebene Limited*	*192,300*	*480,750*	*2,845,625*	*725*	***2,846,350***
2.	*CVCIGP II Employee Ebene Limited*	*107,700*	*269,250*	*1,594,275*	*725*	***1,595,000***
	Total	***300,000***	***750,000***	***4,439,900***	***1,450***	***4,441,350***

(3) The Offer has been authorized by a resolution of our Board of Directors dated July 31, 2018 and a special resolution of our Shareholders in their extraordinary general meeting dated August 3, 2018.

(4) Each Selling Shareholder severally confirms that the Equity Shares being offered by it in the Offer, have been held by it for a period of at least one year prior to the filing of this Draft Red Herring Prospectus with SEBI, calculated in the manner as set out under Regulation 26(6) of the SEBI ICDR Regulations and are eligible for being offered for sale in the Offer for Sale. For details of consents/ authorisations received for the Offer for Sale, see "The Offer" on page 70.

(5) Eligible Employees bidding in the Employee Reservation Portion must ensure that the maximum Bid Amount (which will be less Employee Discount) does not exceed ₹500,000. However, the initial Allotment to an Eligible Employee in the Employee Reservation Portion shall not exceed ₹200,000 (which will be less Employee Discount). Only in the event of an under-subscription in the Employee Reservation Portion post the initial Allotment, such unsubscribed portion may be Allotted on a proportionate basis to Eligible Employees Bidding in the Employee Reservation Portion, for a value

in excess of ₹200,000 (which will be less Employee Discount), subject to the total Allotment to an Eligible Employee not exceeding ₹500,000 (which will be less Employee Discount)

Notes to the Capital Structure

1. Equity Share Capital History of our Company

The history of the Equity Share capital of our Company is provided in the following table:

Date of allotment	No. of equity shares allotted/ subscribed	Face Value per equity share(₹)	Issue price per equity share (₹)	Nature of consideration	Nature of transaction	Cumulative number of equity shares
December 15, 1981	30	100	100	Cash	Initial subscription to the MoA[1]	30
March 5, 1984*	970	100	100	Cash	Preferential allotment[2]	1,000
June 20, 1990	5,500	100	100	Cash	Preferential allotment[3]	6,500
September 13, 1994	13,500	100	NA	NA	Bonus issue[4]	20,000
September 28, 1998	15,000	100	100	Cash	Preferential allotment[5]	35,000
March 29, 1999	5,000	100	100	Cash	Preferential allotment[6]	40,000
December 30, 2000	20,000	100	100	Cash	Preferential allotment[7]	60,000
March 30, 2006	4,150	100	77,500	Cash	Preferential allotment[8]	64,150
April 10, 2006	2,350	100	77,500	Cash	Preferential allotment[9]	66,500
May 15, 2006	1,300	100	77,500	Cash	Preferential allotment[10]	67,800
November 8, 2006	2,100	100	77,500	Cash	Preferential allotment[11]	69,900
January 3, 2012	300	100	99,930	Cash	Preferential allotment[12]	70,200
The board of directors of our Company accepted the letters of offer received for a buy back of 5,460 equity shares on April 14, 2012, and our Company completed the buy back of 5,460 equity shares on April 16, 2012 at a price of ₹64,102 per equity share thereby reducing the total number of issued and paid-up equity shares to 64,740 equity shares[13]						
Pursuant to the Board and Shareholders resolution dated July 27, 2018 and July 28, 2018, respectively, every one equity share of face value ₹100 each was sub-divided into 50 equity shares of ₹2 each, and accordingly, 64,740 equity shares of face value ₹100 each were sub-divided into 3,237,000 equity shares of face value ₹2 each						
July 31, 2018^	43,699,500	2	NA	NA	Bonus issue[14]	46,936,500

**The Form 2 filed with RoC in relation to the allotment of 970 equity shares is untraceable. For further details of untraceable documents and risk involved, please see "Risk Factors – Our Company was incorporated in 1981 and therefore we are unable to trace some of our historical secretarial records. We cannot assure you that no legal proceedings or regulatory actions will be initiated against our Company in the future in relation to the missing filings and corporate records, which may adversely impact our financial condition and reputation." on page 23*

^ The shareholders resolution approving the bonus issue of Equity Shares was passed on July 28, 2018, and subsequently, the allotment of Equity Shares was made on July 31, 2018

(1) *10 equity shares each were subscribed by S S Vasan, S R Das and S Sekhar Vasan*

(2) *Allotted 530 equity shares to S Sekhar Vasan, 250 equity shares to S S Vasan, 90 equity shares to S R Das and 100 equity shares to Kumar Mahadevan*

(3) *Allotted 5,150 equity shares to S Sekhar Vasan, 100 equity shares to Tara Rajagopal and 250 equity shares to Lalita Singhvi*

(4) *Bonus issue of 540 equity shares to Manjula Sekhar, 6,469 equity shares to S Sekhar Vasan, 208 equity shares to Karthik Das, 208 equity shares to Kumar Mahadevan, 520 equity shares to Lalita Singhvi, 208 equity shares to Tara Rajagopal, 779 equity shares to Vikram Unni, 623 equity shares to K. Devappa, 156 equity shares to Bhagyalakshmi Devaraj, 519 equity shares to Namitha Devaraj, 1,090 equity shares to Prashanth Singhvi, 519 equity shares to Niveditha Devaraj, 415 equity shares to Bela Singhvi, 1,038 equity shares to Tarun Unni and 208 equity shares to Devaraj (HUF), pursuant to capitalisation of ₹1.35 million from our Company's revaluation reserve account*

(5) *Allotted 8,250 equity shares to S Sekhar Vasan, 577 equity shares to Lalita Singhvi, 231 equity shares to Tara Rajagopal, 866 equity shares to Vikram Unni, 175 equity shares to Bhagya Lakshmi, 578 equity shares to Namitha Devaraj, 1,210 equity shares to Prasanth Singhvi, 579 equity shares to Nivedita Devaraj, 463 equity shares to Bela Singhvi, 1,153 equity shares to Tarun Unni and 918 equity shares to D Devaraj (HUF)*

(6) *Allotted 2,750 equity shares to S Sekhar Vasan, 193 equity shares to Lalita Singhvi, 77 equity shares to Tara Rajagopal, 288 equity shares to Vikram Unni, 56 equity shares to Bhagya Lakshmi, 191 equity shares to Namitha Devaraj, 405 equity shares to Prasanth Singhvi, 190 equity shares to Nivedita Devaraj, 152 equity shares to Bela Singhvi, 385 equity shares to Tarun Unni, 313 equity shares to D Devaraj (HUF)*

(7) *Allotted 11,000 equity shares to Manjula Sekhar, 770 equity shares to Lalita Singhvi, 1,615 equity shares to Prasanth Singhvi, 615 equity shares to Bela Singhvi, 308 equity shares to Tara Rajagopal, 1,154 equity shares to Vikram Unni, 1,538 equity shares to Tarun Unni, 231 equity shares to Bhagya Lakshmi, 769 equity shares to Namitha Devaraj, 769 equity shares to Nivedita Devaraj, 308 equity shares to Devaraj (HUF) and 923 equity shares to Devaraj*

(8) *Allotted 4,150 equity shares to Monsoon India Inflection Fund 2 Limited*

(9) Allotted 2,350 equity shares to Monsoon India Inflection Fund Limited

(10) Allotted 130 equity shares to Positive Securities Private Limited, 320 equity shares to Tower Promoters Private Limited, 65 equity shares to Echjay Industries Private Limited, 65 equity shares to Siddharth Pai, 65 equity shares to Pranav Pai, 195 equity shares to Sweet Solutions Limited, 195 equity shares to Esquire Private Limited and 265 equity shares to Pioneer Investcorp Limited

(11) Allotted 2,100 equity shares to Streparava holding s.p.a Italy

(12) Allotted 300 equity shares to Nissin Manufacturing Co. Limited

(13) Bought back 3,237 equity shares from Monsoon India Inflection Fund 2 Limited, 1,833 equity shares from Monsoon India Inflection Fund Limited, 195 equity shares from Esquire Private Limited and 195 equity shares from IL&FS Trust Company Limited

(14) Bonus issue in the ratio of 27 Equity Shares for every two Equity Shares, authorised by the shareholders of our Company on July 28, 2018, was undertaken through the capitalisation of the free reserves of our Company to persons who were the shareholders of our Company on July 27 2018

2. **Preference Share Capital History of our Company**

The history of preference share capital of our Company is provided in the following table:

Date of allotment	No. of preference shares allotted	Face value per preference share (₹)	Issue price per preference share (₹)	Nature of Consideration	Nature of transaction	Cumulative number of preference shares
Series A CCPS						
July 8, 2013	300,000	100	2,666.67	Cash	Preferential allotment(1)	300,000
Series B CCPS						
July 8, 2013	750,000	100	100	Cash	Preferential allotment(2)	750,000

(1) 192,300 Series A CCPS were allotted to Client Ebene Limited and 107,700 Series A CCPS were allotted to CVCIGP II Employee Ebene Limited

(2) 480,750 Series B CCPS were allotted to Client Ebene Limited and 269,250 Series B CCPS were allotted to CVCIGP II Employee Ebene Limited

3. Our Company has not issued shares for consideration other than cash. Further, except the bonus issue of equity shares by our Company on September 13, 1994, our Company has not issued any Equity Shares out of its revaluation reserves.

4. Except as set out below, our Company has not issued any shares at a price which may be lower than the Offer Price during a period of one year preceding the date of this Draft Red Herring Prospectus. For details, see "Capital Structure – Preference Share Capital History of our Company" on page 81.

Date of Allotment	No. of Equity Shares Allotted	Face Value per Equity Share (₹)	Offer price per Equity Share (₹)	Nature of Consideration	Reason for allotment	Allottees
July 31, 2018^	43,699,500	2	-	NA	Bonus issue of 27 Equity Shares for every two Equity Shares	All shareholders of our Company as on the record date

^ The shareholders resolution approving the bonus issue of Equity Shares was passed on July 28, 2018, and subsequently the allotment of Equity Shares was made on July 31, 2018

5. **History of the Equity Share Capital held by our Promoters**

As on the date of this Draft Red Herring Prospectus, our Promoters hold 22,558,375 Equity Shares, equivalent to 48.06% of the issued, subscribed and paid-up Equity Share capital of our Company as on the date of this Draft Red Herring Prospectus. Further, upon conversion of the Series A CCPS and Series B CCPS held by Client Ebene Limited and CVCIGP II Employee Ebene Limited, prior to filing of the Red Herring Prospectus with the RoC, the shareholding of our Promoters in our Company would be 43.91% of the issued, subscribed and paid-up Equity Share capital of our Company.

(a) *Build-up of our Promoters' shareholding in our Company*

Set forth below is the build-up of the shareholding of our Promoters since incorporation of our Company:

Date of allotment/ Transfer/ Subscription	Nature of transaction	No. of Equity Shares	Nature of consideration	Face value per Equity Share (₹)	Issue Price/ Transfer Price per Equity Share (₹)	Percentage of the pre-Offer capital# (%)	Percentage of the post- Offer capital# (%)
S Sekhar Vasan							

Date of allotment/ Transfer/ Subscription	Nature of transaction	No. of Equity Shares	Nature of consideration	Face value per Equity Share (₹)	Issue Price/ Transfer Price per Equity Share (₹)	Percentage of the pre-Offer capital[#] (%)	Percentage of the post- Offer capital[#] (%)
Equity Shares							
December 15, 1981	Initial subscription to the MoA	10	Cash	100	100	0.00*	0.00*
March 5, 1984^	Preferential allotment	530	Cash	100	100	0.00*	0.00*
June 20, 1990	Preferential allotment	5,150	Cash	100	100	0.01	0.01
May 18, 1993	Transfer of Equity Shares(1)	(2,575)	Cash	100	100	(0.01)	(0.01)
September 13, 1994	Bonus Issue	6,469	NA	100	NA	0.01	0.01
September 28, 1998	Preferential allotment	8,250	Cash	100	100	0.02	0.02
March 29, 1999	Preferential allotment	2,750	Cash	100	100	0.01*	0.01
December 5, 2001	Transfer of Equity Shares(2)	6,100	NA	100	Nil	0.01	0.01
March 25, 2002	Transfer of Equity Shares(3)	(6,100)	NA	100	Nil	(0.01)	(0.01)
January 9, 2006	Transfer of Equity Shares(4)	(150)	Cash	100	6,666.67	(0.00*)	(0.00*)
April 20, 2009	Transfer of Equity Shares(5)	(1)	Cash	100	100	(0.00*)	(0.00*)
March 18, 2013	Transfer of Equity Shares(6)	3,010	NA	100	Nil	0.01*	0.01
April 17, 2013	Transmission of Equity Shares(7)	1	NA	100	Nil	0.00*	0.00*
July 8, 2013	Transfer of Equity Shares(8)	(7,623)	Cash	100	75,240	(0.01)	(0.01)
August 27, 2013###	Transfer of Equity Shares(9)	1,155	Cash	100	75,240	0.00*	0.00*
Pursuant to the Board and Shareholders resolution dated July 27, 2018 and July 28, 2018, respectively, every one equity share of face value ₹100 each was sub-divided into 50 equity shares of ₹2 each, and accordingly, 16,976 equity shares of face value ₹100 each held by S Sekhar Vasan were sub-divided into 848,800 equity shares of face value ₹2 each							
July 31, 2018##	Bonus issue	11,458,800	NA	2	NA	22.30	22.30
Total (A)		**12,307,600**				**23.96**	**23.96**
F R Singhvi							
March 30, 2006	Transfer of Equity Shares(10)	1,800	NA	100	Nil	0.00*	0.00*
July 8, 2013	Transfer of Equity Shares(11)	(50)	NA	100	Nil	(0.00*)	(0.00*)
July 8, 2013	Transfer of Equity Shares(12)	(152)	Cash	100	75,240	(0.00*)	(0.00*)
July 8, 2013	Transfer of Equity Shares**(13)	2,800	NA	100	Nil	0.01	0.01
August 27, 2013###	Transfer of Equity Shares(14)	315	Cash	100	75,240	0.00*	0.00
Pursuant to the Board and Shareholders resolution dated July 27, 2018 and July 28, 2018, respectively, every one equity share of face value ₹100 each was sub-divided into 50 equity shares of ₹2 each, and accordingly, 4,713 equity shares of face value ₹100 each held by F R Singhvi were sub-divided into 235,650 equity shares of face value ₹2 each							
July 31, 2018##	Bonus issue	3,181,275**	NA	2	NA	6.19	6.19
Total (B)		**3,416,925****				**6.65**	**6.65**
Unni Rajagopal K							
March 30, 2006	Transfer of Equity Shares(15)	8,076	NA	100	Nil	0.02	0.02
March 18 2013	Transfer of Equity	(1,200)	NA	100	Nil	(0.00*)	(0.00*)

Date of allotment/ Transfer/ Subscription	Nature of transaction	No. of Equity Shares	Nature of consideration	Face value per Equity Share (₹)	Issue Price/ Transfer Price per Equity Share (₹)	Percentage of the pre-Offer capital# (%)	Percentage of the post- Offer capital# (%)
	Shares(16)						
April 17, 2013	Transfer of Equity Shares(17)	65	Cash	100	139,131.51	0.00*	0.00*
July 8, 2013	Transfer of Equity Shares(18)	(300)	NA	100	Nil	(0.00*)	0.00*
July 8, 2013	Transfer of Equity Shares(19)	(2,243)	Cash	100	75,240	(0.00*)	(0.00*)
August 27, 2013###	Transfer of Equity Shares(20)	315	Cash	100	75,240	0.00*	0.00*
Pursuant to the Board and Shareholders resolution dated July 27, 2018 and July 28, 2018, respectively, every one equity share of face value ₹100 each was sub-divided into 50 equity shares of ₹2 each, and accordingly, 4,713 equity shares of face value ₹100 each held by Unni Rajagopal K were sub-divided into 235,650 equity shares of face value ₹2 each							
July 31, 2018##	Bonus issue	3,181,275	NA	2	NA	6.19	6.19
Total (C)		**3,416,925**				**6.65**	**6.65**
D Devaraj							
May 25, 1999	Transmission of Equity Shares from K Devappa	923	NA	100	Nil	0.00*	0.00*
May 25,1999	Transfer of Equity Shares(21)	923	NA	100	Nil	0.00*	0.00*
December 30, 2000	Preferential allotment	923	Cash	100	100	0.00*	0.00*
March 30, 2006	Transfer of Equity Shares(22)	3,614	NA	100	Nil	0.01*	0.01
April 17, 2013	Transfer of Equity Shares(23)	65	Cash	100	139,131.51	0.00*	0.00*
May 6, 2013	Transfer of Equity Shares(24)	(923)	NA	100	Nil	(0.00*)	(0.00*)
July 8, 2013	Transfer of Equity Shares(25)	(300)	NA	100	Nil	(0.00*)	(0.00*)
July 8, 2013	Transfer of Equity Shares(26)	(1,750)	Cash	100	75,240	(0.00*)	(0.00*)
July 8, 2013	Transfer of Equity Shares^^(27)	923	NA	100	Nil	(0.00*)	(0.00*)
August 27, 2013###	Transfer of Equity Shares(28)	315	Cash	100	75,240	0.00*	0.00*
Pursuant to the Board and Shareholders resolution dated July 27, 2018 and July 28, 2018, respectively, every one equity share of face value ₹100 each was sub-divided into 50 equity shares of ₹2 each, and accordingly, 4,713 equity shares of face value ₹100 each held by D Devaraj were sub-divided into 235,650 equity shares of face value ₹2 each							
July 31, 2018##	Bonus issue	3,181,275^^	NA	2	NA	6.19	6.19
Total (D)		**3,416,925^^**				**6.65**	**6.65**
Total (A+B+C+D)		**22,558,375**				**43.91**	**43.91**

** Less than 0.01%. Numbers have been rounded off to the nearest decimal.*

#The percentage has been calculated assuming the conversion of the Series A CCPS and Series B CCPS held by Client Ebene Limited and CVCIGP II Employee Ebene Limited, which will be undertaken prior to filing of the Red Herring Prospectus with the RoC. The paid up equity share capital of our Company post such conversion shall comprise of 51,377,850 Equity Shares.

The shareholders resolution approving the bonus issue of Equity Shares was passed on July 28, 2018, and subsequently the allotment of Equity Shares was made on July 31, 2018

The transfer was approved pursuant to a circular resolution dated July 15, 2013, and was noted by the Board on August 27, 2013

^ The Form-2 filed with RoC in relation to the allotment of 970 equity shares (of which 530 equity shares were allotted to S Sekhar Vasan) is untraceable. For further details of untraceable documents and risk involved, please see "Risk Factors – Our Company was incorporated in 1981 and therefore we are unable to trace some of our historical secretarial records. We cannot assure you that no

legal proceedings or regulatory actions will be initiated against our Company in the future in relation to the missing filings and corporate records, which may impact our financial condition and reputation." on page 23.
*** Pursuant to the provisions of a memorandum of understanding executed between F R Singhvi and the Singhvi Family Shareholders, dated May 15, 2013, F R Singhvi is acting in trust in relation to 2,030,000 Equity Shares for the benefit of the Singhvi Family Shareholders. Due to the failure to file the requisite beneficial interest disclosures with respect to the aforementioned 2,030,000 Equity Shares, our Company has filed a compounding application before the RoC. For details, see "Outstanding Litigation and Material Developments" on page 429.*
^^ Pursuant to the provisions of a memorandum of understanding executed between D Devaraj and the D Devaraj HUF, dated May 15, 2013, D Devaraj is acting in trust in relation to 669,175 Equity Shares for the benefit of D Devaraj (HUF). Due to the failure to file the requisite beneficiary interest disclosure with respect to the aforementioned 669,175 Equity Shares, our Company has filed a compounding application before the RoC. For details, see "Outstanding Litigation and Material Developments" on page 429.

(1) S Sekhar Vasan transferred 250 equity shares to Namitha; 100 equity shares to D Devaraj HUF; 375 equity shares to Vikram Unni; 500 equity shares to Tarun Unni; 200 equity shares to Bela Singhvi; 250 equity shares to Niveditha; 525 equity shares to Prashanth; 75 equity shares to Bhagyalakshmi; 300 equity shares to K Devappa
(2) Manjula Vasan transferred 6,100 equity shares to S Sekhar Vasan
(3) S Sekhar Vasan transferred 6,100 equity shares to Radha Vasan
(4) S Sekhar Vasan transferred 50 equity shares to S R Balakrishnan & Manjula Balakrishnan, 50 equity shares to Manjula Balakrishnan & Balakrishnan S R; and 50 equity shares to Arjun Balakrishnan & Manjula Balakrishnan
(5) S Sekhar Vasan transferred one equity share to Seethalakshmi Venkatesan
(6) Manjula Sekhar transferred 3,010 equity shares to S Sekhar Vasan
(7) One equity share was transmitted from Seethalakshmi Venkatesan to S Sekhar Vasan
(8) S Sekhar Vasan transferred 4,886 equity shares to Client Ebene Limited and 2,737 equity shares to CVCIGP II Employee Ebene Limited
(9) Streparava Holding s.p.a transferred 1,155 equity shares to S Sekhar Vasan
(10) Prashant Singhvi and Bela Singhvi transferred 600 equity shares and 1,200 equity shares, respectively to F R Singhvi
(11) F R Singhvi transferred 50 equity shares to P Singhvi Charitable Trust
(12) F R Singhvi transferred 97 equity shares to Client Ebene Limited and 55 equity shares to CVCIGP II Employee Ebene Limited
(13) Lalita Singhvi transferred 300 equity shares, Praveen Singhvi transferred 500 equity shares, Lata Singhvi transferred 500 equity shares, Jayaraj Singhvi transferred 500 equity shares, Tara Singhvi transferred 500 equity shares and Indira Singhvi transferred 500 equity shares to F R Singhvi. FR Singhvi is holding the equity shares transferred, in trust and for the benefit of the said transferees, i.e., the Singhvi Family Shareholders, pursuant to the provisions of a memorandum of understanding executed between F R Singhvi and the Singhvi Family Shareholders, dated May 15, 2013
(14) Streparava Holding s.p.a transferred 315 equity shares to F R Singhvi
(15) Vikram Unni and Tarun Unni transferred 3,462 equity shares and 4,614 equity shares, respectively to Unni Rajagopal
(16) Unni Rajagopal transferred 600 equity shares each to Tarun Unni and Vikram Unni
(17) Siddarth Pai transferred 65 equity shares to Unni Rajagopal
(18) Unni Rajagopal transferred 300 equity shares to The Advaya Rajagopal Adhishtaana
(19) Unni Rajagoal transferred 1,438 equity shares to Client Ebene Limited and 805 equity shares to CVCIGP II Employee Ebene Limited
(20) Streparava Holding s.p.a transferred 315 equity shares to Unni Rajagopal
(21) D Devaraj HUF transferred 923 equity shares to D Devaraj
(22) Namitha Devaraj and Niveditha Devaraj transferred 1,807 equity shares each to D Devaraj
(23) Pranav Pai transferred 65 equity shares to D Devaraj
(24) D Devaraj transferred 923 equity shares to D Devaraj HUF
(25) D Devaraj transferred 300 equity shares to Devabhagya Foundation
(26) D Devaraj transferred 1,122 equity shares to Client Ebene Limited and 628 equity shares to CVCIGP II Employee Ebene Limited
(27) D Devaraj HUF transferred 923 equity shares to D Devaraj. D Devaraj is holding the equity shares transferred, in trust and for the benefit of D Devaraj HUF, pursuant to the provisions of a memorandum of understanding executed between D Devaraj and the D Devaraj HUF, dated May 15, 2013
(28) Streparava Holding s.p.a transferred 315 equity shares to D Devaraj

All the Equity Shares held by our Promoters were fully paid-up on the respective dates of acquisition of such Equity Shares. Our Promoters have confirmed to our Company and the BRLMs that the Equity Shares held by our Promoters which shall be locked-in for three years as Promoters' contribution have been financed from its respective capital contributions and no loans or financial assistance from any bank or financial institution has been availed by them for this purpose. Further, our Promoters have not pledged any of the Equity Shares that they hold in our Company.

The details of the shareholding of our Promoters and the members of the Promoter Group as on the date of filing this Draft Red Herring Prospectus

Name of the shareholder	No. of Equity Shares	Percentage (%) of pre-Offer Equity Share Capital
Promoters		
S Sekhar Vasan	12,307,600	26.22
F R Singhvi^	3,416,925^	7.28
Unni Rajagopal K	3,416,925	7.28
D Devaraj^^	3,416,925^^	7.28
Total Holding of the Promoters	**22,558,375**	**48.06**
Total holding of Promoter and Promoter Group*	**22,558,375**	**48.06**

**As on the date of this Draft Red Herring Prospectus, our Promoter Group members are not holding any Equity Shares directly.*
^ Pursuant to the provisions of a memorandum of understanding executed between F R Singhvi and the Singhvi Family Shareholders, dated May 15, 2013, F R Singhvi is acting in trust in relation to 2,030,000 Equity Shares held by the Singhvi Family Shareholders. Due to the failure to file the requisite beneficial interest disclosures with respect to the aforementioned 2,030,000 Equity Shares, our Company has filed a compounding application before the RoC. For details, see "Outstanding Litigation and Material Developments" on page

429.
^^ Pursuant to the provisions of a memorandum of understanding executed between D Devaraj and the D Devaraj HUF, dated May 15, 2013, D Devaraj is acting in trust in relation to 669,175 Equity Shares for the benefit of D Devaraj (HUF). Due to the failure to file the requisite beneficiary interest disclosure with respect to the aforementioned 669,175 Equity Shares, our Company has filed a compounding application before the RoC. For details, see "Outstanding Litigation and Material Developments" on page 429.

(b) *Details of Promoters' contribution and lock-in*:

(i) Pursuant to Regulations 32 and 36 of the SEBI ICDR Regulations, an aggregate of 20% of the fully diluted post-Offer Equity Share capital of our Company held by our Promoters shall be locked in for a period of three years from the date of Allotment and our Promoters' shareholding in excess of 20% shall be locked in for a period of one year.

(ii) Details of the Equity Shares to be locked-in for three years are as follows:

Name	Date of transaction and when made fully paid-up	Nature of transaction	No. of Equity Shares	Face Value (₹)	Issue/ acquisition price per Equity Share (₹)	No. of Equity Shares locked-in	Percentage of post-Offer paid-up capital (%)	Date up to which the Equity shares are subject to lock-in
[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]
Total						[●]		

**To be updated prior to filing of the RHP*

(iii) The minimum Promoters' contribution has been brought in to the extent of not less than the specified minimum lot and from the body corporate defined as 'promoter' under the SEBI ICDR Regulations. Our Company undertakes that the Equity Shares that are being locked-in are not ineligible for computation of Promoters' contribution in terms of Regulation 33 of SEBI ICDR Regulations.

(iv) In this connection, we confirm the following:

- The Equity Shares offered for Promoters' contribution do not include (a) Equity Shares acquired in the last three years for consideration other than cash and revaluation of assets or capitalisation of intangible assets; or (b) bonus shares out of revaluation reserves or unrealised profits of our Company or bonus shares issued against Equity Shares which are otherwise ineligible for computation of Promoters' contribution;

- The Promoters' contribution does not include any Equity Shares acquired during the preceding one year and at a price lower than the price at which the Equity Shares are being offered to the public in the Offer;

- All the Equity Shares of our Company held by the Promoters are in dematerialised form; and

- The Equity Shares forming part of the Promoters' contribution are not pledged with any creditor.

(c) *Other lock-in requirements:*

(i) In addition to the 20% of the fully diluted post-Offer shareholding of our Company held by our Promoters and locked in for three years as specified above, the entire pre-Offer Equity Share capital of our Company, except (i) the Offered Shares Allotted pursuant to the Offer for Sale; (ii) the Equity Shares held by Client Ebene Limited and CVCIGP II Employee Ebene Limited who are SEBI registered FVCI entities and have made investments under the FVCI regime; and (ii) the Equity Shares held by persons, who are employees of our Company, (who continue to be employees as on the date of Allotment) pursuant to allotment under ESOP 2015 and ESOP 2018 will be locked-in for a period of one year from the date of Allotment.

(ii) The Equity Shares held by our Promoters which are locked-in may be transferred to and amongst the Promoter Group or to any new promoter or persons in control of our Company, subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with the Takeover Regulations, as applicable.

(iii) Pursuant to Regulation 39(b) of the SEBI ICDR Regulations, the Equity Shares held by our Promoters which are locked-in for a period of one year from the date of Allotment may be pledged only with scheduled commercial banks or public financial institutions as collateral security for loans granted by such banks or public financial institutions, provided that such pledge of the Equity Shares is one of the terms of the sanction of such loans.

(iv) The Equity Shares held by persons other than our Promoters and locked-in for a period of one year from the date of Allotment in the Offer may be transferred to any other person holding the Equity Shares which are locked-in, subject to the continuation of the lock-in in the hands of transferees for the remaining period and compliance with the Takeover Regulations.

(d) *Lock in of Equity Shares to be Allotted, if any, to Anchor Investors*

Any Equity Shares allotted to Anchor Investors under the Anchor Investor Portion shall be locked-in for a period of 30 days from the date of Allotment.

(e) *Other requirements in respect of lock-in*

In terms of Regulation 40 of SEBI ICDR Regulations, the Equity Shares held by the Shareholders prior to the Offer, and which are locked-in for a period of one year from the date of Allotment in the Offer may be transferred to any other person holding the Equity Shares which are locked-in, subject to the continuation of the lock-in in the hands of transferee for the remaining period and compliance with the Takeover Regulations.

6. **Selling Shareholders' Shareholding in our Company**

The total number of Equity Shares held by the Selling Shareholders in our Company as on the date of this Draft Red Herring Prospectus is as follows:

Name of the Selling Shareholder	Pre-Offer, as on the date of this DRHP		Post conversion of Series A CCPS and Series B CCPS, prior to filing of the RHP with the RoC		Post Offer^	
	No. of Equity Shares	Percentage %)	No. of Equity Shares*	Percentage (%)	No. of Equity Shares	Percentage (%)
Client Ebene Limited	15,343,900	32.69	18,190,250	35.40	9,554,842	18.60
S Sekhar Vasan	12,307,600	26.22	12,307,600	23.96	10,249,531	19.95
CVCIGP II Employee Ebene Limited	8,593,425	18.31	10,188,425	19.83	5,351,702	10.42
F R Singhvi*	3,416,925	7.28	3,416,925	6.65	2,845,549	5.54
Unni Rajagopal K	3,416,925	7.28	3,416,925	6.65	2,845,549	5.54
D Devaraj**	3,416,925	7.28	3,416,925	6.65	2,845,549	5.54
Total	**46,495,700**	**99.06**	**50,937,050**	**99.14**	**33,692,722**	**65.58**

^Assuming full subscription in the Offer

F R Singhvi is acting in trust for the offer for sale of up to 61,221 Equity Shares by Lalita Singhvi, up to 102,031 Equity Shares by Praveen Singhvi, up to 102,031 Equity Shares by Lata Singhvi, up to 102,031 Equity Shares by Jayaraj Singhvi, up to 102,031 Equity Shares by Tara Singhvi and up to 102,031 Equity Shares by Indira Singhvi (collectively, the "Singhvi Family Shareholders**"). F R Singhvi holds the Equity Share of the Singhvi Shareholders in trust, for the benefit of the Singhvi Family Shareholders. For details, see "Capital Structure" on page 79, respectively*

*** D Devaraj is acting in trust for the offer for sale of up to 111,899 Equity Shares by the D Devaraj HUF, while the offer for sale of up to 459,477 Equity Shares is being made by D Devaraj in his individual capacity. D Devaraj holds the Equity Share of the D Devaraj HUF in trust, for the benefit of D Devaraj HUF. For details, see "Capital Structure" on page 79*

7. **Shareholding Pattern of our Company**

The table below presents the shareholding pattern of our Company as on the date of this Draft Red Herring Prospectus:

Category (I)	Category of shareholder (II)	Nos. of shareholders (III)	No. of fully paid up Equity Shares held (IV)*	No. of Partly paid-up Equity Shares held (V)	No. of shares underlying Depository Receipts (VI)	Total nos. shares held (VII) = (IV)+(V)+ (VI)*	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)*	Number of Voting Rights held in each class of securities (IX)				No. of Shares Underlying Outstanding convertible securities (including Warrants) (X)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of Equity Shares held in dematerialized form (XIV)
								No of Voting Rights										
								Class: Equity	Class: N/A	Total	Total as a % of (A+B+C)			No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)	
(A)	Promoter & Promoter Group	4	22,558,375	-	-	22,558,375	48.06	22,558,375	-	22,558,375	48.06	-	43.91		-		-	22,558,375
(B)	Public	5	24,378,125	-	-	24,378,125	51.94	24,378,125	-	24,378,125	54.26	4,441,350	56.09		-		-	23,123,875
(C)	Non Promoter-Non Public	-	-	-	-	-	-	-	-	-	-	-	-		-		-	-
(C1)	Shares underlying DRs	-	-	-	-	-	-	-	-	-	-	-	-		-		-	-
(C2)	Shares held by Employee Trusts	-	-	-	-	-	-	-	-	-	-	-	-		-		-	-
	Total	**9**	**46,936,500**	**-**	**-**	**46,936,500**	**100.00**	**-**	**-**	**46,936,500**	**100.00**	**4,441,350**	**100.00**		**-**		**-**	**45,682,250**

** Pursuant to the provisions of a memorandum of understanding executed between F R Singhvi and the Singhvi Family Shareholders, dated May 15, 2013, F R Singhvi is acting in trust in relation to 2,030,000 Equity Shares held by the Singhvi Family Shareholders. Due to the failure to file the requisite beneficial interest disclosures with respect to the aforementioned 2,030,000 Equity Shares, our Company has filed a compounding application before the RoC. For details, see "Outstanding Litigation and Material Developments" on page 429.*

*** Pursuant to the provisions of a memorandum of understanding executed between D Devaraj and the D Devaraj HUF, dated May 15, 2013, D Devaraj is acting in trust in relation to 669,175 Equity Shares for the benefit of D Devaraj (HUF). Due to the failure to file the requisite beneficiary interest disclosure with respect to the aforementioned 669,175 Equity Shares, our Company has filed a compounding application before the RoC. For details, see "Outstanding Litigation and Material Developments" on page 429.*

8. **The list of top 10 Shareholders of our Company and the number of Equity Shares held by them:**

(a) As on the date of filing of this Draft Red Herring Prospectus and 10 days prior to the date of filing of this Draft Red Herring Prospectus:

S. No.	Name of the Shareholder	No. of Fully Paid-up Equity Shares	Percentage (%)
1.	Client Ebene Limited	15,343,900	32.69
2.	S Sekhar Vasan	12,307,600	26.22
3.	CVCIGP II Employee Ebene Limited	8,593,425	18.31
4.	D Devaraj^	3,416,925^	7.28
5.	F R Singhvi*	3,416,925*	7.28
6.	Unni Rajagopal K	3,416,925	7.28
7.	Nissin Manufacturing Co. Limited	217,500	0.46
8.	Karthik Das	150,800	0.32
9.	Anjana Iyer	72,500	0.15
	Total	**46,936,500**	**100.00**

^ D Devaraj is acting in trust in relation to 669,175 Equity Shares for the benefit of D Devaraj (HUF). Due to the failure to file the requisite beneficiary interest disclosure with respect to the aforementioned 669,175 Equity Shares, our Company has filed a compounding application before the RoC. For details, see "Outstanding Litigation and Material Developments" on page 429.

** F R Singhvi is acting in trust in relation to 2,030,000 Equity Shares held by the Singhvi Family Shareholders. Due to the failure to file the requisite beneficial interest disclosures with respect to the aforementioned 2,030,000 Equity Shares, our Company has filed a compounding application before the RoC. For details, see "Outstanding Litigation and Material Developments" on page 429.*

(b) Two years prior to the date of filing of this Draft Red Herring Prospectus:

S. No.	Name of the Shareholder	No. of Fully Paid-up Equity Shares	Percentage (%)
1.	Client Ebene Limited	21,164	32.69
2.	S Sekhar Vasan	16,976	26.22
3.	CVCIGP II Employee Ebene Limited	11,853	18.31
4.	D Devaraj^	4,713	7.28
5.	F R Singhvi*	4,713	7.28
6.	Unni Rajagopal K	4,713	7.28
7.	Nissin Manufacturing Company Limited	300	0.46
8.	Karthik Das	208	0.32
9.	Anjana Iyer	100	0.15
	Total	**64,740**	**100.00**

^ D Devaraj was acting in trust in relation to 923 Equity Shares for the benefit of D Devaraj (HUF). Due to the failure to file the requisite beneficiary interest disclosure with respect to the aforementioned 923 Equity Shares, our Company has filed a compounding application before the RoC. For details, see "Outstanding Litigation and Material Developments" on page 429.

** F R Singhvi was acting in trust in relation to 2,800 Equity Shares held by the Singhvi Family Shareholders. Due to the failure to file the requisite beneficial interest disclosures with respect to the aforementioned 2,030,000 Equity Shares, our Company has filed a compounding application before the RoC. For details, see "Outstanding Litigation and Material Developments" on page 429.*

9. **Details of Equity Shares held by our Directors, Key Management Personnel and directors of our Promoters**

(i) Set out below are details of the Equity Shares held by our Directors in our Company as on the date of this Draft Red Herring Prospectus:

S. No.	Name	No. of Equity Shares	Pre-Offer (%)	Post-Offer* (%)
1.	S Sekhar Vasan	12,307,600	26.22	19.95
2.	Unni Rajagopal K	3,416,925	7.28	5.54

**Assuming conversion of the Series A CCPS and Series B CCPS, and full subscription in the Offer*

(ii) Except to the extent of Equity Shares held by our Directors, as stated above, none of our Key Management Personnel hold any Equity Shares in our Company.

10. None of the BRLMs or their respective associates (in accordance with the definition of 'associate company' under Section 2(6) of the Companies Act, 2013) hold any Equity Shares in our Company as

on the date of this Draft Red Herring Prospectus. The BRLMs and their associates may engage in transactions with and perform services for our Company in the ordinary course of business or may in the future engage in commercial banking and investment banking transactions with our Company, for which they may in the future receive customary compensation.

11. There are no partly paid up Equity Shares as on the date of this Draft Red Herring Prospectus and all Equity Shares were fully paid up as on the date of allotment.

12. Our Company has not allotted any shares pursuant to any scheme approved under Sections 391 to 394 of the Companies Act, 1956 or under Sections 230 – 234 of the Companies Act, 2013.

13. Our Company has not made any public or rights issue of any kind or class of securities since its incorporation.

14. Except the issue of bonus equity shares by our Company on September 13, 1994, our Company has not made any bonus issue of any kind or class out of its revaluation reserves.

15. No payment, direct or indirect in the nature of discount, commission and allowance or otherwise shall be made either by us, our Promoters or the Selling Shareholders to the persons who receive Allotment.

16. The Company, pursuant to resolution passed by its shareholders dated April 13, 2015 has adopted the ESOP 2015. Further, the ESOP 2015 has been amended pursuant to resolutions passed by our Board and Shareholders on July 31, 2018 and August 3, 2018, respectively. As per the ESOP 2015 the aggregate number of options may not exceed 3,463. Options under ESOP 2015 were granted to two groups viz. key management group at an exercise price of ₹100 per option ("**Program 1**") and certain identified employees at an exercise price of ₹98,017 per option ("**Program 2**"). The number of options granted under Program 1 and Program 2 are 1,619 options, and 1,844 options, respectively. Further, pursuant to the Board and Shareholders resolution dated July 27, 2018 and July 28, 2018, respectively, every one equity share of face value ₹100 each was sub-divided into 50 Equity Shares of ₹2 each, and the Company has issued bonus shares of ₹2 each credited as fully paid-up shares to the holders of the existing Equity Shares of the Company in the proportion of 27 Equity Shares for every 2 existing Equity Shares held by the members. Accordingly, it was resolved in the aforesaid meetings that appropriate adjustments due to the sub-division of Equity Shares and issue of bonus shares (after adjusting for sub-division), to be made to the outstanding options granted to the employees of the Company under ESOP 2015, such that the exercise price for all outstanding options as on the 'record date' (as determined by the Board) (vested and unvested options, including lapsed and forfeited options available for reissue) shall be proportionately adjusted and the number of options which are available for grant and those already granted but not exercised as on 'record date' (as determined by the Board) shall be appropriately adjusted.

<table>
<tr><th>Particulars</th><th>Details</th></tr>
<tr><td>Options granted</td><td>As on August 9, 2018, the Company has granted 3,463 Options under Program 1 and Program 2

<table>
<tr><th>As at the end of Financial Year / Period</th><th>Total No. of Options Granted</th><th>Cumulative No. of Options Granted</th></tr>
<tr><td>Financial Year 2016</td><td>3,013</td><td>3,013</td></tr>
<tr><td>Financial Year 2017</td><td>450</td><td>3,463</td></tr>
<tr><td>Financial Year 2018</td><td>Nil</td><td>3,463</td></tr>
<tr><td>April 1, 2018 upto August 9, 2018</td><td>Nil</td><td>3,463</td></tr>
</table>

Also refer Note 1 below.</td></tr>
<tr><td>Pricing formula</td><td>The Nomination and Remuneration Committee may determine the Exercise Price which may be at a discount of upto 99.5% of the Market Price.

The exercise price under ESOP 2015 is ₹100 per option for Program 1 and ₹98,017 per option for Program 2.

Also refer Note 1 below.</td></tr>
</table>

<table>
<tr><th>Particulars</th><th>Details</th></tr>
<tr><td></td><td></td></tr>
<tr><td>Vesting period</td><td>Unless otherwise specified, all Options granted on any date shall Vest in accordance with the Sansera Employee Stock Option Agreement.

There shall be a minimum period of one year between the grant of options and vesting of options or as may be prescribed by SEBI and the Companies Act.

Vesting Dates in respect of the Options granted under this Plan shall be at the sole and absolute discretion of the Nomination and Remuneration Committee and may vary from an Employee to Employee or any class thereof and / or in respect of the number or percentage of Options granted to an Employee and price at which option is granted.

Pursuant to the Board resolution dated July 27, 2018, all the unvested options as on July 27, 2018 under ESOP 2015 were accelerated for vesting with effect from July 27, 2018.</td></tr>
<tr><td>Options vested and not exercised</td><td><table>
<tr><th>As at the end of Financial Year / Period</th><th>Cumulative No. of Options vested and not exercised</th></tr>
<tr><td>Financial Year 2016</td><td>Nil</td></tr>
<tr><td>Financial Year 2017</td><td>2,234</td></tr>
<tr><td>Financial Year 2018</td><td>2,682</td></tr>
<tr><td>April 1, 2018 to August 9, 2018</td><td>3,463</td></tr>
</table>

Also refer Note 1 below.</td></tr>
<tr><td>Options exercised</td><td><table>
<tr><th>As at the end of Financial Year / Period</th><th>Number of Options Exercised</th></tr>
<tr><td>Financial Year 2016</td><td>Nil</td></tr>
<tr><td>Financial Year 2017</td><td>Nil</td></tr>
<tr><td>Financial Year 2018</td><td>Nil</td></tr>
<tr><td>April 1, 2018 to August 9, 2018</td><td>Nil</td></tr>
</table></td></tr>
<tr><td>The total number of Equity Shares arising as a result of exercise of options</td><td>Nil</td></tr>
<tr><td>Options forfeited / lapsed</td><td><table>
<tr><th>As at the end of Financial Year / Period</th><th>Number of Options forfeited / lapsed</th></tr>
<tr><td>Financial Year 2016</td><td>Nil</td></tr>
<tr><td>Financial Year 2017</td><td>Nil</td></tr>
<tr><td>Financial Year 2018</td><td>Nil</td></tr>
<tr><td>April 1, 2018 to August 9, 2018</td><td>Nil</td></tr>
</table></td></tr>
<tr><td>Variation of terms of options</td><td>Pursuant to the board and shareholders resolution dated July 31, 2018 and August 3, 2018, respectively, the ESOP 2015 was amended in order to ensure compliance with the SEBI (Shared Based Employee Benefits) Regulations, 2009.
Pursuant to the board resolution dated July 27, 2018 the unvested options under ESOP 2015 as on July 27, 2018 was accelerated and got vested with effect from July 27, 2018.
Also refer Note 1 below</td></tr>
<tr><td>Money realized by exercise of options</td><td>Nil</td></tr>
</table>

<table>
<tr><th>Particulars</th><th>Details</th></tr>
<tr><td>Total number of options in force</td><td>
<table>
<tr><th>As at the end of Financial Year / Period</th><th>Cumulative no. of Options in force*</th></tr>
<tr><td>Financial Year 2016</td><td>3,013</td></tr>
<tr><td>Financial Year 2017</td><td>3,463</td></tr>
<tr><td>Financial Year 2018</td><td>3,463</td></tr>
<tr><td>April 1, 2018 to August 9, 2018</td><td>3,463</td></tr>
</table>
*Options in Force = Options outstanding at the beginning + Options Granted during the period - Options lapsed or forfeited during the period - Options exercised during the period

Also refer Note 1 below.
</td></tr>
<tr><td>Employee-wise detail of options granted to</td><td></td></tr>
<tr><td>i. Senior managerial personnel</td><td>
<table>
<tr><th>Name</th><th>No. of Options</th><th>Percentage of total options granted</th></tr>
<tr><td>B R Preetham</td><td>1,040</td><td>30.03%</td></tr>
<tr><td>Praveen Chauhan</td><td>692</td><td>19.98%</td></tr>
<tr><td>Ramakrishnan S.</td><td>100</td><td>2.89%</td></tr>
<tr><td>Sathish Kumar</td><td>65</td><td>1.88%</td></tr>
<tr><td>P.R. Suresh</td><td>45</td><td>1.30%</td></tr>
<tr><td>Vidyadhar Janginamath</td><td>60</td><td>1.73%</td></tr>
<tr><td>Rakesh S.B.</td><td>40</td><td>1.16%</td></tr>
<tr><td>L.D. Satish Hoysal</td><td>45</td><td>1.30%</td></tr>
<tr><td>Prakash V. Gonnagar</td><td>55</td><td>1.59%</td></tr>
<tr><td>Sourabh Kumar</td><td>20</td><td>0.58%</td></tr>
<tr><td>Total</td><td>2,162</td><td>62.43%</td></tr>
</table>
Also refer Note 1 below.
</td></tr>
<tr><td>ii. Any other employee who received a grant in any one year of options amounting to 5% or more of the options granted during the year</td><td>
Fiscal 2016
<table>
<tr><th>Name</th><th>No. of Options</th><th>Percentage of Total Options Granted during the fiscal year 2016</th></tr>
<tr><td>S M Basavaraja</td><td>194</td><td>6.44%</td></tr>
</table>
Fiscal 2017
<table>
<tr><th>Name</th><th>No. of Options</th><th>Percentage of Total Options Granted during the fiscal year 2017</th></tr>
<tr><td>Gautam G Gangodkar</td><td>30</td><td>6.67%</td></tr>
</table>
Fiscal 2018
<table>
<tr><th>Name</th><th>No. of Options</th><th>Percentage of Total Options Granted during the fiscal year 2018</th></tr>
<tr><td colspan="3">Nil</td></tr>
</table>
</td></tr>
<tr><td>iii. Identified employees who were granted options during any one year equal to exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant</td><td>
Fiscal 2016
<table>
<tr><th>Name</th><th>No. of Options</th><th>Percentage of Total Options Granted during the Fiscal Year 2016 to the Paid Up Equity Share Capital of the Company as on the date of Grant</th></tr>
<tr><td>B R Preetham</td><td>972</td><td>1.50%</td></tr>
</table>
Fiscal 2017
<table>
<tr><th>Name</th><th>No. of Options</th><th>Percentage of Total Options Granted during the Fiscal Year 2017 to</th></tr>
</table>
</td></tr>
</table>

<table>
<tr><th>Particulars</th><th>Details</th></tr>
<tr><td></td><td>
<table>
<tr><th></th><th></th><th>the Paid Up Equity Share Capital of the Company as on the date of Grant</th></tr>
<tr><td colspan="3">Nil</td></tr>
</table>

Fiscal 2018
<table>
<tr><th>Name</th><th>No. of Options</th><th>Percentage of Total Options Granted during the Fiscal Year 2018 to the Paid Up Equity Share Capital of the Company as on the date of Grant</th></tr>
<tr><td colspan="3">Nil</td></tr>
</table>
</td></tr>
<tr><td>Fully diluted Earnings per Equity Share – (face value ₹100 per Equity Share) pursuant to issue of Equity Shares on exercise of options calculated in accordance with Ind AS 33 ‘Earnings per Share’</td><td>
As on August 9, 2018, no shares are issued pursuant to exercise of Options granted under this scheme.

The reported diluted earnings per equity share calculated in accordance with relevant accounting standards is as follows:

<table>
<tr><th>Year</th><th>Reported Diluted EPS as per the Standalone Restated Financial Information</th><th>Reported Diluted EPS as per the Consolidated Restated Financial Information</th></tr>
<tr><td>Financial Year 2016</td><td>8,733.63</td><td>8,769.92</td></tr>
<tr><td>Financial Year 2017</td><td>8,886.22</td><td>8,840.28</td></tr>
<tr><td>Financial Year 2018</td><td>13,763.23</td><td>11,762.34</td></tr>
</table>

Pursuant to the approval of the shareholders granted at its extraordinary general meeting held on July 28, 2018, the Company has sub-divided the equity shares in the ratio of 1:50. As on July 28, 2018, 64,740 shares were outstanding of ₹100 each, which on sub division, became 3,237,000 equity shares of ₹2 each. Further, as per the approval of the shareholders granted in above extraordinary general meeting the Company has issued bonus shares in the ratio of 2:27. Accordingly 43,699,500 equity shares were issued as bonus shares against 3,237,000 equity shares. Post bonus issue 46,936,500 equity shares are outstanding as of July 28, 2018.

The impact of the above post balance sheet adjustments to equity share capital on the accounting ratios has been provided below:

<table>
<tr><th>Particulars</th><th>Financial Year 2018</th><th>Financial Year 2017</th><th>Financial Year 2016</th></tr>
<tr><td colspan="4">Earnings per share</td></tr>
<tr><td colspan="4">Diluted EPS as per the Standalone Restated Financial Information</td></tr>
<tr><td>Pro-forma</td><td>18.98</td><td>12.26</td><td>12.05</td></tr>
<tr><td colspan="4">Diluted EPS as per the Consolidated Restated Financial Information</td></tr>
<tr><td>Pro-forma</td><td>16.22</td><td>12.19</td><td>12.10</td></tr>
</table>
</td></tr>
<tr><td>Lock-in</td><td>Nil</td></tr>
<tr><td>Difference, if any, between employee compensation cost calculated using the intrinsic value of stock options and the employee compensation cost calculated on the basis of fair value of stock options and its impact on profits and on the Earnings per Equity Share – (face value ₹100 per Equity Share)</td><td>
In accordance with the Restated Standalone Financial Information, the Company has adopted the following accounting policy with respect to Share Based Payment consequent to adoption of Ind AS:

“Employees of the Group receive remuneration in the form of equity settled instruments, for rendering services over a defined vesting period. Equity instruments granted are measured by reference to the fair value of the instrument at the date of grant. The expense is recognised in the Restated consolidated summary statement of profit and loss with a corresponding increase in equity over the period that the employees unconditionally becomes entitled to the award. The equity instruments generally vest in a graded manner over the vesting period. The fair value determined at the grant date is expensed over the vesting period of the respective tranches of such
</td></tr>
</table>

<table>
<tr><th>Particulars</th><th>Details</th></tr>
<tr><td></td><td>grants (accelerated amortisation). The stock compensation expense is determined based on the Group’s estimate of equity instruments that will eventually vest”

Hence, for the stock options outstanding as on March 31, 2018, there is no difference in the employee cost and earning per share as the share based employee compensation is calculated as per fair value method.</td></tr>
<tr><td>Weighted average exercise price and the weighted average fair value of options whose exercise price either equals or exceeds or is less than the market price of the stock</td><td>As per the Restated Financial Information the weighted average exercise price and fair value for the options outstanding are as follows:

<table>
<tr><th>Financial Year/ Period</th><th colspan="2">Weighted Average exercise price as on the date of grant</th></tr>
<tr><th></th><th>For Program 1 Options</th><th>For Program 2 Options</th></tr>
<tr><td>Financial Year 2016</td><td>₹100</td><td>₹98,017</td></tr>
<tr><td>Financial Year 2017</td><td>₹ 100</td><td>₹98,017</td></tr>
<tr><td>Financial Year 2018</td><td>NA</td><td>NA</td></tr>
</table>

<table>
<tr><th colspan="2">Fair Value of the Options</th></tr>
<tr><th>For Program 1 Options</th><th>For Program 2 Options</th></tr>
<tr><td>₹74,959.58</td><td>₹40,053.15</td></tr>
</table>

Also refer Note 1 below.</td></tr>
<tr><td>Description of the method and significant assumptions used during the year to estimate the fair values of options, including weighted-average information, namely, risk-free interest rate, expected life, expected volatility, expected dividends and the price of the underlying share in market at the time of grant of the option</td><td>For estimating the fair value of options the company has adopted the Black Scholes method with the following assumptions as stated in Note 40 of Annexure A-VI to the Restated Standalone Financial Information:

<table>
<tr><th>Particulars</th><th>Program 1</th><th>Program 2</th></tr>
<tr><td>Risk Free Interest Rate</td><td>7.90%</td><td>7.90%</td></tr>
<tr><td>Expected Life (in Years)</td><td>6.50</td><td>6.50</td></tr>
<tr><td>Expected Volatility</td><td>49.20%</td><td>49.20%</td></tr>
<tr><td>Share Price at the Grant Date</td><td>₹75,019.53</td><td>₹75,019.53</td></tr>
<tr><td>Exercise Price</td><td>₹100</td><td>₹98,017</td></tr>
</table></td></tr>
<tr><td>Impact on profit and Earnings per Equity Share – (face value ₹100 per Equity Share) of the last three years if the accounting policies prescribed in the SEBI ESOP Regulations had been followed in respect of options granted in the last three years</td><td>In accordance with the Restated Standalone Financial Information, the Company has adopted the following accounting policy with respect to Share Based Payment consequent to adoption of Ind AS:

“Employees of the Group receive remuneration in the form of equity settled instruments, for rendering services over a defined vesting period. Equity instruments granted are measured by reference to the fair value of the instrument at the date of grant. The expense is recognised in the Restated consolidated summary statement of profit and loss with a corresponding increase in equity over the period that the employees unconditionally becomes entitled to the award. The equity instruments generally vest in a graded manner over the vesting period. The fair value determined at the grant date is expensed over the vesting period of the respective tranches of such grants (accelerated amortisation). The stock compensation expense is determined based on the Group’s estimate of equity instruments that will eventually vest”

The above accounting policy is in accordance with Ind AS 102 – Share Based Payments. Hence the same is in accordance with Regulation 15 of SEBI (Share Based Employee Benefits) regulations.

<table>
<tr><th>Financial Year / Period</th><th>Effect on Profits</th><th>Effect on EPS</th></tr>
<tr><td>Financial Year 2016</td><td>Nil</td><td>Nil</td></tr>
</table></td></tr>
</table>

<table>
<tr><th>Particulars</th><th>Details</th></tr>
<tr><td></td><td><table><tr><td>Financial Year 2017</td><td>Nil</td><td>Nil</td></tr><tr><td>Financial Year 2018</td><td>Nil</td><td>Nil</td></tr></table></td></tr>
<tr><td>Intention of the holders of Equity Shares allotted on exercise of options granted to sell their shares within three months after the date of listing of Equity Shares pursuant to the Offer</td><td>27 employees may sell equity shares arising out of exercise of 652 options and the corresponding equity shares resulting out of sub-division of 652 equity shares and bonus on sub-divided number of equity shares as referred in Note 1</td></tr>
<tr><td>Intention to sell Equity Shares arising out of the ESOP Scheme within three months after the listing of Equity Shares by directors, senior management personnel and employees having Equity Shares arising out of the ESOP Scheme, amounting to more than 1% of the issued capital (excluding outstanding warrants and conversions)</td><td>8 employees may sell equity shares arising out of exercise of 320 options and the corresponding equity shares resulting out of sub-division of 320 equity shares and bonus on sub-divided number of equity shares as referred in Note 1</td></tr>
</table>

Note 1: Pursuant to the Board and Shareholders resolution dated July 27, 2018 and July 28, 2018, respectively, every one equity share of face value ₹100 each was sub-divided into 50 Equity Shares of ₹2 each, and the Company has issued bonus Equity Shares of ₹ 2 each, credited as fully paid-up shares to the holders of the existing Equity Shares of the Company, in the proportion of 27 Equity Shares for every 2 existing Equity Shares held by the members. Accordingly, it was resolved in the aforesaid meetings that appropriate adjustments due to the sub-division of equity shares and issue of bonus shares (after adjusting for sub-division), to be made to the outstanding options granted to the employees of the Company under ESOP 2015, such that the exercise price for all outstanding options as on the 'record date' (as determined by the Board) (vested and unvested options, including lapsed and forfeited options available for reissue) shall be proportionately adjusted and the number of options which are available for grant and those already granted but not exercised as on 'record date' (as determined by the Board) shall be appropriately adjusted.

17. The Company, pursuant to resolution passed by its shareholders dated August 8, 2018 has adopted the Sansera Employee Stock Option Plan, 2018 ("**ESOP 2018**"). The aggregate number of options, which may be issued under ESOP 2018, shall be decided by the Nomination and Remuneration Committee and shall not exceed such number of options which represents 2.50% shareholding in our Company on a fully diluted basis (considering conversion of any outstanding CCPS and any existing employee stock options as of the date of the ESOP 2018) as on the date of the ESOP 2018. The Nomination and Remuneration Committee may grant upto 60% of the aforesaid options (representing 1.50% of the shareholding in our Company) post filing of the Prospectus with the RoC and prior to listing of the Company on the Stock Exchanges, pursuant to the Offer. The balance options shall be reserved for future and shall be granted from time to time, post completion of the Offer.

<table>
<tr><th>Particulars</th><th>Details</th></tr>
<tr><td>Options granted</td><td>As on August 9, 2018, the Company has granted Nil Options.<table><tr><th>As at the end of Financial Year / Period</th><th>Total No. of Options Granted</th><th>Cumulative No. of Options Granted</th></tr><tr><td>Financial Year 2016</td><td>Not Applicable</td><td>Not Applicable</td></tr><tr><td>Financial Year 2017</td><td>Not Applicable</td><td>Not Applicable</td></tr><tr><td>Financial Year 2018</td><td>Not Applicable</td><td>Not Applicable</td></tr><tr><td>April 1, 2018 upto August 9, 2018</td><td>Nil</td><td>Nil</td></tr></table></td></tr>
</table>

<table>
<tr><th>Particulars</th><th>Details</th></tr>
<tr><td>Pricing formula</td><td>The Nomination and Remuneration Committee shall determine the Exercise Price which may be at a discount of upto 10% of the Fair Market Value.</td></tr>
<tr><td>Vesting period</td><td>Unless otherwise specified, all Options granted on any date shall Vest as follows:

25% at the end of Year 1, post grant of Options
25% at the end of Year 2, post grant of Options (cumulatively 50%)
25% at the end of Year 3, post grant of Options (cumulatively 75%)
25% at the end of Year 4, post grant of Options (cumulatively 100%)

There shall be a minimum period of one year between the grant of options and vesting of options or as may be prescribed by SEBI and the Act.

Vesting Dates in respect of the Options granted under this Plan shall be at the sole and absolute discretion of the Nomination and Remuneration Committee and may vary from an Employee to Employee or any class thereof and / or in respect of the number or percentage of Options granted to an Employee and price at which option is granted.</td></tr>
<tr><td>Options vested and not exercised</td><td><table>
<tr><th>As at the end of Financial Year / Period</th><th>Cumulative No. of Options vested and not exercised</th></tr>
<tr><td>Financial Year 2016</td><td>Not Applicable</td></tr>
<tr><td>Financial Year 2017</td><td>Not Applicable</td></tr>
<tr><td>Financial Year 2018</td><td>Not Applicable</td></tr>
<tr><td>April 1, 2018 to August 9, 2018</td><td>Not Applicable</td></tr>
</table></td></tr>
<tr><td>Options exercised</td><td><table>
<tr><th>As at the end of Financial Year / Period</th><th>Number of Options Exercised</th></tr>
<tr><td>Financial Year 2016</td><td>Not Applicable</td></tr>
<tr><td>Financial Year 2017</td><td>Not Applicable</td></tr>
<tr><td>Financial Year 2018</td><td>Not Applicable</td></tr>
<tr><td>April 1, 2018 to August 9, 2018</td><td>Not Applicable</td></tr>
</table></td></tr>
<tr><td>The total number of Equity Shares arising as a result of exercise of options</td><td>Not Applicable</td></tr>
<tr><td>Options forfeited / lapsed</td><td><table>
<tr><th>As at the end of Financial Year / Period</th><th>Number of Options forfeited / lapsed</th></tr>
<tr><td>Financial Year 2016</td><td>Not Applicable</td></tr>
<tr><td>Financial Year 2017</td><td>Not Applicable</td></tr>
<tr><td>Financial Year 2018</td><td>Not Applicable</td></tr>
<tr><td>April 1, 2018 to August 9, 2018</td><td>Not Applicable</td></tr>
</table></td></tr>
<tr><td>Variation of terms of options</td><td>Nil</td></tr>
<tr><td>Money realized by exercise of options</td><td>Nil</td></tr>
<tr><td>Total number of options in force</td><td><table>
<tr><th>As at the end of Financial Year / Period</th><th>Cumulative no. of Options in force*</th></tr>
<tr><td>Financial Year 2016</td><td>Not Applicable</td></tr>
<tr><td>Financial Year 2017</td><td>Not Applicable</td></tr>
<tr><td>Financial Year 2018</td><td>Not Applicable</td></tr>
<tr><td>April 1, 2018 to August 9, 2018</td><td>Nil</td></tr>
</table>
*Options in Force = Options outstanding at the beginning + Options Granted during the period - Options lapsed or forfeited during the period - Options exercised during the period</td></tr>
<tr><td>Employee-wise detail of options granted to</td><td></td></tr>
<tr><td>iv. Senior managerial personnel</td><td><table>
<tr><th>Name</th><th>No. of Options</th><th>Percentage of total options granted</th></tr>
</table></td></tr>
</table>

Particulars	Details
	Nil
v. Any other employee who received a grant in any one year of options amounting to 5% or more of the options granted during the year	Nil
vi. Identified employees who were granted options during any one year equal to exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant	Nil
Fully diluted Earnings per Equity Share – (face value ₹100 per Equity Share) pursuant to issue of Equity Shares on exercise of options calculated in accordance with Ind AS 33 'Earnings per Share'	Not Applicable as no options have been granted as on March 31, 2018.
Lock-in	Nil
Difference, if any, between employee compensation cost calculated using the intrinsic value of stock options and the employee compensation cost calculated on the basis of fair value of stock options and its impact on profits and on the Earnings per Equity Share – (face value ₹100 per Equity Share)	Not applicable as no options have been granted as on March 31, 2018.
Weighted average exercise price and the weighted average fair value of options whose exercise price either equals or exceeds or is less than the market price of the stock	Not applicable as no options have been granted.
Description of the method and significant assumptions used during the year to estimate the fair values of options, including weighted-average information, namely, risk-free interest rate, expected life, expected volatility, expected dividends and the price of the underlying share in market at the time of grant of the option	Not applicable as no options have been granted.
Impact on profit and Earnings per Equity Share – (face value ₹100 per Equity Share) of the last three years if the accounting policies prescribed in the SEBI ESOP Regulations had been followed in respect of options granted in the last three years	Not Applicable as there are no grants made under this scheme as on March 31, 2018.
Intention of the holders of Equity Shares allotted on exercise of options granted to sell their shares within three months after the date of listing of Equity Shares pursuant to the Offer	Not applicable as no options have been granted.
Intention to sell Equity Shares arising out of the ESOP Scheme within three months after the listing of Equity Shares by directors, senior management personnel and employees having Equity Shares arising out of the ESOP Scheme, amounting to more than 1% of the issued capital (excluding outstanding	Not applicable as no options have been granted.

Particulars	Details
warrants and conversions)	

18. None of the members of our Promoter Group, our Promoters, directors of our Promoter, our Directors or their immediate relatives have purchased or sold any securities of our Company or the Subsidiaries during the period of six months immediately preceding the date of filing of this Draft Red Herring Prospectus with the SEBI.

19. As of the date of the filing of this Draft Red Herring Prospectus, the total number of our Shareholders is 9.

20. Our Company, our Directors and the BRLMs have not made any or entered into any buy-back arrangements, safety net or standby arrangements for purchase of the Equity Shares to be offered as a part of the Offer.

21. All Equity Shares issued pursuant to the Offer will be fully paid up at the time of Allotment and there are no partly paid up Equity Shares as on the date of this Draft Red Herring Prospectus.

22. Any oversubscription to the extent of 10% of the Offer can be retained for the purposes of rounding off to the nearer multiple of minimum Allotment lot.

23. Except the sale of the Offered Shares in the Offer for Sale by our Promoters, our Promoters and our Promoter Group will not participate in the Offer.

24. Our Company shall ensure that transactions in the Equity Shares by our Promoters and the Promoter Group between the date of filing of the Red Herring Prospectus with RoC and the date of closure of the Offer shall be intimated to the Stock Exchanges within 24 hours of such transaction.

25. There have been no financing arrangements whereby, our Promoter Group, our Directors, and their relatives have financed the purchase by any other person of securities of our Company, other than in the normal course of business during a period of six months preceding the date of filing of this Draft Red Herring Prospectus.

26. Our Company presently does not intend or propose to alter its capital structure for a period of six months from the Bid/Offer Opening Date, by way of split or consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into or exchangeable, directly or indirectly for Equity Shares) whether on a preferential basis or by way of issue of bonus shares or on a rights basis or by way of further public issue of Equity Shares or qualified institutions placements or otherwise. Provided, however, that the foregoing restrictions do not apply to any issuance, offer, sale or any other transfer or transaction of a kind referred to above of any Equity Shares under or in connection with the exercise of any employee stock options or similar securities, as disclosed in this Draft Red Herring Prospectus and as will be disclosed in the Red Herring Prospectus and the Prospectus, provided they have been approved by our Board. Provided further that if our Company enters into acquisitions or joint ventures or if the business needs otherwise arise, we may, subject to necessary approvals, consider raising additional capital to fund such activity or use Equity Shares for participation in such acquisitions or joint ventures or other arrangements.

27. Except for any issue of Equity Shares pursuant to the conversion of Series A CCPS and Series B CCPS or exercise of employee stock options granted under ESOP 2015, there will be no further issue of Equity Shares whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from the date of filing of this Draft Red Herring Prospectus with the SEBI until the Equity Shares have been listed on the Stock Exchanges.

28. Only Eligible Employees would be eligible to apply in the Offer under the Employee Reservation Portion on a competitive basis. Bids by Eligible Employees can also be made in the Net Offer and such Bids shall not be treated as multiple Bids. The Employee Reservation Portion will not exceed 5% of the post-Offer capital of our Company, subject to the Net Offer constituting at least 10% of the post-Offer paid-up Equity Share capital of our Company.

29. Any unsubscribed Equity Shares in the Employee Reservation Portion shall be added to the Net Offer. Under-subscription, if any, in any category, in the Net Offer, except in the QIB Portion, would be allowed to be met with spill over from any other category or a combination of categories at the discretion of our

Company and the Investor Selling Shareholders in consultation with the BRLMs, the Promoter Selling Shareholders and the Designated Stock Exchange. Such *inter-se* spillover, if any, would be effected in accordance with applicable laws, rules, regulations and guidelines. Undersubscription, if any, in the QIB Portion will not be allowed to be met with spill-over from any category or combination thereof.

30. The Offer is being in made in terms of Rule 19(2)(b) of the SCRR. The Offer is being made in terms of Regulation 26(1) of the SEBI ICDR Regulations and through a Book Building Process wherein 50% of the Net Offer shall be Allotted on a proportionate basis to QIBs. Our Company and the Investor Selling Shareholders may, in consultation with the BRLMs and the Promoter Selling Shareholders, allocate up to 60% of the QIB Portion to Anchor Investors at the Anchor Investor Allocation Price, on a discretionary basis, out of which at least one-third shall be available for allocation to domestic Mutual Funds only. 5% of the QIB 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 a proportionate basis to all QIB Bidders other than Anchor Investors, including Mutual Funds, subject to valid Bids being received at or above the Offer Price. Further, not less than 15% of the Net Offer shall be available for allocation to Non-Institutional Bidders and not less than 35% of the Net Offer shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price. All potential investors, other than Anchor Investors, are mandatorily required to utilise the ASBA process by providing details of their respective bank accounts which will be blocked by the SCSBs, to participate in the Offer. Our Company may in consultation with the BRLMs and the Selling Shareholders offer a Retail Discount and an Employee Discount in accordance with the SEBI ICDR Regulations. For further details, see "*Offer Procedure*" on page 462.

31. There shall be only one denomination of the Equity Shares, unless otherwise permitted by law.

32. Our Company shall comply with such disclosure and accounting norms as may be specified by SEBI from time to time.

33. No person connected with the Offer, including, but not limited to, the BRLMs, the members of the Syndicate, our Company and our Directors the Promoters, members of our Promoter Group and Group Companies, shall offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise to any Bidder for making a Bid.

34. Except for Series A CCPS, Series B CCPS and options granted pursuant to ESOP 2015, there are no outstanding convertible securities or any other right which would entitle any person any option to receive Equity Shares, as on the date of this Draft Red Herring Prospectus.

OBJECTS OF THE OFFER

The objects of the Offer are to achieve the benefits of listing Equity Shares on the Stock Exchanges and to carry out the Offer for Sale. For further details, see "*The Offer*" on page 70. Our Company expects that the listing of Equity Shares will enhance our Company's brand name and visibility and provide liquidity to the existing Shareholders. The listing will also provide a public market for Equity Shares in India. Our Company will not receive any proceeds from the Offer. All proceeds from the Offer will go to each of the Selling Shareholders, in proportion to its portion of the Offered Shares.

Offer expenses

The total Offer-related expenses are estimated to be approximately ₹[●] million. In the event of the successful completion of the Offer, other than listing fees, which will be paid by the Company, all costs, fees and expenses with respect to the Offer will be shared, in accordance with Applicable Law. The following table sets forth details of the break-up for the Offer expenses:

Activity	Estimated Expense(1) (₹ million)	As a % of total estimated Offer expense(1)	As a % of total Offer size(1)
Fees payable to the BRLMs (including underwriters fees, brokerage and selling commission payable to the Members of the Syndicate(4))	[●]	[●]	[●]
Selling commission, processing fees, brokerage, and bidding charges for SCSBs, Registered Brokers, RTAs and CDPs(2)(3)(5)	[●]	[●]	[●]
Fees payable to Registrar to the Offer	[●]	[●]	[●]
Printing and stationery expenses	[●]	[●]	[●]
Advertising and marketing expenses	[●]	[●]	[●]
Others: (i) Listing fees; (ii) SEBI and Stock Exchanges processing fees; (iii) Book building fees payable to Stock Exchanges; (iv) Fees payable to Statutory Auditors and independent chartered accountants; (v) Fees payable to legal counsels; and (vi) Miscellaneous.	[●]	[●]	[●]
Total Estimated Offer Expenses	[●]	[●]	[●]

(1) *Amounts will be finalised at the time of filing the Prospectus and on determination of the Offer Price and other details. The details of commission and processing fees shall be incorporated at the time of filing the Red Herring Prospectus.*

(2) *Selling commission payable to the SCSBs on the portion for Retail Individual Bidders, Non-Institutional Bidders, which are directly procured by the SCSBs, would be as follows:*

*Portion for Retail Individual Bidders**	*[●]% of the Amount Allotted (plus applicable tax)*
*Portion for Non-Institutional Bidders**	*[●]% of the Amount Allotted (plus applicable tax)*

* *Amount Allotted is the product of the number of Equity Shares Allotted and the Offer Price.*

No additional bidding charges shall be payable by the Selling Shareholders to the SCSBs on the applications directly procured by such SCSBs.

(3) *Processing fees payable to the SCSBs on the portion for Retail Individual Bidders, Non-Institutional Bidders, which are procured by the Members of the Syndicate / sub-Syndicate / Registered Broker / RTAs / CDPs and submitted to SCSBs for blocking would be as follows:*

*Portion for Retail Individual Bidders**	*₹[●] per valid application (plus applicable tax)*
*Portion for Non-Institutional Bidders**	*₹[●] per valid application (plus applicable tax)*

* *For each valid application*

(4) *Selling commission on the portion for Retail Individual Bidders, the portion for Non-Institutional Bidders, which are*

procured by Syndicate Members (including their respective sub-Syndicate Members) would be as follows:

*Portion for Retail Individual Bidders**	*[●]% of the Amount Allotted (plus applicable tax)*
*Portion for Non-Institutional Bidders**	*[●]% of the Amount Allotted (plus applicable tax)*

* *Amount allotted is the product of the number of Equity Shares Allotted and the Offer Price.*

Bidding Charges: ₹ [●] (plus applicable taxes) per valid application bid by the Members of the Syndicate (including their sub-syndicate Members).

Note: The brokerage/selling commission payable to the Syndicate/sub-syndicate members will be determined on the basis of the ASBA Form number/series, provided that the application is also bid by the respective Syndicate/sub-syndicate Member. For clarification, if an ASBA Bid on the application form number/series of a Syndicate/sub-syndicate member, is bid for by an SCSB, the brokerage/selling commission will be payable to the SCSB and not to the Syndicate/sub-syndicate member. The brokerage/selling commission payable to the SCSBs, RTAs and CDPs will be determined on the basis of the bidding terminal ID as captured in the Bid book of either of the Stock Exchanges. The bidding charges payable to the Syndicate/sub-syndicate members will be determined on the basis of the bidding terminal ID as captured in the Bid book of the Stock Exchanges. Payment of brokerage/selling commission payable to the sub-brokers/agents of the sub-syndicate members shall be handled directly by the sub-syndicate members, and the necessary records for the same shall be maintained by the respective sub-syndicate member.

(5) *Bidding Charges payable to the Registered Brokers, RTAs and CDPs on the portion for Retail Individual Bidders, Non-Institutional Bidders, which are directly procured by the Registered Broker or RTAs or CDPs and submitted to SCSBs for processing, would be as follows:*

*Portion for Retail Individual Bidders**	*₹[●] per valid application (plus applicable tax)*
*Portion for Non-Institutional Bidders**	*₹[●] per valid application (plus applicable tax)*

* *Based on valid applications.*

* *Amount of bidding charges payable to Registered Brokers, RTAs / CDPs shall be determined on the basis of applications which have been considered eligible for the purpose of Allotment. In order to determine to which RTAs / CDPs the commission is payable, the terminal from which the bid has been uploaded will be taken into account. The bidding charges payable shall be subject to total commission payable being maximum of ₹ [●] plus applicable tax.*

BASIS FOR OFFER PRICE

The Offer Price will be determined by our Company in consultation with the BRLMs and the Selling Shareholders, on the basis of assessment of market demand for the Equity Shares offered through the Book Building Process and on the basis of quantitative and qualitative factors as described below. The face value of the Equity Shares is ₹2 each and the Offer Price is [●] times the Floor Price and [●] times the Cap Price of the Price Band. Investors should also see "*Our Business*", "*Risk Factors*" and "*Financial Statements*" on pages 144, 17, and 218, respectively, to have an informed view before making an investment decision.

Qualitative Factors

We believe the following business strengths allow us to successfully compete in the industry:

- Well diversified business model
- A leading supplier of complex and high-quality precision components in fast growing markets
- Strong capabilities in engineering and design, machine building and automation
- Longstanding relationships with well-known Indian and global OEM customers
- Skilled and experienced management team

For details, see "*Our Business – Our Strengths*" on page 146.

Quantitative Factors

The information presented below relating to our Company is based on the Restated Standalone Financial Statements and Restated Consolidated Financial Statements for Financial Years 2016, 2017 and 2018 prepared in accordance with Ind AS and the Companies Act, 2013 and restated in accordance with the SEBI ICDR Regulations. For details, see "*Financial Statements*" on page 218.

Some of the quantitative factors which may form the basis for computing the Offer Price are as follows:

A. Basic and Diluted Earnings Per Share ("EPS"):

On a standalone basis:

Fiscal Year ended	Basic		Proforma Basic^		Diluted		Proforma Diluted^	
	EPS (in ₹)	Weight	EPS (in ₹)	Weight	EPS (in ₹)	Weight	EPS (in ₹)	Weight
March 31, 2016	9,778.19	1	13.49	1	8,733.63	1	12.05	1
March 31, 2017	9,949.03	2	13.72	2	8,886.22	2	12.26	2
March 31, 2018	15,409.33	3	21.25	3	13,763.23	3	18.98	3
Weighted Average	**12,650.71**		**17.45**		**11,299.29**		**15.59**	

**(Not annualized)*

Note:

1. *Basic and diluted earning per equity share are computed in accordance with Indian Accounting Standard 33 'Earnings per share',notified accounting standard by the Companies (Indian Accounting Standards) Rules of 2015 (as amended).*
2. *The ratios have been computed as below:*
    a. *Basic earnings per share = Net profit attributable to equity shareholders / weighted average number of shares outstanding during the year/period.*
    b. *Diluted earnings per share = Net profit attributable to equity shareholders / weighted average number of diluted shares outstanding during the year/period.*

^Pursuant to the approval of the shareholders granted at its extraordinary general meeting held on July 28, 2018, the Company has sub-divided the equity shares in the ratio of 1:50. As on July 28, 2018, 64,740 shares were outstanding of ₹100 each, which on sub division, became 3,237,000 Equity Shares of ₹2 each.

Further, as per the approval of the shareholders granted in above extraordinary general meeting the Company has issued bonus shares in the ratio of 2:27. Accordingly 43,699,500 Equity Shares were issued as bonus shares against 3,237,000 equity shares. Post bonus issue 46,936,500 Equity Shares are outstanding as of July 28, 2018.

On a consolidated basis:

Fiscal Year ended	Basic		Proforma Basic^		Diluted		Proforma Diluted^	
	EPS (in ₹)	Weight	EPS (in ₹)	Weight	EPS (in ₹)	Weight	EPS (in ₹)	Weight
March 31, 2016	9,818.81	1	13.54	1	8,769.92	1	12.10	1
March 31, 2017	9,897.59	2	13.65	2	8,840.28	2	12.19	2
March 31, 2018	13,169.14	3	18.16	3	11,762.34	3	16.22	3
Weighted Average	**11,520.24**		**15.89**		**10,289.58**		**14.19**	

**(Not annualized)*
Note:
1. *Basic and diluted earning per equity share are computed in accordance with Indian Accounting Standard 33 'Earnings per share',notified accounting standard by the Companies (Indian Accounting Standards) Rules of 2015 (as amended).*
2. *The ratios have been computed as below:*
    a. *Basic earnings per share = Net profit attributable to equity shareholders / weighted average number of shares outstanding during the years/period.*
    b. *Diluted earnings per share = Net profit attributable to equity shareholders / weighted average number of diluted shares outstanding during the year/period.*

^Pursuant to the approval of the shareholders granted at its extraordinary general meeting held on July 28, 2018, the Company has sub-divided the equity shares in the ratio of 1:50. As on July 28, 2018, 64,740 shares were outstanding of ₹100 each, which on sub division, became 3,237,000 Equity Shares of ₹2 each.

Further, as per the approval of the shareholders granted in above extraordinary general meeting the Company has issued bonus shares in the ratio of 2:27. Accordingly 43,699,500 Equity Shares were issued as bonus shares against 3,237,000 equity shares. Post bonus issue 46,936,500 Equity Shares are outstanding as of July 28, 2018.

B. Price/Earning ("P/E") ratio in relation to Price Band of ₹[●] to ₹[●] per Equity Share:

1) P/E based on basic and diluted EPS for the year ended March 31, 2018 at the lower end of the Price Band are [●] and [●] respectively.

2) P/E based on basic and diluted EPS for the year ended March 31, 2018 at the higher end of the Price Band are [●] and [●] respectively.

Industry Peer Group P/E ratio

	Industry P/E*
Highest	50.69
Lowest	11.45
Industry Composite	31.78

C. Return on Net Worth ("RoNW")

As per Restated Standalone Financial Statements:

Fiscal Year ended	RoNW (%)	Weight
March 31, 2016	14.61%	1
March 31, 2017	12.89%	2
March 31, 2018	16.63%	3
Weighted Average	15.05%	

**(Not annualized)*

As per Restated Consolidated Financial Statements:

Fiscal Year ended	RoNW (%)	Weight
March 31, 2016	14.38%	1
March 31, 2017	12.61%	2
March 31, 2018	14.35%	3
Weighted Average	13.78%	

**(Not annualized)*
Note:
Return on net worth (%) = Net profit attributable to equity shareholders / net worth as at the end of year/ period

D. Minimum Return on Increased Net Worth after Offer needed to maintain Pre-Offer EPS for the year ended March 31, 2018

1) Based on Basic EPS:

Particulars	Restated Standalone Financial Statements (%)	Restated Consolidated Financial Statements (%)
At the Floor Price	[•]	[•]
At the Cap Price	[•]	[•]

2) Based on Diluted EPS:

Particulars	Restated Standalone Financial Statements (%)	Restated Consolidated Financial Statements (%)
At the Floor Price	[•]	[•]
At the Cap Price	[•]	[•]

E. Net Asset Value ("NAV") per Equity Share of face value of ₹ 2 each

Fiscal year ended/ Period ended	Restated Standalone Financial Statements (₹)	Restated Consolidated Financial Statements (₹)
As on March 31, 2018 – NAV	92,666.00	91,785.00
As on March 31, 2018^ - Proforma NAV	127.82	126.60
Offer Price	[•]	[•]
After the Offer	[•]	[•]

Note:

Net asset value (₹) = Net Worth /Number of equity shares outstanding at the end of the year/period

^Pursuant to the approval of the shareholders granted at its extraordinary general meeting held on July 28, 2018, the Company has sub-divided the equity shares in the ratio of 1:50. As on July 28, 2018, 64,740 shares were outstanding of ₹100 each, which on sub division, became 3,237,000 Equity Shares of ₹2 each.

Further, as per the approval of the shareholders granted in above extraordinary general meeting the Company has issued bonus shares in the ratio of 2:27. Accordingly 43,699,500 Equity Shares were issued as bonus shares against 3,237,000 equity shares. Post bonus issue 46,936,500 Equity Shares are outstanding as of July 28, 2018.

F. Comparison with Listed Industry Peers

Name of the company	Revenue from operations (₹ in million)	Face Value per Equity Share (₹)	P/E	EPS (Basic) (₹)	EPS (Diluted) (₹)	Return on Net Worth (%)	Net Asset Value/ Share (₹)
Motherson Sumi Systems Limited	565,213.00	1.00	40.06	7.59	7.59	16.16%	46.95
Endurance Technologies Limited	66,660.47	10.00	50.69	27.78	27.78	17.98%	154.47
Sundaram Fasteners Limited	38,878.10	1.00	35.54	18.40	18.40	25.35%	72.86
Varroc Engineering Limited	103,784.57	1.00	29.18	33.40	33.40	15.93%	229.59
Mahindra CIE Automotive Limited(1)	66,630.00	10.00	26.95	9.48	9.46	9.65%	98.20
Minda Industries Limited	45,482.90	2.00	34.35	11.96	35.78	22.29%	159.89
Bharat Forge Limited	84,146.70	2.00	38.78	16.38	16.38	16.39%	99.91
Ramkrishna Forgings Limited	15,087.57	10.00	21.61	30.23	30.09	12.51%	232.75

Source: BSE

Note:

1. *All financials are on a consolidated basis for the financial year ending March 31, 2018*
2. *Revenue indicates Revenue from Operations*
3. *P/E ratio is calculated as closing share price (August 02, 2018, BSE) / Basic EPS for year ended March 31, 2018*
4. *EPS is as reported in the audit report filed with the stock exchanges*
5. *Net Worth includes Equity Share Capital and Reserves & Surplus (excluding revaluation reserves)*
6. *RoNW is calculated as Net Income / Closing Net Worth*
7. *NAV per share is calculated as Net Worth / Equity Shares Outstanding (both as on March 31, 2018)*
8. *Numbers for Mahindra CIE Automotive Limited are as of December 31, 2017*
9. *Numbers for Minda Industries Limited have been adjusted for the bonus issue*

G. **The Offer Price will be [●] times of the face value of the Equity Shares**

The Offer Price of ₹[●] has been determined by our Company in consultation with the BRLMs and the Selling Shareholders, on the basis of market demand from investors for Equity Shares through the Book Building Process and is justified in view of the above qualitative and quantitative parameters.

Investors should read the above mentioned information along with "*Risk Factors*", "*Our Business*", "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" and "*Financial Statements*" on pages 17, 144, 362 and 218, respectively, to have a more informed view.

STATEMENT OF SPECIAL TAX BENEFITS

STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO SANSERA ENGINEERING LIMITED (ERSTWHILE SANSERA ENGINEERING PRIVATE LIMITED) AND ITS SHAREHOLDERS

The Board of Directors
Sansera Engineering Limited (erstwhile Sansera Engineering Private Limited)
No. 261/C, Bommasandra Industrial Area,
Bengaluru-560099
Karnataka, India

Dear Sirs,

Subject: Statement of possible special tax benefits ("the Statement") available to Sansera Engineering Limited (erstwhile Sansera Engineering Private Limited) ("the Company") and its Shareholders prepared in accordance with the requirement in Schedule VIII – Clause (VII) (L) of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended ("the Regulations")

We hereby report that the enclosed Annexure prepared by the Company, initialed by us and the Company for identification purpose, states the possible special-tax benefits available to the Company and to its shareholders under the Income tax Act, 1961 ("the ACT") and Income tax Rules, 1962 including amendments made by Finance Act 2017 (together "the Tax Laws"), presently in force in India as on the signing date. These possible special tax 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 these possible special tax benefits is dependent upon their fulfilling such conditions, which is based on business imperatives the Company may face in the future and accordingly, the Company or its shareholders may or may not choose to fulfill.

The benefits discussed in the enclosed Annexure cover the possible special tax benefits available to the Company and its shareholders. Further, the preparation of the enclosed Annexure and its contents is the responsibility of the management of the Company. We were informed that the Statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences 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 initial public offering of equity shares of the Company comprising an offer for sale of equity shares by certain shareholders (the "Issue") particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the possible special tax benefits, which an investor can avail. Neither we are suggesting nor advising the investors to invest money based on the Statement.

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

i) the Company or its shareholders will continue to obtain these possible special tax benefits in future; or

ii) the conditions prescribed for availing the possible special tax benefits where applicable, have been/would be met with.

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

Our views expressed herein are based on the facts and assumptions indicated to us. No assurance is given that the revenue authorities/ courts will concur with the views expressed herein. Our views are based on the existing provisions of the Act 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 any other person in respect of this Statement.

We hereby give consent to include this Statement in the draft red herring prospectus, red herring prospectus, the prospectus and in any other material used in connection with the Proposed Offer, and it is not to be used, referred to or distributed for any other purpose without our prior written consent.

for **B S R & Associates LLP**
Chartered Accountants
ICAI firm registration number: 116231W/W-100024

Aravind Maiya
Partner
Membership No.: 217433

Place: Bengaluru
Date: August 8, 2018

ANNEXURE

ANNEXURE TO THE STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO SANSERA ENGINIRING LIMITED (ERSTWHILE SANSERA ENGINEERING PRIVATE LIMITED) ("THE COMPANY") AND ITS SHAREHOLDERS UNDER THE APPLICABLE INCOME TAX ACT, 1961 ("THE ACT")

Outlined below are the Possible Special Tax Benefits available to the Company and its shareholders under the Act (*i.e.* applicable for the Financial Year 2017-18 relevant to the assessment year 2018-19). These Possible Special Tax Benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the Act. Hence, the ability of the Company or its shareholders to derive the Possible Special Tax Benefits is dependent upon fulfilling such conditions, which are based on business imperatives it faces in the future, it may or may not choose to fulfill.

UNDER THE INCOME TAX ACT, 1961 ("THE ACT")

A. ***Special tax benefits available to the Company***

There are no special tax benefits available to the Company under the Act.

B. ***Special tax benefits available to Shareholders***

There are no special tax benefits available to the Shareholders under the Act.

NOTES:

1. The above is as per the current Act as amended by the Finance Act, 2017.

2. This Statement does not discuss any tax consequences in any country outside India of an investment in the shares. The shareholders / investors in any country outside India are advised to consult their own professional advisors regarding possible income tax consequences that apply to them under the laws of such jurisdiction.

Date: August 8, 2018

SECTION IV: ABOUT OUR COMPANY

INDUSTRY OVERVIEW

*Unless noted otherwise, the information in this section has been obtained or derived from the report titled "Assessment of market potential for precision forged and machined components" dated May 2018, prepared by CRISIL Research, a division of CRISIL Limited ("**CRISIL Research**" and such report, the "**CRISIL Report**"). All information contained in the CRISIL Report has been obtained by CRISIL Research from sources believed by it to be accurate and reliable. CRISIL Research obtains information for its analysis from sources it considers reliable, but does not guarantee the accuracy or completeness of its analysis or any information contained in the CRISIL Report. Further, the CRISIL Report was prepared on the basis of information as of specific dates which may no longer be current or reflect current trends, and opinions in the CRISIL Report may be based on estimates, projections, forecasts and assumptions that may prove to be incorrect. CRISIL Research has confirmed that certain third-party information used or cited in the CRISIL Report has been obtained from publicly available information and acknowledgements of sources have been given wherever necessary in the CRISIL Report. In other cases, CRISIL Research has obtained specific consent from the persons/companies having intellectual rights in the information for use of such information in the CRISIL Report. CRISIL Research and its affiliates make no representation or warranty, either express or implied, with respect to the information or analysis from the CRISIL Report, including without limitation the implied warranties of fitness for a particular purpose and merchantability and CRISIL Research specifically disclaims any such warranty. The CRISIL Report is not a comprehensive evaluation of the industry, the Company or the Equity Shares and all material within the CRISIL Report should be deemed as expressions of opinion which are subject to change without notice. For further details and risks in relation to commissioned reports, see "Risk Factors — We have relied on a third party industry report which have been used for industry related data in this Draft Red Herring Prospectus and such data have not been independently verified by us" on page 35.*

MACROECONOMIC OVERVIEW OF THE GLOBAL ECONOMY

The International Monetary Fund's (IMF) April 2018 update of the World Economic Outlook stated that world growth strengthened in 2017 to 3.8% compared to 3.2% in 2016, driven by an investment recovery in advanced economies, continued strong growth in emerging Asia, and a notable upswing in Europe. IMF expects growth and expansion to continue, with global growth increasing to 3.9% in 2018 and 2019, supported by strong growth momentum in advanced economies and emerging market and developing economies.

According to CRISIL Research, the real GDP growth of the United States of America for the first quarter of 2018 was 2.3% on-quarter, as per the advance estimate of the Bureau of Economic Analysis, compared to 2.9% in the fourth quarter of 2017. This was due to a slowdown in personal consumption expenditure (PCE), fixed investment and government spending, which were partially offset by an upturn in private inventory investment and net exports. S&P Global expects the real GDP growth of the United States of America to reach 2.9% in 2018 and 2.6% in 2019 as the tax package and increased fiscal spending support demand.

The GDP of the Eurozone or Euro Area moderated to 0.4% on-quarter (not annualised) in the first quarter of 2018 from 0.7% in fourth quarter of 2017, as per the preliminary flash estimate released by Eurostat. S&P Global expects the region's economic expansion to continue at a fast pace, estimating the 2018 growth at 2.3% and 2019 at 1.9%, from 2.5% in 2017.

The United Kingdom's (UK) GDP was at 0.1% on-quarter (not annualised) growth in the first quarter of 2018, marking the slowest growth since the fourth quarter of 2012, which was due to a decline in construction activity (which fell by 3.3%) and a slowdown in manufacturing (which registered a 0.2% growth). S&P Global expects growth in the UK to be 1.3% in 2018 and 1.5% in 2019.

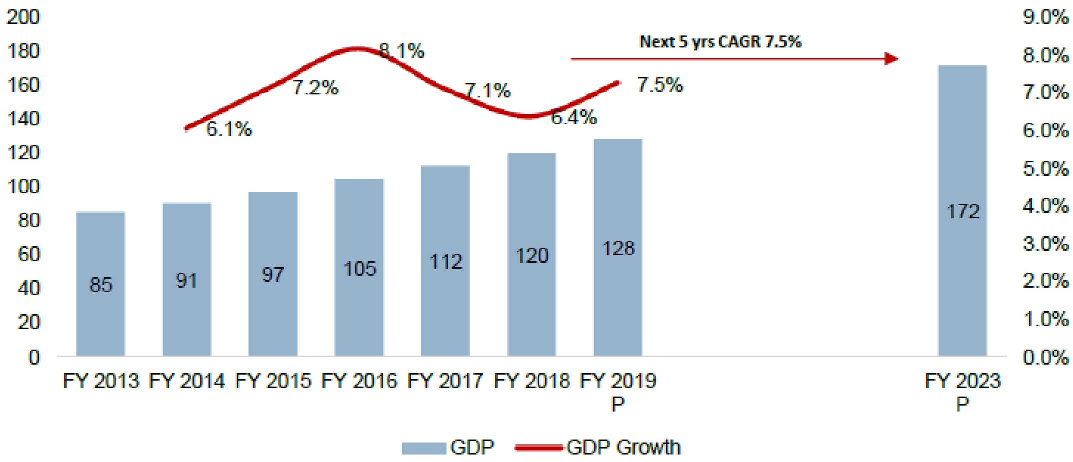
Japan had a 1.7% GDP growth in 2017 compared to 0.9% in 2016, which was driven by domestic demand. S&P Global expects the momentum to continue, estimating growth at 1.4% in 2018 and 1.2% in 2019. The trade surplus widened to ¥797 billion in March, from ¥603.5 billion a year ago, as exports grew (2.1%) while imports declined (0.6%).

China's GDP grew 6.8% on-year in the first quarter of 2018, consistent with the previous quarter, as per the preliminary estimate. The strong growth was supported by both the manufacturing and services sectors. S&P Global expects the economy to grow 6.5% in 2018 and 6.3% in 2019, with the US-China trade dispute being a downside risk.

MACROECONOMIC OVERVIEW OF THE INDIAN ECONOMY

According to CRISIL Research, India's GDP grew at a 6.9% CAGR between fiscals 2012 and 2017. It slowed between fiscals 2012 and 2014, mainly due to subdued income growth, high interest rates, rising inflation and slowdown in industrial output. Post fiscal 2014, improving industrial activity, lower crude oil prices and supportive policies led to a recovery in GDP. However, demonetisation and introduction of Goods and Services Tax (GST) slowed GDP growth in fiscal 2017, on top of dwindling private investment and slower global growth.

Real GDP growth in India



Note: P-Projected
Source: CSO (Central Statistical Organization), CRISIL Research, IMF

India's real GDP growth continued to increase to 7.2% in the third quarter of 2017 from 6.5% in the second quarter, suggesting that the economy was steadily recovering from impact of demonetisation and transition to the GST regime. The growth was primarily driven by fixed investments growth at 12% on-year, almost double the pace of 6.9% in the second quarter. However, the growth was partially offset by private consumption growth which slowed to 5.6% from 6.6%. Government consumption supported the overall consumption by growing at 6.1%, up from 2.9% in the second quarter. With imports rising at 8.7% compared to a muted 2.5% growth in exports, GDP growth slowed down in the third quarter.

CRISIL Research expects the real GDP growth in India to recover to 7.5% in fiscal 2019 from 6.4% in fiscal 2018. Growth would continue to be driven by consumption, with interest rates expected to remain low, inflation under control and implementation of Seventh Pay Commission salary increase at the state level. Investments, driven largely by public sector investment in infrastructure as well as public spending (with a rural focus) in infrastructure (especially roads) would also contribute to growth. The government's ₹0.21 million core bank recapitalisation plan would mean that banks would be sufficiently funded to support growth. As global recovery is expected to gather pace, Indian exports are expected to grow as well.

Near-term outlook on agriculture, industrial and services GDP

Agriculture

- Given the normal monsoon forecast and government's focus to address farm distress, CRISIL Research expects the agriculture sector to continue its healthy pace of growth of 3.0% in fiscal 2019.
- The Indian Meteorological Department (IMD) has forecast the southwest monsoon at 97% of Long Period Average (LPA) with a model error of (+/-) 5%. This is crucial from an agriculture production point of view.
- The government's assurance of higher minimum support price (MSP), increase in its coverage, and a mechanism to ensure that farmers do not suffer price falls below MSP should encourage higher food production.

Industrial

- Fiscal 2018 saw manufacturing activity being hampered due to GST related issues and mining activity due to mining bans in Goa. Going ahead, these issues are expected to be resolved and support industrial activity.

- The government's focus on infrastructure creation, especially in rural areas, is also expected to generate demand in core sectors such as steel and cement.
- Pay increases by states will give an income boost and thereby a push to consumer durables.
- Industrial GDP growth is therefore expected to improve to 6.9% in fiscal 2019 from 4.8% in fiscal 2018.

Services

- With healthy stock market movement, rising banking activity and government's push to financial inclusion, financial services are expected to register healthy growth.
- Improvement in industrial activity and robust agricultural production would support trade and transportation services.
- With India's economic growth expected to improve this fiscal, foreign tourist arrivals and air passenger traffic and communication services are expected to be robust, which in turn should boost hotel services.
- The services sector is therefore expected to grow by 8.6% in fiscal 2019 from 8.3% in fiscal 2018.

Impact of key government policies

Increasing credit availability

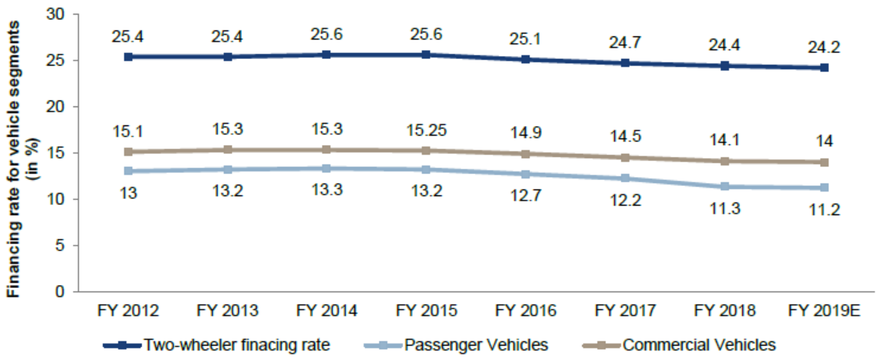
Favourable government initiatives announced in the Union Budget would help improve the industry by enhancing credit availability and increasing non-farm demand. Some of the major announcements include an increase in farm credit (agricultural credit target for fiscal 2018 is fixed at a record ₹10 trillion, an increase of 11% over fiscal 2017) and rural infrastructure development initiatives such as allocation of ₹270 billion towards Pradhan Mantri Gram Sadak Yojana.

Furthermore, government funding towards rural development activities (road construction, rural housing and rural electrification) should also help increase demand for tractors, especially in the eastern region. Rural development activities are expected to also result in increased cash flow for project contractors, driving demand for two-wheeler and passenger vehicles.

Financing rates for vehicle segments

According to CRISIL Research, overall yields in the automotive finance segment have been declining for two to three years led by a drop in retail inflation and reduction in government security yields. Further, with the implementation of the marginal cost of funds based lending rate (MCLR) regime from April 1, 2016, automotive financing rates have dropped significantly, as banks are forced to pass on interest rate benefits to end consumers. This has helped to lower the yields.

Financing rates for vehicle segments



Source: CRISIL Research

CRISIL Research expects the automotive finance market to grow faster in the medium to long term supported by increasing finance penetration, as financiers expand into untapped markets, offer higher loan-to-value and banks increase focus on the segment.

Yields and cost of funds are unlikely to decrease in the near future. Asset quality is expected to improve, supported by improvement in overall economic growth, increased coverage of customers by credit bureaus and advancement in credit scoring models.

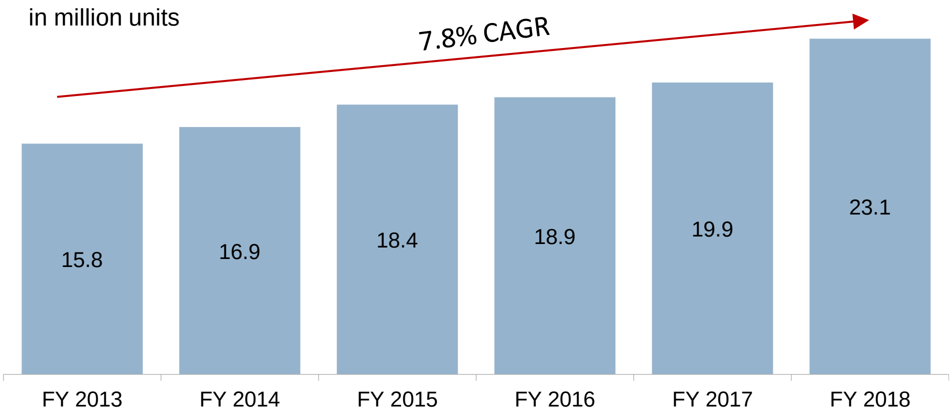
INDIAN TWO-WHEELER INDUSTRY

Review of the Indian two-wheeler industry (Fiscals 2013 to 2018)

Historic production volume development

According to CRISIL Research, India, which is the second largest two-wheeler manufacturer in the world, posted a 7.8% CAGR in production of two-wheeler between fiscals 2013 and 2018. During the period, domestic sales rose at a 7.9% CAGR, whereas exports registered a 7% CAGR. However, sales fluctuated on-year within such period.

Two-wheeler production volume development – Fiscals 2013-2018



Source: SIAM - Society of Indian Automobile Manufacturers, and CRISIL Research

Fiscal 2015 saw domestic demand rise at a sharp 9.1% on-year, whereas fiscal 2016 saw a subdued demand owing to rainfall deficiency and consequently weak rural incomes. Further, exports were near-stagnant, rising only 1% on-year, as Africa (India's key export market) faced issues related to availability of dollar-denominated currency.

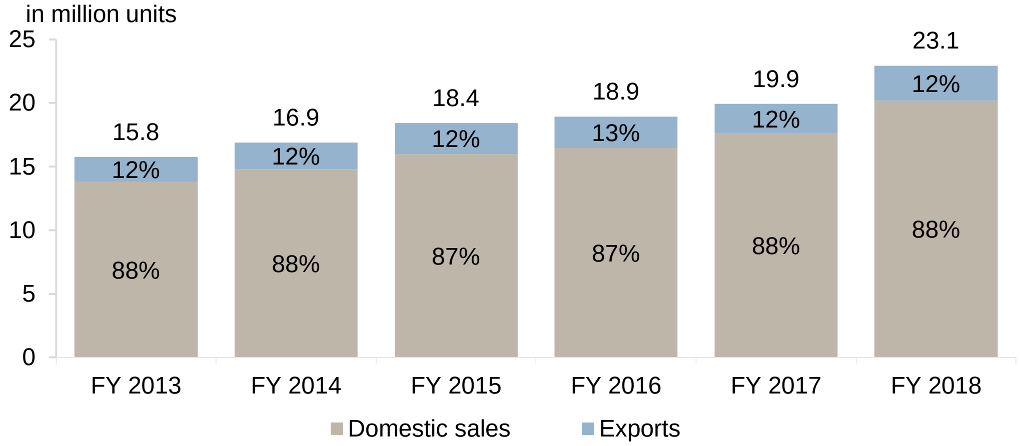
In fiscal 2017, despite good monsoon seasons and favourable economic factors, demonetisation affected domestic wholesale as well as retail demand of two-wheelers. As a result, sales growth was restricted to 6.9% on-year. Similarly, exports rose 5.7% on-year due to a fall in crude oil prices, which affected crude oil exporting economies and persistent issues related to availability of dollar-denominated currency in key African markets.

In fiscal 2018, domestic sales and exports accelerated. The rise in domestic sales at 14.8% on-year was due to improvement in the rural economy, supported by two consecutive years of normal monsoons. Exports rose 17% on-year as the economies of African countries revived. The growth in exports was supported by manufacturers expanding into new geographies and catering to Southeast Asian scooter-oriented markets. The growth in domestic demand and exports raised the production growth number to 15.1% on-year. In fiscal 2018, India manufactured 23.1 million two-wheelers, which included 15.2 million motorcycles, 7.1 million scooters and 0.87 million mopeds.

Split by domestic sales and exports

The Indian two-wheeler industry is primarily domestic-driven, with domestic sales accounting for approximately 88% of overall two-wheeler sales in fiscal 2018. However, over the years, manufacturers such as TVS Motor Company and HMSI have been expanding their geographical presence. Additionally, joint ventures with global brands, such as KTM, BMW and Husqvarna, and catering to global demand for these brands from India have aided in the growth of two-wheeler exports. Within the two-wheeler industry, most of India's exports are motorcycles.

Two-wheeler production split into domestic sales and exports, Fiscals 2013-2018

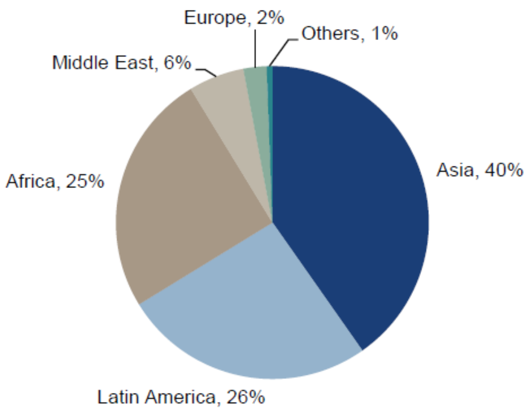


Source: SIAM- Society of Indian Automobile Manufacturers, and CRISIL Research

Split of exports by key geographies

Indian two-wheelers are primarily exported to crude oil exporting developing countries, especially in Africa and Latin America. These two regions contributed approximately 60% of India's exports in 2016. However, subdued crude oil prices during fiscals 2016 and 2017 impacted the economies of these regions, adversely affecting two-wheeler exports from India. To address this, manufacturers have been focusing on new markets in Latin America. Hero MotoCorp commenced its Argentina operations in 2016 and is exploring expanding into Brazil and Mexico, whereas TVS has entered the Central American markets.

Share of key export destinations (2017)



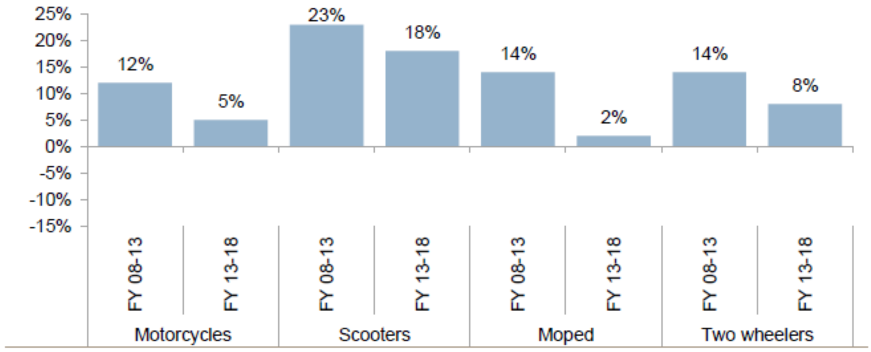
Source: UN Comtrade and CRISIL Research

Split by motorcycles, scooters and mopeds

In fiscal 2018, motorcycles continued to dominate the two-wheeler industry, with approximately 62% market share. However, its share has consistently decreased from 73% in fiscal 2013. Over the period, the share of scooters increased from 21% to 33%. Strong demand following new model launches, aggressive marketing strategies (such as gender-based positioning), increasing usage of scooters by working women in urban areas and growing preference for scooters as a second vehicle in households, saw the segment's share widen at approximately 140 basis points on-year in fiscal 2018.

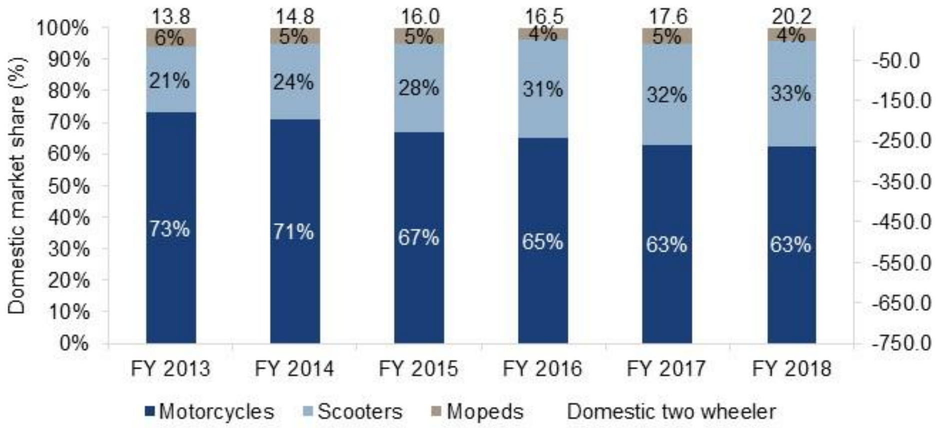
Within the domestic two-wheeler industry, motorcycle sales rose at 4.6% CAGR and scooter sales at 18.1% CAGR between fiscals 2013 and 2018. Moped sales grew at a 1.7% CAGR.

Segment-wise growth rate (CAGR)



Source: SIAM- Society of Indian Automobile Manufacturers, and CRISIL Research

Two-wheeler segment-wise domestic market share (%) – Fiscals 2013-2018



Source: SIAM- Society of Indian Automobile Manufacturers, and CRISIL Research

Key growth factors for the domestic two-wheeler market

- **Macro-economic**

Primary demand drivers for the two-wheeler industry are improving affordability and lower cost of ownership. Due to the high penetration of two-wheelers in rural areas, sales depend on trends in rural incomes and infrastructure. Macroeconomic factors primarily determine the disposable income and spending power of consumers. GDP grew at a 7% CAGR between fiscals 2013 and 2018, slowing in fiscals 2013 and 2014 mainly due to subdued income growth, high interest rates, rising inflation and slowdown in industrial output. Post fiscal 2014, improving industrial activity, lower crude oil prices and supportive policies led to a recovery in GDP. However, issues with GST implementation impacted GDP growth, with growth decreasing to 6.5% in fiscal 2018 from 7.1% in fiscal 2017.

Over the past three years, the Consumer Price Index (CPI)-based inflation has dropped and remained within the target range of the Reserve Bank of India. The government's initiatives to improve food supply management and lower minimum support price (MSP) hikes, together with favourable oil and commodities prices, have aided in controlling inflation.

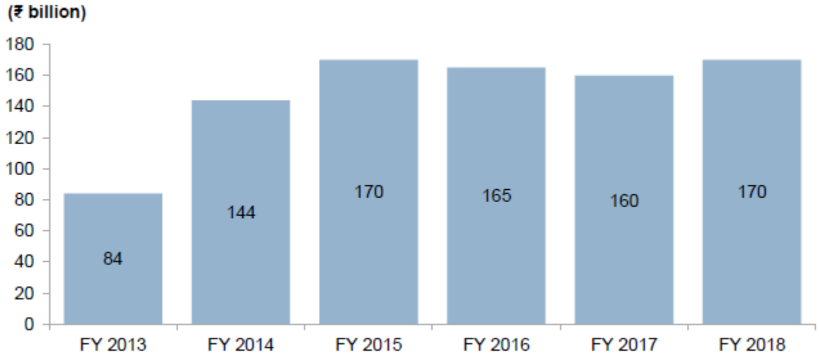
MSPs are intended to protect farmers from price fluctuations in the market and ensure steady income. The government has consistently raised the MSP of major crops such as wheat, rice, sugarcane and cotton. MSP of these crops grew at 10-15% CAGR between fiscals 2007 and 2014. However, the marginal increases in MSP from fiscals 2015 added strain on farm incomes.

Two successive normal monsoons in fiscals 2017 and 2018 resulted in a 6% growth in the crop value index in fiscal 2018. MSPs also increased in previous kharif and current rabi seasons.

- **Investments in Infrastructure**

Rural infrastructure has a pronounced impact on rural incomes and, in turn, on two-wheeler sales. Under the Pradhan Mantri Gram Sadak Yojana (PMGSY) launched in 2000, the government aims to build all-weather roads in rural India. The scheme involves the construction and upgradation of over 800,000 km of rural roads. Of this, 550,541 km of roads had been completed as of March 2018.

PMGSY investments, Fiscals 2013-2018



Source: National Rural Roads Development Agency and CRISIL Research

Improvement of rural infrastructure impacts demand directly by generating employment, wages and income multiplier in the rural economy during the construction of roads; and indirectly by enabling mobility and accessibility through connectivity. According to CRISIL Research, every kilometre of road constructed results in an addition of 20-25 two-wheeler ownership.

- **Finance availability**

Cash transactions continue to dominate motorcycle sales compared to other automotive segments, given the industry's smaller ticket sizes, relatively lower income profile of customers, high default rates and difficulty in repossessing vehicles. Stringent credit norms and availability of credit information through the Credit Information Bureau (India) Ltd have helped players widen their customer base. The industry has witnessed strong competition with new players in the form of non-banking financial companies (NBFCs) targeting markets exited by banks, and captive NBFCs (operated by two-wheeler manufacturers) largely focusing on non-metros. CRISIL Research estimates penetration levels to have reached 31% in fiscal 2018 from 25% in fiscal 2013.

- **Women's participation**

Rising participation of women in the workforce increases household income. This in turn gives a boost to two-wheeler sales. The past decade saw a sharp rise in women workforce participation, which grew at a 4.2% CAGR between fiscals 2000 and 2012, led by rising education level among women as well as improvement in the services sector. CRISIL Research estimates that 35-40% of typical urban two-wheeler sales are due to women's participation.

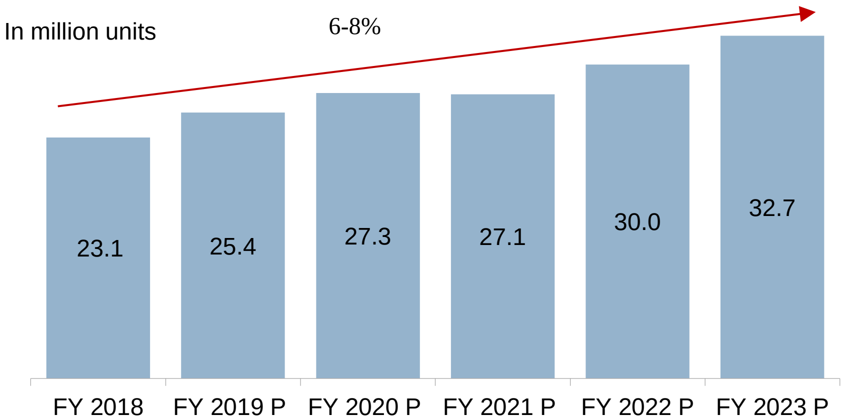
Historic growth drivers for Indian two-wheeler exports

India primarily exports two-wheelers to crude oil driven economies such as Nigeria and Middle East. Rising crude oil prices boosted these economies and, in turn, India's exports to these countries. Exports to African countries have been suffering following the slump in oil prices. Although oil prices have stabilised, shortage of foreign exchange is expected to keep exports muted. Moreover, the Nigerian naira, which depreciated 53% in 2016, remained under pressure.

Outlook on the Indian two-wheeler industry (Fiscals 2018 to 2023)

CRISIL Research estimates overall domestic two-wheeler production to grow at a robust pace of 6-8% CAGR in the next five years to reach approximately 32 million units by fiscal 2023.

Two-wheeler production volume outlook, Fiscals 2018 - 2023



Source: SIAM- Society of Indian Automobile Manufacturers, and CRISIL Research

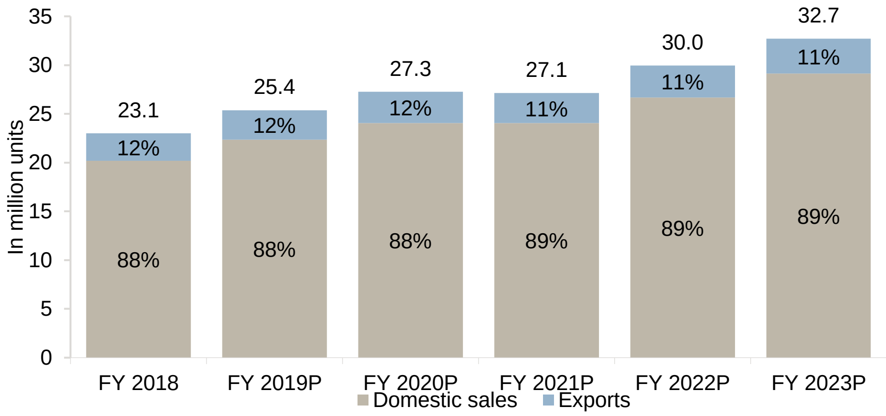
Split by domestic sales and exports

Domestic sales of two-wheelers, which accounted for approximately 85% of the total production, are estimated to grow at a fast pace of 7-9% from fiscals 2018 to 2023. Exports are estimated to grow at a healthy pace of 4-6%.

Growth in domestic sales would be led by higher GDP growth and lower inflation, which will result in increased affordability, as measured by the rise in disposable incomes. The under-penetrated rural market would be the key growth segment for the two-wheeler industry. Rising income would be further aided by better rural connectivity and rising participation of women in both urban and rural areas. However, the long-term growth would be capped by rising cost of ownership due to vehicle price hikes and expected rise in petrol prices.

Payouts following the Seventh Pay Commission recommendations are expected to boost two-wheeler sales up to fiscal 2019. Manufacturers' focus on urban markets, expansion of the distribution network in semi-urban and rural areas, model launches, higher propensity and better product positioning are expected to increase volumes. CRISIL Research expects affordability to improve, especially in rural areas, due to better crop output amidst a better monsoon. Muted interest rates will further aid demand. Further, improvement in government spending is likely to increase demand in the second half by 1-3%.

Two-wheeler domestic sales and exports outlook, Fiscals 2018-2023



Source: SIAM- Society of Indian Automobile Manufacturers, and CRISIL Research

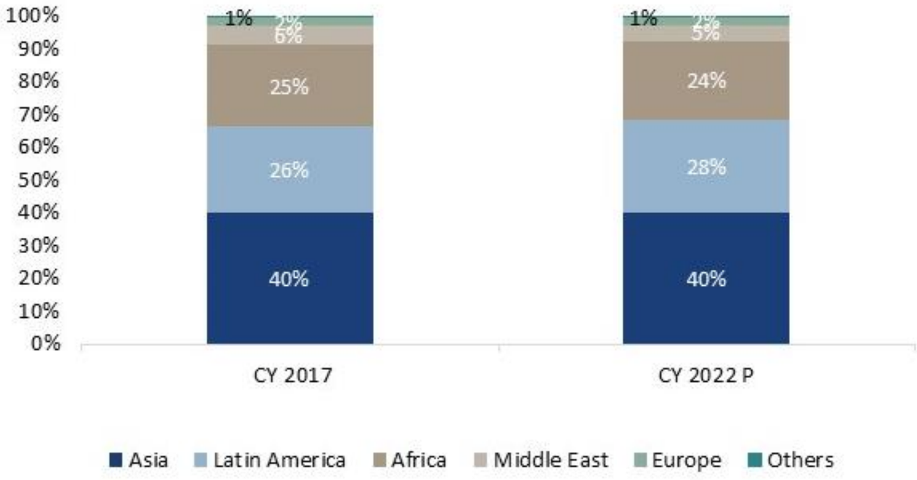
CRISIL Research expects two-wheeler exports from India to rise from 2.8 million units in fiscal 2018 to 3.6 million units in fiscal 2023. While expanding geographical footprint and extensive product portfolios would be the main drivers, crude oil prices and currency fluctuations in export markets and the reviving African economy are expected to provide support to the growth in exports in the long term.

In the short term, CRISIL Research estimates two-wheeler exports from India to improve further from 20% in fiscal 2018, due to the successful efforts of original equipment manufacturers (OEMs) diversifying into more promising geographies.

Split of exports by key geographies by 2022

Demand from Asia will continue to increase on account of healthy demand from the South Asian Association for Regional Cooperation (SAARC) nations such as Bangladesh and Nepal. OEMs, including Bajaj, are also expanding into new geographies such as Malaysia.

Region-wise share of exports - outlook from 2017-2022

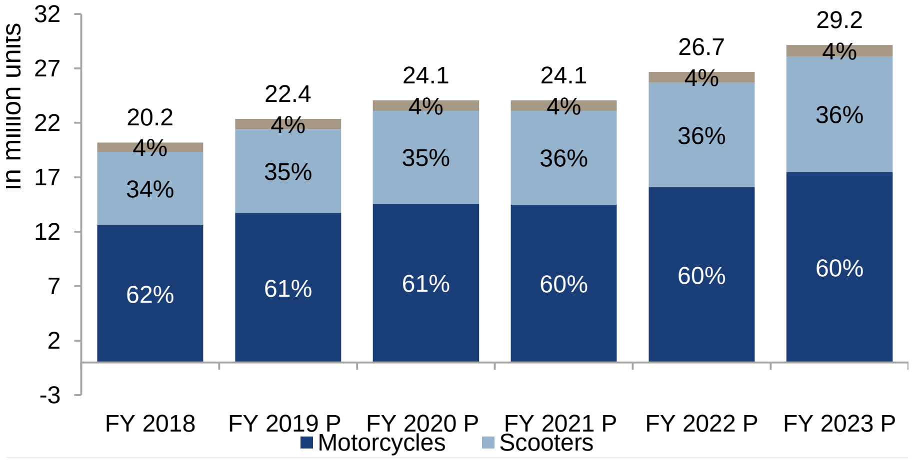


Source: SIAM- Society of Indian Automobile Manufacturers, and CRISIL Research

Split by motorcycles, scooters and mopeds

CRISIL Research expects scooters to grow at a faster pace of 9-11%, followed by motorcycles and mopeds, reporting a modest growth of 6-8% and 3-5%, respectively, during fiscals 2018 to 2023. Scooter sales are likely to grow at a higher rate compared to motorcycles over the next five years due to changing consumer preferences. The implementation of Bharat Stage ("**BS**")-VI norms in fiscal 2021 might further impact the growth trajectory but the industry is expected to recover in the subsequent year.

Two-wheeler segment-wise domestic sales outlook, Fiscals 2018-2023



Source: SIAM- Society of Indian Automobile Manufacturers, and CRISIL Research

Motorcycle sales are likely to grow as a result of robust rural sales and improving rural infrastructure between fiscals 2018 and 2023. Two-wheeler prices are estimated to rise on account of compliance with the BS-VI norms. CRISIL Research estimates two-wheeler sales volume to marginally decline in fiscal 2021. While the impact is expected to be lower on premium motorcycles and scooters, the impact on price-sensitive mopeds and economy and executive category motorcycles is estimated to be higher compared to scooters. However, companies are expected to marginally increase prices in coming years.

Key growth drivers for domestic and export sales

- Likely improvement in macroeconomic factors after a period of subdued growth in fiscal 2018. CRISIL Research expects GDP to grow at 7.6% by fiscal 2019. Inflation, on the other hand, is expected to remain subdued at approximately 5%. Further, CRISIL Research expects GDP growth to continue to be consumption-led, given normal monsoons, subdued interest rates and inflation, and the implementation of Pay Commission increases by states, which will improve purchasing power.
- Anticipated improvement in rural demand.
- Rise in finance penetration levels in the long term, as banks and NBFCs continue to focus on semi-rural and rural areas.
- Rural infrastructure growth that in turn has a pronounced impact on rural incomes. Strong investments under infrastructure schemes will further boost rural infrastructure with multiplier effects.

However, CRISIL Research expects the cost of ownership to rise by approximately 5% in fiscal 2019, owing to a rise in petrol costs, along with an annual rise in vehicle prices. Additionally, compliance with ABS and CBS norms will further increase vehicle prices, with a major hike of ₹7000-10,000 to be seen in premium motorcycles.

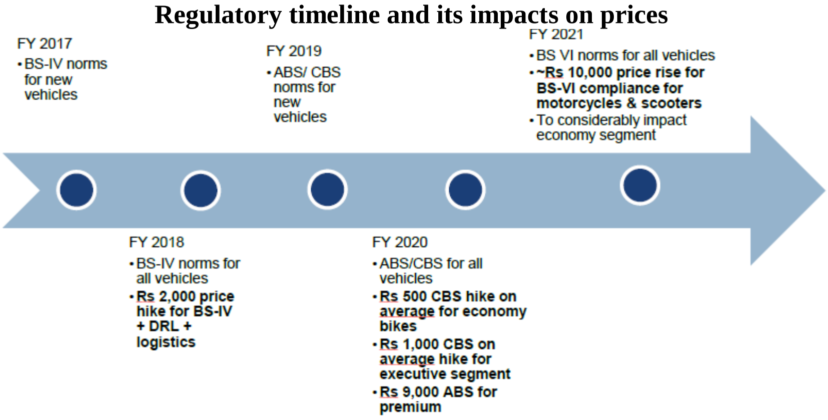
Future growth drivers for the export market

- Stable crude oil prices to aid demand from African countries;
- Improvement in Latin American economies;
- Continued expansion undertaken by players into newer markets; and
- Other key developments as follows:
    - BMW Motorrad is developing India as an export hub in a joint venture with TVS;
    - Bajaj has started exporting KTM motorcycles to Europe and Indonesia;
    - Hero has entered Argentina and is exploring expansion in Brazil and Mexico;
    - TVS has started exporting to Central America; and
    - Honda has announced its intention to develop India as an export hub.

Impact of regulatory changes on domestic two-wheeler sales

The government has been taking steps to converge emission standards with global norms. In January 2016, the government mandated the BS-VI norms. Compliance with the latest emission standards would necessitate upgrading of certain components as well as developing newer technologies, which would result in higher vehicle cost.

Regulatory timeline and its impacts on prices



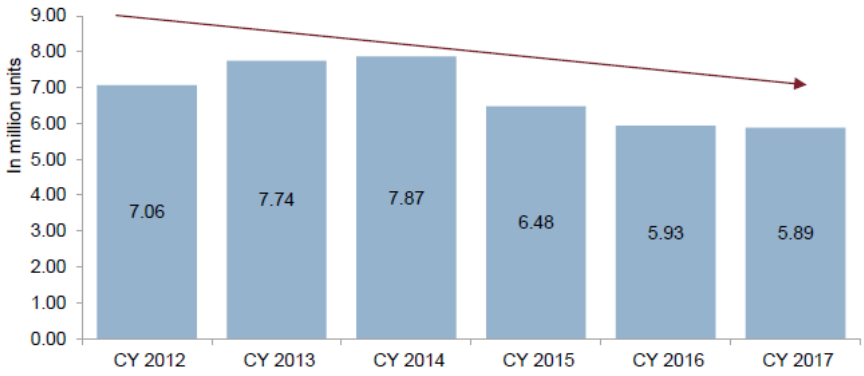
Source: CRISIL Research

Review and Outlook of Indonesian, Thailand and Vietnamese two-wheeler industry (2012-2017)

- Indonesia

Indonesia is the largest two-wheeler market amongst Southeast Asian nations. Two-wheeler sales in Indonesia accounted for approximately 65% of the total sales in the Association of South East Asian Nations (ASEAN) region in 2017. However, the country witnessed a 3.6% compounded annual decline in domestic sales between 2012 and 2017.

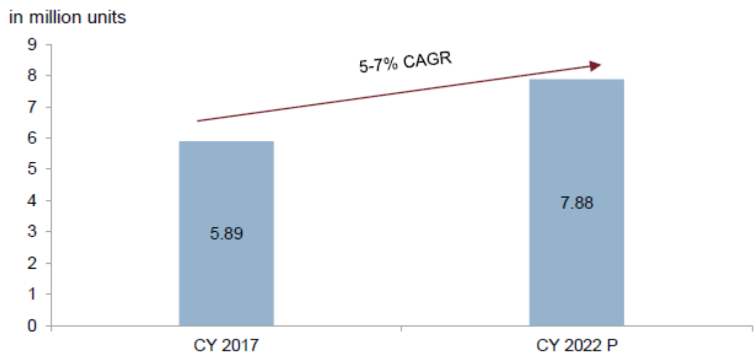
Two-wheeler domestic sales development in Indonesia – 2012-2027



Source: Indonesian Motorcycle Industry Association and CRISIL Research

According to CRISIL Research, Indonesia's two-wheeler domestic sales are expected to show stable growth between 2017 and 2022, supported by sustained GDP growth at 5.5 to 5.6% CAGR over the forecast period as per the International Monetary Fund (IMF) estimates. CRISIL Research expects Indonesia's two-wheeler domestic sales to grow at 5-7% CAGR over the forecast period, driven by rising disposable income and availability of vehicle finance options. Additionally, penetration of new two-wheeler models and brands is likely to positively influence the country's two-wheeler market in the coming years.

Two-wheeler domestic sales outlook for Indonesia – 2017-2022

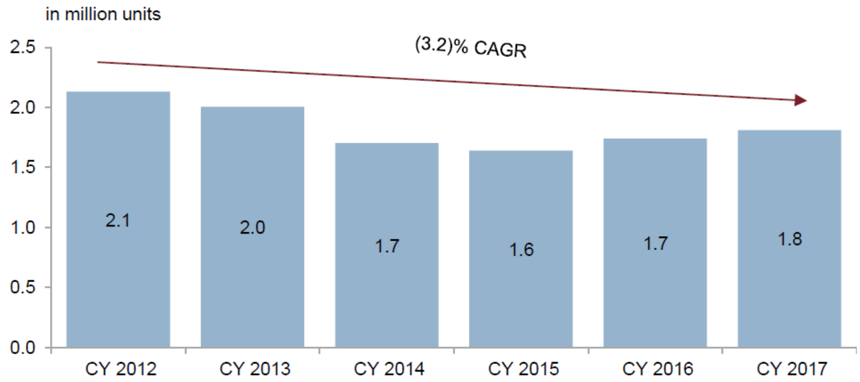


Source: Indonesian Motorcycle Industry Association and CRISIL Research

- Thailand

Thailand is the world's fifth biggest producer of motorcycles, behind China, India, Indonesia, and Vietnam. Domestic sales declined at a compounded annual rate of 3.2% between 2012 and 2017 due to three consecutive years of negative economic growth between 2013 and 2015. The situation improved after 2016 due to robust revenue from tourism, coupled with soft loans and tax breaks for agriculture. Private consumption improved owing to an increase in spends on durable goods, supported by higher farmer income and greater overall consumer confidence.

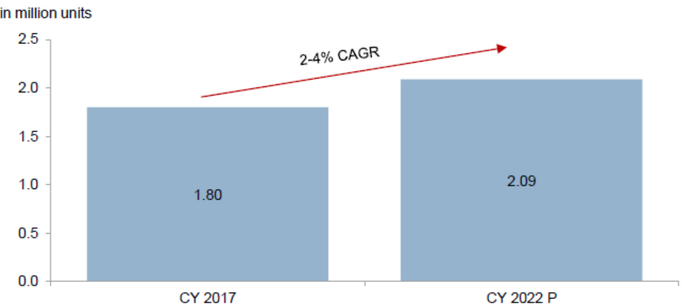
Two-wheeler domestic sales development in Thailand – 2012-2017



Source: Thai Automotive Industry Association and CRISIL Research

According to CRISIL Research, Thailand's two-wheeler domestic sales are expected to grow at 2-4% CAGR between 2017 and 2022, largely driven by growth in domestic sales. Domestic sales would be supported by improvements in the economic scenario, farm yields, farm prices, and political stability. The IMF predicts Thailand's economy to grow at 3.5-4.0% CAGR over this period.

Two-wheeler domestic sales outlook for Thailand – 2017-2022

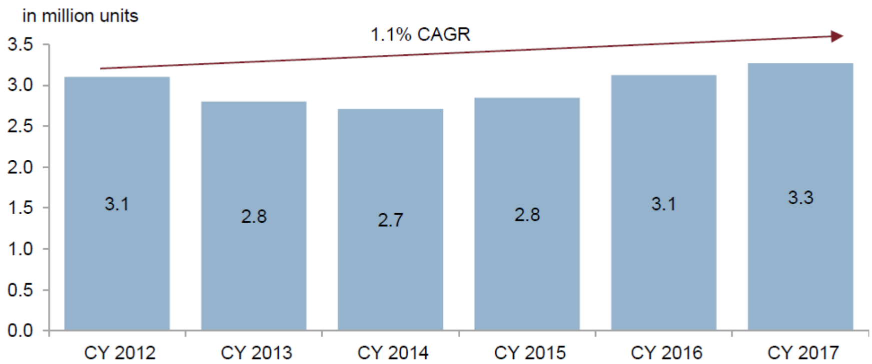


Source: Thai Automotive Industry Association and CRISIL Research

- Vietnam

Domestic sales in Vietnam grew at a muted 1.1% CAGR between 2012 and 2017. Growth recovered in 2017, growing 4.8% on-year, mainly on account of a gradual economic recovery. The motorcycle industry is dominated by foreign OEMs as local OEMs have been unable to innovate and keep pace with growing technological changes.

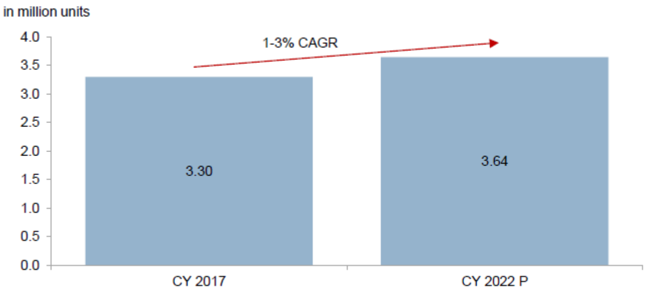
Two-wheeler domestic sales development in Vietnam – 2012-2017



Source: Vietnam Association of Motorcycle Manufacturers and CRISIL Research

According to CRISIL Research, Vietnam's two-wheeler domestic sales are expected to grow at a tepid pace of 1-3% CAGR between 2017 and 2022, on account of high penetration and saturation in the market.

Two-wheeler domestic sales outlook for Vietnam – 2017-2022



Source: Vietnam Association of Motorcycle Manufacturers and CRISIL Research

INDIAN PASSENGER VEHICLE INDUSTRY

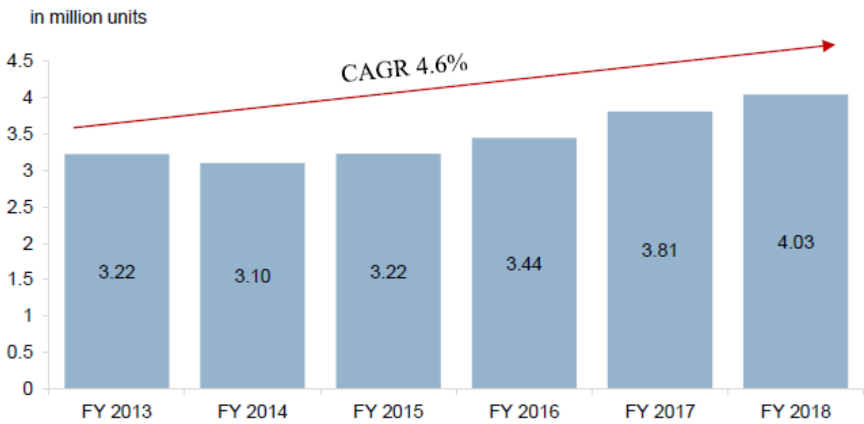
Review of the Indian passenger vehicle industry (Fiscals 2013 to 2018)

Historic production volume development

According to CRISIL Research, India is the fifth largest passenger vehicle manufacturer globally. In fiscal 2018, India produced 4.03 million passenger vehicles, of which 3.28 million vehicles were sold in the domestic market and 0.75 million were exported.

Production of passenger vehicles in India registered a 4.6% CAGR between fiscals 2013 and 2018. Production slowed in fiscal 2014, with a 3.2% growth in fiscal 2013. Domestic sales were low in fiscals 2013 and 2014, owing to a slowdown in the economy and deregulation of petrol and diesel prices, which led to a sharp increase in fuel prices. However, the industry recovered and grew at a healthy pace over fiscals 2015 and 2018.

Passenger vehicle production volume development – Fiscals 2013-2018



Source: SIAM- Society of Indian Automobile Manufacturers, and CRISIL Research

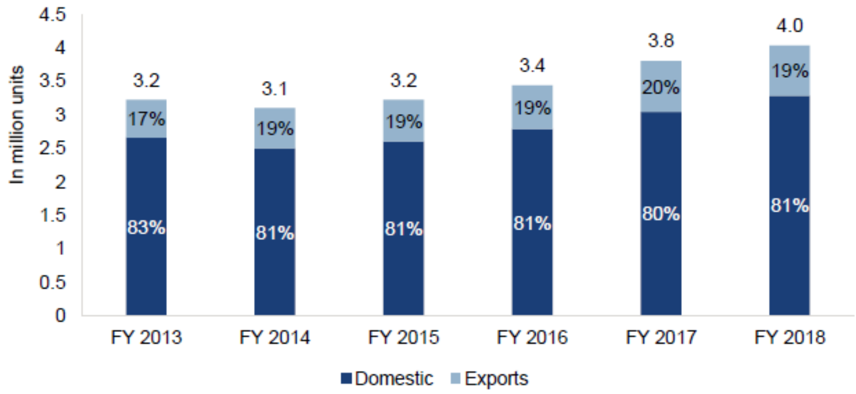
India's passenger vehicle market has potential for automobile manufacturers as it is highly under-penetrated at only 21 vehicles per 1000 households vis-a-vis 379 vehicles per 1000 households in the United States of America. Passenger vehicle penetration in India also lags behind emerging markets such as China (99 vehicles per 1000 households) and Thailand (119 vehicles per 1000 households). With the rise in disposable incomes in the country, CRISIL Research estimated the number of households that can afford a small passenger vehicle (addressable households) to have registered a 12% CAGR between fiscals 2013 and 2018.

Split by domestic sales and exports

The Indian passenger vehicle market is primarily focused on the domestic market, with more than 81% demand from the domestic market in fiscal 2018. Contribution of exports-to-production rose steadily from 16% in fiscal 2012 to 19% in fiscal 2018, which was driven by OEMs expanding their global geographical coverage from India as well as the export-led growth strategy adopted by OEMs such as Ford, General Motors ("**GM**") and

Volkswagen ("**VW**"). Accordingly, while domestic sales registered a lower 4.3% CAGR, export demand registered a 6.0% CAGR during this period.

Passenger vehicle production split into domestic sales and exports – Fiscals 2013 - 2018



Source: SIAM- Society of Indian Automobile Manufacturers, and CRISIL Research

The domestic passenger vehicle industry in India grew by 4.3% between fiscals 2013 and 2018, led by strong growth in utility vehicles (UV). Demand was primarily driven by the improving economic scenario, state pay commission payouts, new model launches, among others.

The passenger vehicle exports from India registered a healthy 6.1% CAGR between fiscals 2013 and 2018, supported by a gradual recovery in the global automotive industry, expansion in global coverage and product offerings by major OEMs and emergence of India as a passenger vehicle export hub. Global players such as Ford, VW and GM led exports growth from India, as stagnation in domestic demand in the past three years resulted in their increasing focus on exports. As a result, the contribution of exports from India to overall production rose steadily from 16% in fiscal 2013 to 19% in fiscal 2018.

Split by passenger vehicle segments

Small cars formed 60% of passenger vehicle production in fiscal 2018, followed by 34% from UVs, 8% from large cars and 5% from vans. The share of small cars declined in fiscal 2018 as a result of lack of major launches and continued traction in the UV segment.

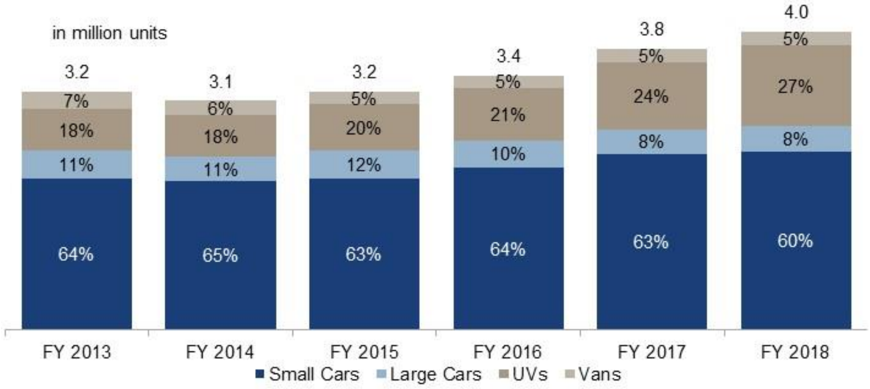
Passenger vehicles are further segmented into small cars (less than 4 meters in length), large cars (exceeding 4 meters in length), UVs and vans. Production of small cars grew steadily at a 3.3% CAGR from fiscals 2013 to 2018, on account of launch of new car models in the premier hatchbacks segment (Maruti Suzuki's Baleno, Hyundai's Elite i20, and Volkswagen's Polo) and the increased availability of competitively priced, feature-rich car models. These factors led to a shift in consumer preference from entry-level large cars to premier hatchbacks.

The rising preference for compact UVs and premium hatchbacks and the absence of major launches affected large car sales. Production share of large cars declined gradually from 11% in fiscal 2013 to 8% in fiscal 2018 on account of a shift in consumer preferences.

Production of UVs registered a 14.1% CAGR over fiscals 2013 and 2018, largely driven by compact UVs. Compact UVs such as Maruti Suzuki's Brezza, Hyundai's Creta, Tata's Nexon, Mahindra's Scorpio, continue to perform well in the domestic market. The share of UVs in production increased from 17% in fiscal 2013 to 27% in fiscal 2018.

Van production declined by 4.1% during fiscals 2013 to 2018 due to weak rural sentiments and below average monsoon in India during fiscals 2015 and 2016. However, van production increased in fiscals 2017 and 2018, amidst a better macroeconomic environment and strengthening rural sentiment.

Passenger vehicle segment-wise production volumes– Fiscals 2013-2018



Source: SIAM- Society of Indian Automobile Manufacturers, and CRISIL Research
Note: Percentage (%) denotes segment's share of sales to overall passenger vehicle sales

Key growth factors for the domestic passenger vehicle market

- **Macro-economic**

Primary demand drivers for the passenger vehicle industry are improving affordability and lower cost of ownership. Due to the penetration in rural areas, passenger vehicle sales depend on trends in rural incomes and infrastructure. Following two consecutive near-normal monsoons and supportive government policies, crop value is expected to improve. Further, stable petrol and diesel prices and muted interest rates from fiscals 2013 to 2018 have helped maintain the cost of ownership.

- **Finance availability**

Given the industry's higher ticket sizes, finance penetration is higher in this industry as compared to other automobile segments. CRISIL Research estimates finance penetration levels to have reached 75.7% in fiscal 2018 from 71.8% in fiscal 2013. Stringent credit norms and availability of credit information through the Credit Information Bureau (India) Ltd have helped players widen their customer base. The industry has witnessed strong competition with new players in the form of NBFCs targeting those markets exited by banks, and captive NBFCs (operated by two-wheeler manufacturers) largely focusing on non-metros.

- **Investments in Infrastructure**

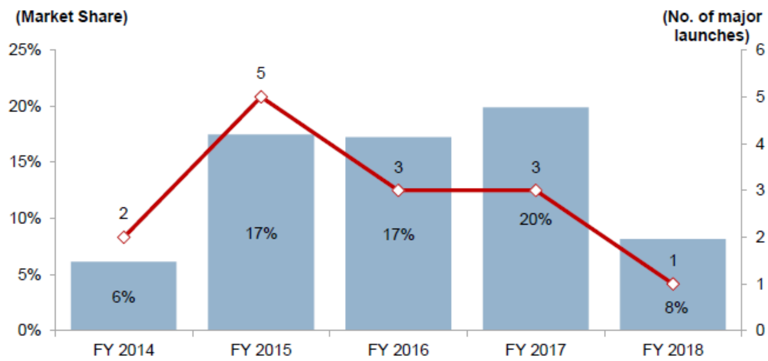
Rural infrastructure has a pronounced impact on rural incomes and, in turn, on passenger vehicle sales. Under the PMGSY launched in 2000, the government aims to build all-weather roads in rural India. The scheme involves the construction and upgradation of over 800,000 km of rural roads. Of these, 550,541 km of roads had been completed as of March 2018.

Improvement of rural infrastructure impacts demand directly by generating employment, wages, and income multiplier in the rural economy during the construction of roads; and indirectly by enabling mobility and accessibility through connectivity.

- **Model launches**

Apart from rising sales of existing models, sales of new models have supported overall industry growth in the past few years. However, the share of new models in overall domestic passenger vehicle sales has only been 8% in fiscal 2018 due to limited launches. Traction for popular models contributed to the industry's growth as well. While Honda's Jazz, Maruti Suzuki's Baleno and Hyundai's Creta were major launches which accounted for more than 1% market share in fiscal 2016, Mahindra's KUV100, Maruti Suzuki's Brezza and Tata Motors' Tiago accounted for more than 1% market share in fiscal 2017. Ignis was the only major new model launch in fiscal 2018, as compared to the three new models launched in each of fiscal 2016 and fiscal 2017, respectively.

Share of newly launched models in total passenger vehicle sales



Source: SIAM- Society of Indian Automobile Manufacturers, and CRISIL Research

Note: A vehicle is considered a new launch for a year and a half past its launch. A new launch winning at least 1% share in the relevant FY is considered a major launch.

Historic growth drivers for Indian passenger vehicle exports

While predominantly a small car exporter, India has emerged as an exporter of mid-size sedans and UVs with the growing acceptance of vehicles manufactured in India. The share of small car segment reduced from 81% in fiscal 2013 to 60% in fiscal 2018 vis-a-vis overall exports. Consequently, the share of UVs increased from 2% in fiscal 2013 to 22% in fiscal 2018.

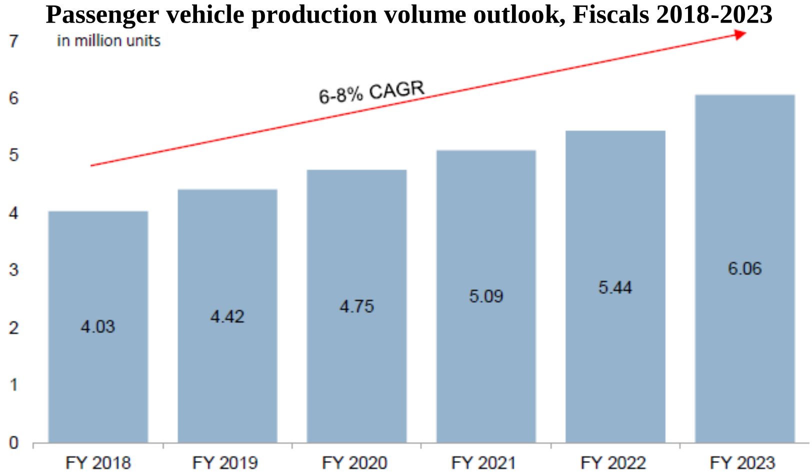
India primarily exports to crude oil, commodity-driven economies in Africa and the Middle East. Rising crude oil prices have boosted these economies, and in turn, India's exports to these countries. However, exports to African countries have suffered following the slump in global commodity and oil prices.

Accordingly, passenger vehicle manufacturers began focusing on other markets such as Latin America. The recent expansion in the Latin American markets by GM, VW and Fiat has provided support growth in demand for exports. Exports to Europe declined after Hyundai began production in Turkey and the Czech Republic. On the contrary, GM started scaling down operations from Thailand, Australia and South Korea (20% of GM's global output) and preparing India as its export hub.

Outlook on the Indian passenger vehicle industry (Fiscals 2018 to 2023)

CRISIL Research estimates overall domestic passenger vehicle production to grow at a robust pace of 6-8% CAGR in the next five years to reach approximately six million units by fiscal 2023.

Passenger vehicle production volume outlook, Fiscals 2018-2023



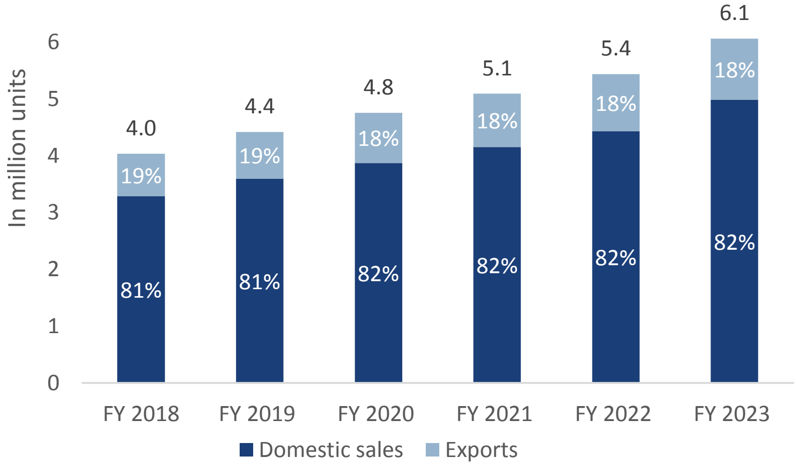
Source: SIAM- Society of Indian Automobile Manufacturers, and CRISIL Research

Passenger vehicle production is expected to increase at a robust pace over the next five years due to a spurt in domestic as well as exports demand. The domestic demand would be driven by expansion in the addressable market, fast-paced infrastructure development and the relatively stable cost of vehicle ownership, as crude oil prices are expected to stabilise at lower levels. The long-term outlook remains positive with regard to exports owing to successful efforts in penetrating newer markets and recovering global demand. The penetration of electric and hybrid vehicles will also be a key consideration. CRISIL Research forecast exports to register a 6-8% CAGR between fiscals 2018 and 2023.

Split by domestic sales and exports

CRISIL Research projects domestic passenger vehicle sales to increase at 8-10% CAGR from fiscal 2018 to fiscal 2023, vis-a-vis 4.3% CAGR from fiscal 2013 to fiscal 2018. This growth would be driven by the improving macroeconomic situation, with GDP estimated to grow at 6-8% during this period, increasing disposable incomes and the relatively stable cost of vehicle ownership owing to stable fuel oil prices. Other factors aiding demand are increased urbanisation, finance commission payouts and the availability of finance. CRISIL Research expects exports to grow by 6-8% CAGR in the long-term as global demand recovers.

Passenger vehicle domestic sales and exports volume outlook – Fiscals 2018-2023

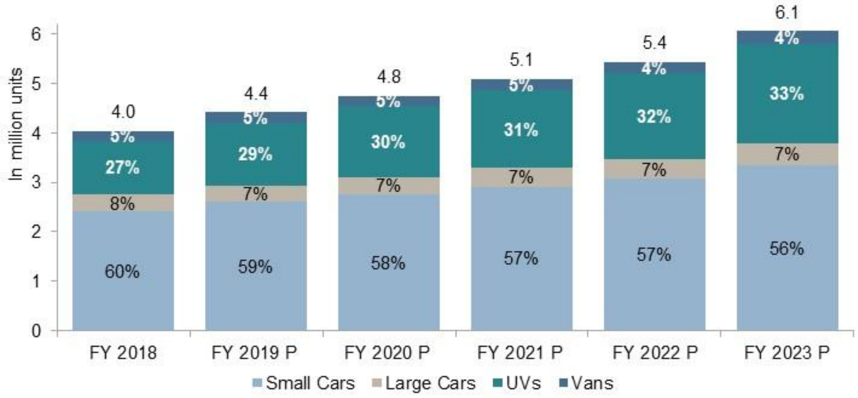


Source: SIAM- Society of Indian Automobile Manufacturers, and CRISIL Research

Split by passenger vehicle segments

According to CRISIL Research, small cars are expected to grow at a slower pace of 4-6% CAGR between fiscals 2018 and 2023 due to a high base, robust domestic market demand and continued traction for popular models such as the Baleno, Dzire, i10 Grand and Tiago. Large cars are also expected to grow at 5-7% due to increasing affordability, demand arising from replacement cycles and customers who wish to upgrade their first purchases. UVs are expected to continue their high growth trajectory and grow at 8-10% between fiscals 2018 and 2023 with competitive pricing, premium features as well as launches of petrol variants. Vans are expected to grow at the rate of 4-6% on account of a growing economy.

Passenger vehicle segment wise split outlook – FY 2018-2023



Source: SIAM- Society of Indian Automobile Manufacturers, and CRISIL Research

Key growth drivers for domestic sales and export

- Likely improvement in macroeconomic factors after a period of subdued growth in fiscal 2018. CRISIL Research expects GDP to grow by 7.5% during the fiscals 2018 to 2023 period. Inflation, on the other hand, is expected to remain subdued at approximately 5%. Further, CRISIL Research expects GDP growth to continue to be consumption-led, given normal monsoon, subdued interest rates and inflation, and implementation of Pay Commission increases by states, which will improve purchasing power.
- Anticipated improvement in rural demand.
- Rise in finance penetration levels in the long term as banks and NBFCs continue to focus on semi-rural and rural areas.
- Rural infrastructure growth that in turn has a pronounced impact on rural incomes.
- Enhanced product offering arising from new models launched by manufacturers and increase in offerings by new entrants such as Kia Motors, PSA and MG Motors.
- Moderate increase in cost of ownership. The cost of ownership is estimated to grow by approximately 3% during the fiscals 2018 to 2023 period. Compliance with safety norms such as mandatory installation of airbags and manual lock in anti-locking systems on new models with effect from July 2019 is expected to increase the cost of ownership in the long term. However, CRISIL Research also expects vehicle efficiency to improve as manufacturers remain in compliance with the corporate average fuel economy (CAFE) norms and stay ahead of already intense competition.

Future growth drivers for the export market

- Capacity expansion by top manufacturers;
- Stable crude oil prices to aid demand from African countries;
- Improvement in Latin American economies; and
- Continued expansion undertaken by manufacturers into newer markets.

Impact of regulatory changes on domestic passenger vehicle sales

In January 2016, the government excluded the BS-V norms and mandated the shift directly to BS-VI norms by April 2020. The stringent BS-VI norms comprise substantial tightening of nitrogen oxides (NOx) and particulate matter (PM). CRISIL Research estimates that implementation of the BS-VI norms would result in a 6-8% increase in the cost of petrol vehicles and 10-12% in the case of their diesel counterparts. This would be in addition to the normal price increases by OEMs, thereby making diesel vehicles unattractive and resulting in a long-term negative outlook for them. However, the overall impact on demand would be neutralised by the shift to petrol vehicles. However, the passenger vehicle segment is not as price-sensitive as other automotive segments such as two-wheelers. Accordingly, CRISIL Research does not anticipate a sizeable impact of the same on demand in fiscals 2021 and 2022.

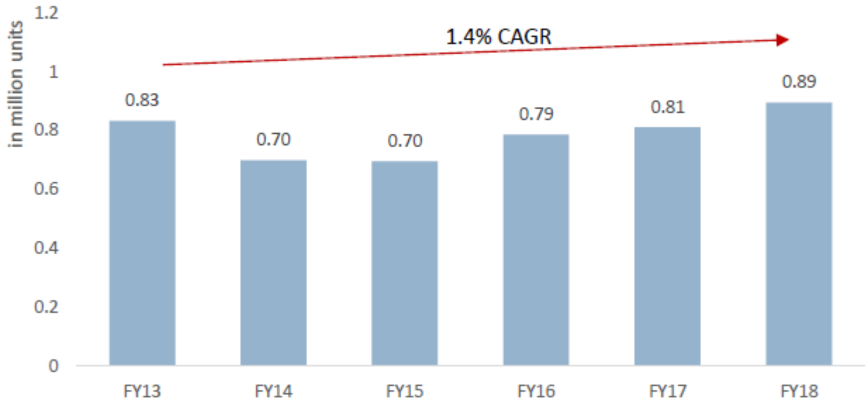
INDIAN COMMERCIAL VEHICLE INDUSTRY

Review of the Indian commercial vehicle industry (Fiscals 2013 to 2018)

Historic production volume development

According to CRISIL Research, the Indian commercial vehicle industry registered a 1.4% CAGR in production between fiscals 2013 and 2018. During this period, domestic sales rose at a similar pace of 1.9% CAGR, whereas exports registered a 5.0% CAGR.

Commercial vehicle production volume development – Fiscals 2013-2018



Source: SIAM- Society of Indian Automobile Manufacturers, and CRISIL Research

Production volume of commercial vehicles in the past has been volatile due to the cumulative effect of domestic factors such as government policies, industrial production, agricultural output, declining share of roads in the goods transportation resulting in a strain on transporters' cost of operations and profitability. This is reflected in the low volumes during economic slowdown in fiscals 2008 to 2009 and fiscals 2013 to 2014 in India. Post fiscals 2013 to 2014, the industry started recovering slowly, in line with economic growth.

Light commercial vehicle sales showed peak volumes in fiscals 2012 to 2013 led by support from financiers. With rising delinquencies, financiers became risk-averse in the later years leading to a decline in light commercial vehicle domestic sales from fiscals 2013 to 2014 and 2015 to 2016.

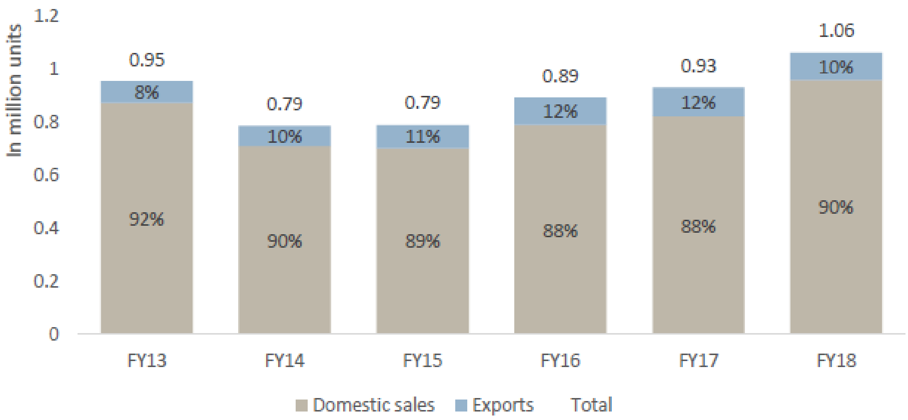
In fiscals 2016 to 2017, commercial vehicle domestic sales increased from April to October, growing at 7% year-on-year. However, demonetisation had a negative impact on industrial output and slowed sales growth. Between November and January, commercial vehicle sales fell by 5% year-on-year. Sales in February and March was aided by advanced purchases, especially for medium and heavy commercial vehicles, as transporters tried to avoid higher prices in new vehicle purchase after enforcement of BS-IV norms.

In fiscals 2017 to 2018, the commercial vehicle recovered and grew by a healthy 20%, resulting in an increase in domestic commercial vehicle production.

Split by domestic sales and exports

The Indian commercial vehicle industry is primarily domestic-driven, with domestic sales accounting for approximately 90% of overall commercial vehicle sales in fiscal 2018. However, over the years, leading manufacturers such as Tata Motors and Ashok Leyland have been expanding their geographical presence in SAARC, primarily Nepal, Bangladesh, and Sri Lanka as well as West Asian and African markets.

Commercial vehicle total industry sales split into domestic sales and exports, Fiscals 2013-2018



Source: SIAM- Society of Indian Automobile Manufacturers, and CRISIL Research

Key regulatory/macroeconomic trends and growth drivers for domestic sales

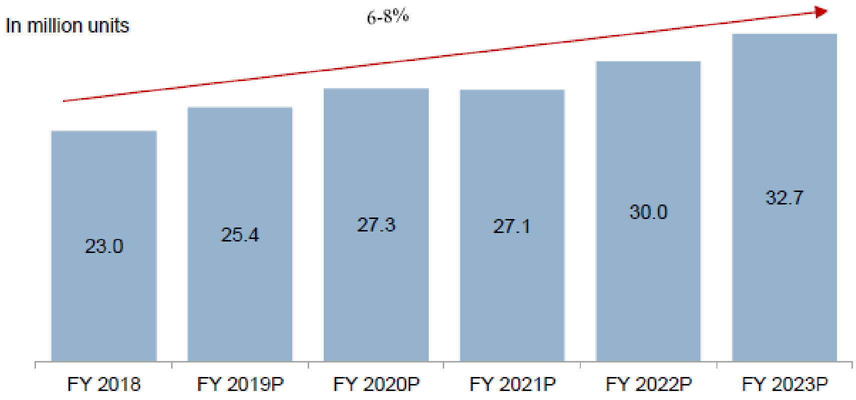
Stricter implementation of overloading ban has precipitated a shift to higher-tonnage vehicles in MHCVs. Tonnage growth in the MHCV segment is likely to be approximately 34% as compared to volume growth of approximately 20% in fiscal 2018.

The shift is primarily driven by three factors. Firstly, cost economics of higher-tonnage vehicles is expected to be more favourable than that of lower-tonnage counterparts. Secondly, stricter implementation of overloading ban would make rated load operations more prominent, creating need for higher payload trucks by transporters. Finally, as logistics hubs become larger, due to consolidation of some state warehouses, following the implementation of GST, average payload size would increase leading to a shift to higher-tonnage trucks.

Outlook on the Indian commercial vehicle industry (Fiscals 2018 to 2023)

CRISIL Research estimates overall domestic commercial vehicle production to grow at a robust pace of 7-9% CAGR in the next five years to reach approximately 1.3 million units by fiscal 2023.

Commercial vehicle production volume outlook, Fiscals 2018-2023

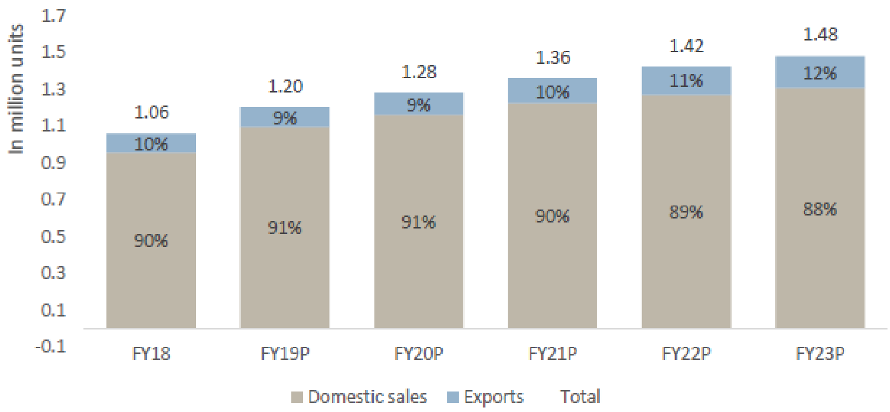


Source: SIAM- Society of Indian Automobile Manufacturers, and CRISIL Research

Split by domestic sales and exports

Domestic sales, which accounted for approximately 90% of total production, are estimated to grow at a 6-7% CAGR from fiscal 2018 to fiscal 2023. Exports are also estimated to grow at fast pace of 10-12% CAGR over the forecast period.

Commercial vehicle domestic sales and exports outlook – Fiscals 2018-2023



Source: SIAM- Society of Indian Automobile Manufacturers, and CRISIL Research

Key growth drivers for the domestic and export commercial vehicle sales

- Healthy industrial growth;
- Focus on infrastructure and higher mining production to support tipper demand;

- Commissioning of dedicated freight corridor to restrict road freight growth and, accordingly, commercial vehicle sales;
- Removal of checkposts and enhanced operations due to better road infrastructure to lower truck demand;
- Stricter implementation of overloading ban which is expected to shift demand to higher tonnage vehicles; and
- Light commercial vehicles to drive sales over the long term.

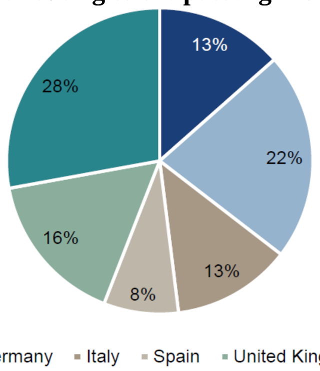
EUROPEAN PASSENGER VEHICLE INDUSTRY

Review of the European passenger vehicle industry (2012 to 2017)

Historic domestic sales development

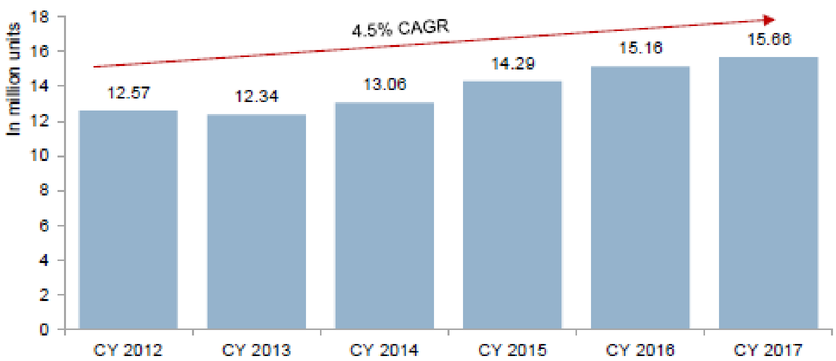
According to CRISIL Research, Germany, Italy, France, Spain and the UK accounted for approximately 72% of sales volume in the European Union and the European Free Trade Association (EFTA) passenger vehicle market in 2017. Domestic sales grew at a 4.5% CAGR in the period between 2012 and 2017 owing to sales growth across all major markets.

Key countries contributing to the passenger vehicle sales in 2017



Source: OICA and CRISIL Research

Passenger vehicle sales development in Europe*, 2012-2017

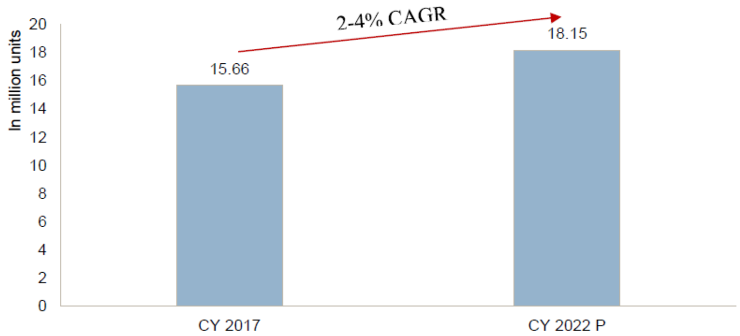


Source: OICA and CRISIL Research
*Note: * includes EU 28 countries and the European Free Trade Association*

Outlook on the European passenger vehicle industry (2017 to 2022)

According to CRISIL Research, the European automobile industry recovering, with growth in European new passenger vehicle sales likely to slow down to 2-4% CAGR in 2017 to 2022.

Passenger vehicle sales outlook for Europe, 2017-2022



Source: OICA and CRISIL Research

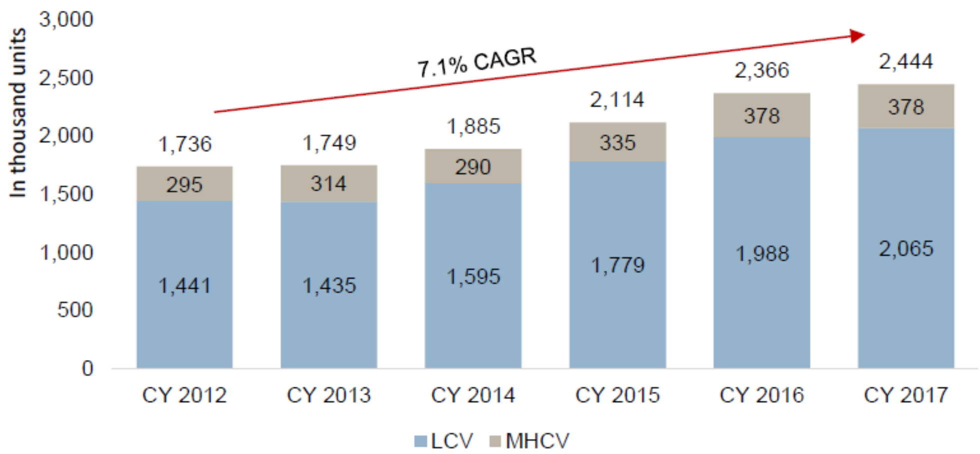
EUROPEAN COMMERCIAL VEHICLE INDUSTRY

Review of the European commercial vehicle industry (2012 to 2017)

Historic domestic sales development

According to CRISIL Research, the commercial vehicle registrations across Europe grew at a 7.1% CAGR between 2012 and 2017, highlighting increased demand. Among the five large economies, Spain saw a rise of 20%, with the UK and Italy witnessing 7.8% and 11% increases, respectively. However, sales growth was moderate in France and Germany, where registrations increased by 2.8% and 3.5%, respectively.

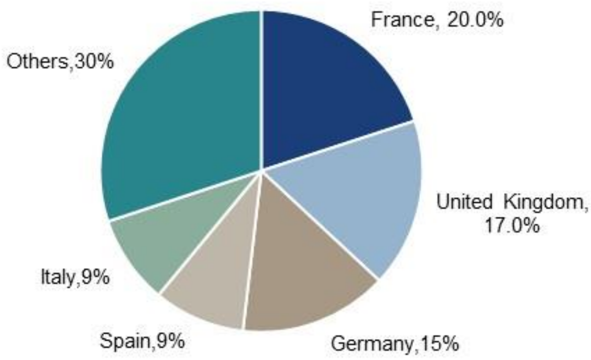
Commercial vehicle domestic sales development in Europe*, 2012-2017



Source: European Automobile Manufacturers' Association, CRISIL Research
*Note: * Includes EU 28 countries and the European Free Trade Association*

According to CRISIL Research, France, UK and Germany accounted for approximately 52% of commercial vehicle sales in Europe in 2017. Germany is home to the major heavy commercial vehicle manufacturers, includes Daimler, MAN and Scania.

Key countries contributing to the commercial vehicle sales in 2017

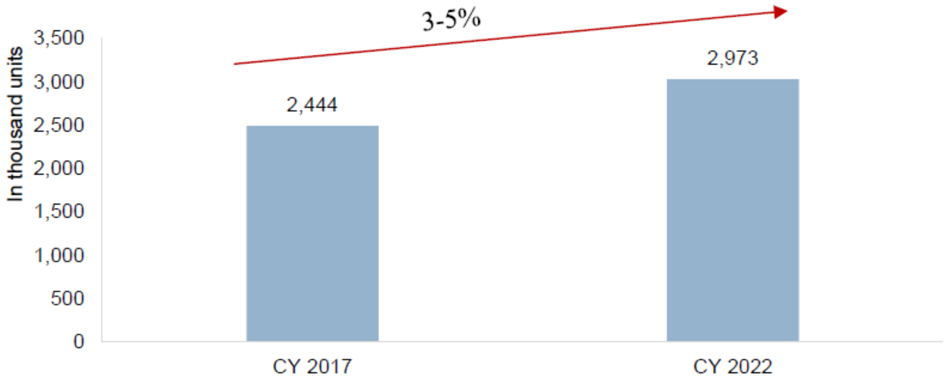


Source: European Automobile Manufacturers' Association and CRISIL Research

Outlook on the European commercial vehicle industry (2017 to 2022)

The economic expansion, which commenced in 2016, is expected to continue during the period between 2017 and 2022. European commercial vehicle domestic sales are expected to grow at 3-5% during 2017-2022.

Commercial vehicle domestic sales outlook for Europe, 2017-2022



Source: European Automobile Manufacturers' Association and CRISIL Research

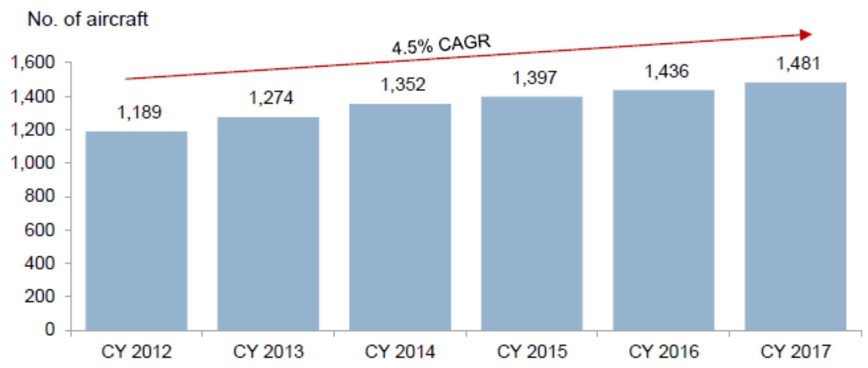
According to CRISIL Research, the European Commission predicted the European Union's GDP growth to be around 2.3% in 2018 and 2.0% in 2019. The European Union's GDP is expected to grow on account of a sustained recovery in domestic demand, supported by strong economic growth in the rest of the world and by a temporary boost from falling commodity prices in fiscal 2015.

AIRCRAFT INDUSTRY

Review of deliveries by Airbus and Boeing (2012 to 2017)

According to CRISIL Research, Boeing delivered more aircraft than Airbus for the sixth consecutive year in 2017. Boeing also received more orders than Airbus during the year although Airbus has a bigger backlog due to its A320neo family. The commercial aerospace sector has been witnessing strong profitability and rising deliveries for seven consecutive years.

Deliveries of commercial aircraft by Airbus and Boeing, 2012-2017

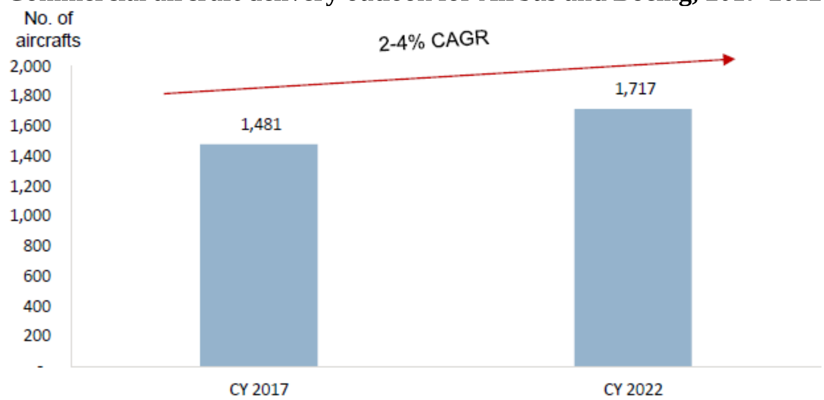


Source: CRISIL Research and Airbus and Boeing publications

Commercial aircraft delivery outlook for Airbus and Boeing (2017 to 2022)

CRISIL Research expects the aircraft industry to grow 2-4% on account of sustained growth in travel demand, better airline capacity utilisation, industry consolidation, recovery of the global economy and improved financial performance of airlines which enhances their ability to purchase new aircraft. While orders for commercial aircraft have been declining steadily since 2014, CRISIL Research expects the current order backlog for Airbus and Boeing to provide support for aircraft deliveries over 2017 to 2022.

Commercial aircraft delivery outlook for Airbus and Boeing, 2017-2022



Source: CRISIL Research and Airbus and Boeing publications

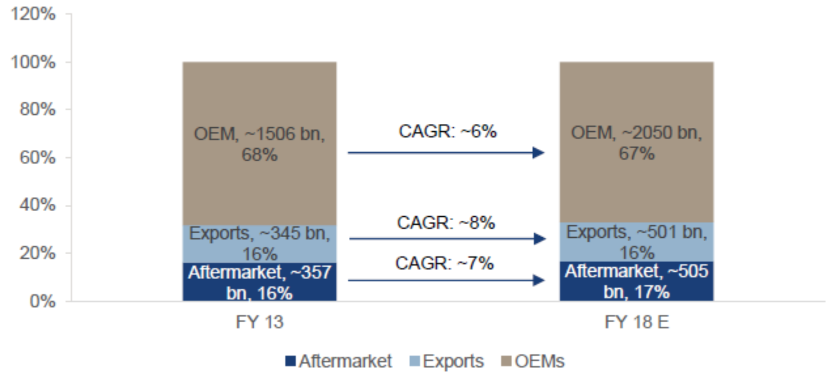
INDIAN AUTOMOTIVE COMPONENT INDUSTRY

Review of Indian automotive component industry in value terms (Fiscals 2013 to 2018)

Automotive component production split by OEM, aftermarket and exports

According to CRISIL Research, the Indian automotive component production (which includes sales to OEM, exports and replacement market) has grown by a CAGR of approximately 7% from ₹2,208 billion to ₹3,057 billion between fiscals 2013 and 2018. Approximately two-thirds of automotive components produced are consumed by OEMs, whereas the remaining one-third is equally shared between aftermarket and exports. The structure of automotive component industry has largely remained unchanged in the last five years.

Automotive component production split by OEM, aftermarket and exports

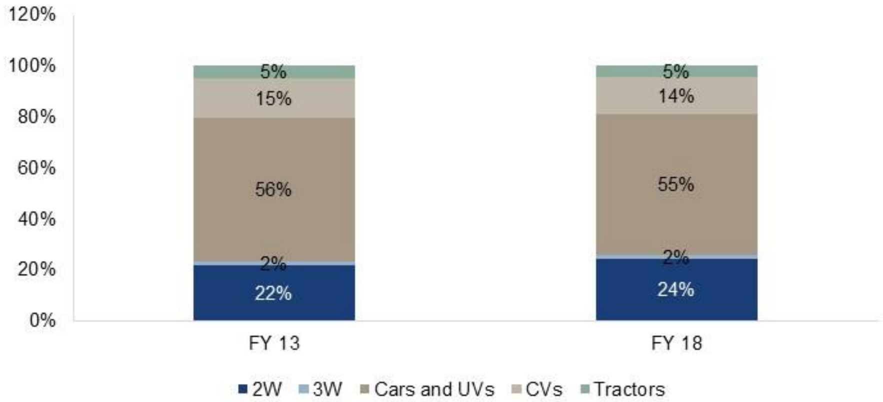


Note: Value in ₹ billion, domestic sales includes sale to OEM and aftermarket
Source: CRISIL Research

OEM automotive component industry split by vehicle categories (Fiscals 2013-2018)

Passenger vehicle OEMs first started outsourcing manufacturing activities. The proportion of manufacturing activity outsourced to automotive component manufacturers is highest for cars and UVs. In contrast, outsourcing to automotive component manufacturers is lowest in the three-wheeler segment, compared with other vehicle segments because of lower volumes.

Vehicle-wise proportion of OEM offtake of automotive components

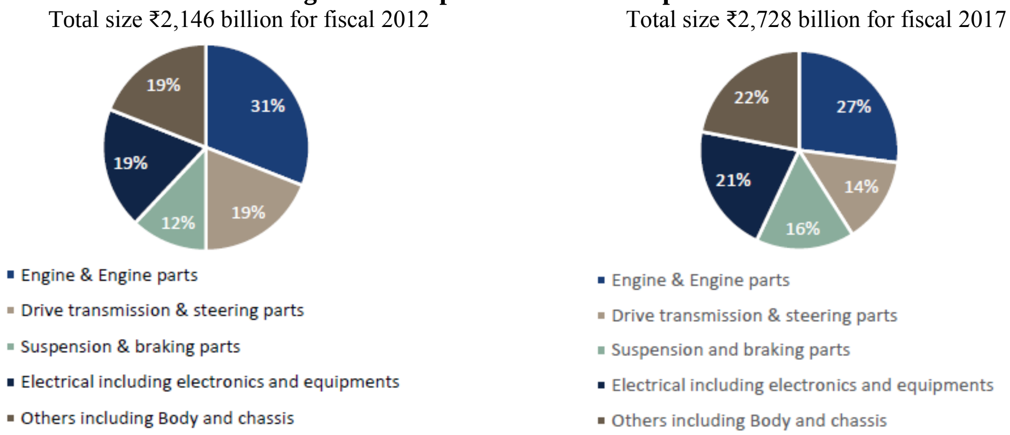


Source: CRISIL Research

Split by major automotive component categories

According to CRISIL Research, the Indian automotive component industry can broadly be classified into organised and unorganised sectors. The organised sector caters more to demand for high-value precision instruments, such as engine parts, and the unorganised sector to the aftermarket with low-valued products, such as switches. Over the years, the industry has developed capability in manufacturing entire range of automotive components required for vehicles. Engine and drive transmission parts together contribute about 50% of the automotive component industry production. Engine parts, which constitute 27% of the total production, mainly comprise pistons, engine valves, carburetors, fuel injection systems, camshafts, connecting rods, crankshafts, rocker arms and cooling systems. Drive transmission parts, which constitute 14% of the total production, include axle assembly, steering parts, clutch assembly and gear shifter forks. According to CRISIL Research, component-wise market shares have remained stable over past few years. Engine components fall into three broad categories, namely core engine components, fuel delivery system, and others. This segment accounts for 27% of the automotive component market (by value).

Segment-wise production break-up



Source: Auto Component Manufacturers Association (ACMA)

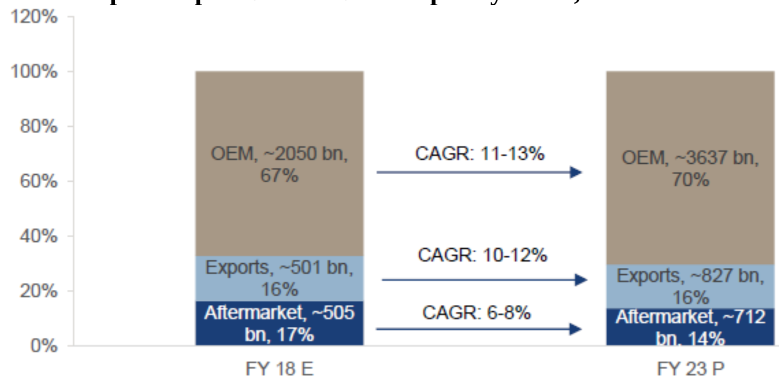
Outlook on the Indian automotive component industry in value terms (Fiscals 2018 to 2023)

Automotive component production split by OEM, aftermarket and exports

CRISIL Research estimates the production of automotive components to grow at a CAGR of 10-12% between fiscals 2018 and 2023 and to reach a production value of ₹5,176 billion by fiscal 2023. The growth in OEM segment is expected to be aided by robust growth across the vehicle segments. The global economy is growing, with economies such as the United States of America and Europe showing strong growth signs, resulting in growth in exports to these geographies. However, automotive components manufacturers have started exporting to other emerging markets such as Southeast Asia, which is expected to lead to a growth in exports to these geographies as well.

Indian and Japanese OEMs have started sourcing automotive components from India for their plants in Thailand and Indonesia, which has supported growth in exports from India to Southeast Asia. CRISIL Research expects this trend to further improve over the medium term. The replacement market is also expected to grow at a steady pace of 6-8% aided by moderate addition of vehicle stock.

Automotive component production outlook split by OEM, aftermarket and exports

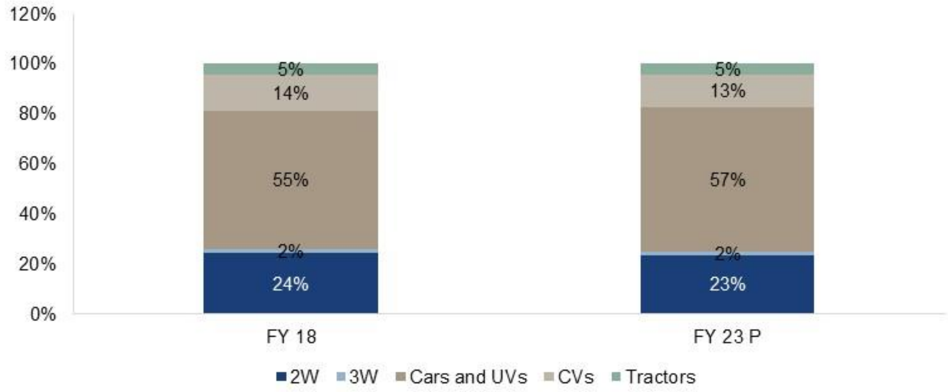


Note: Value in ₹ billion, domestic sales includes sale to OEM and aftermarket
Source: CRISIL Research

OEM automotive component industry split by vehicle categories (Fiscals 2018-2023)

CRISIL Research expects the share within each vehicle segment to remain constant. The government is likely to impose anti-dumping duties on certain components, which would boost the revenue of Indian automotive component manufacturers. Further, volume is expected to increase in future, owing to growing technological spends by automotive component manufacturers. CRISIL Research also expects increased localisation by certain OEMs, thereby supporting growth in domestic OEM offtake.

Vehicle-wise proportion of OEM offtake of automotive components



Source: CRISIL Research

Growth drivers for the Indian automotive component industry

- The Indian automotive industry is characterised by strong competition between increasingly quality-conscious manufacturers. India's large, highly skilled but low-cost manufacturing base makes partnering with overseas players attractive. These strengths, coupled with India's well-established strengths in IT/software, have made India an emerging player in this sector. However, the industry needs to continue to raise its quality standards and develop new products to compete globally.
- Further, as OEMs focus their resources on the final assembly of vehicles, they are increasingly looking to external suppliers for content that they have previously produced in-house. This trend is underpinned by OEMs' growth outside their home markets, consumer expectations with regard to product complexity and feature integration and an increased focus on safety and the environment.
- Many domestic manufacturers have successfully entered into strategic alliances and collaborations. Many world-leading Tier-1 suppliers (i.e. manufacturers directly supplying to the OEMs) have set up manufacturing facilities in India including Bosch, Delphi, Visteon and Denso. Additionally, certain suppliers are capable of meeting global technical and quality standards at the Tier-1 level. Some of India's leading original equipment suppliers (OES) include TACO, Bharat Forge, Sundaram Clayton and Sundaram Brake Linings.
- Frequent introduction of new models by two-wheeler manufacturers also aid the growth of the automotive component industry. As the process of manufacturing and designing changes, component manufacturers are able to demand higher prices.
- Increasing penetration of electronics, new emission norms such as BS VI, improvement in technology (for example, light-weighting of components), initiatives such as "Make in India" and localisation will act as growth drivers for the Indian automotive component industry.
- Export is also expected to register a robust growth since India is being positioned as a low-cost country and automobile OEMs constantly strive to lower their costs. With Indian safety and emission norms reaching global standards and domestic companies gaining technology capabilities through joint ventures, critical component exports are set to grow in the medium term. Additionally, automotive component manufacturers are expected to tap new export markets, given the huge penetration potential of Indian players as compared to other low-cost countries.

Impact of trends on the automotive component industry

- BS-VI emission norms

As per the Auto Fuel Policy 2025, the implementation of BS-IV was envisaged for the entire country by 2017, BS V by 2021 and BS-VI by 2024. However, in January 2016, the central government decided to exclude BS-V norms and shift directly to BS-VI norms by April 2020. The move is expected to NOx emissions by 25% from petrol engine vehicles and by 68% from diesel engine vehicles. Furthermore, PM emission, a major component of outdoor air pollution, is expected to reduce by over 80% from diesel engine vehicles. BS-VI emission norms are separately proposed for passenger vehicles, commercial vehicles and two- and three-wheelers.

Transitioning to BS-VI norms requires significant engine technology changes including improvements in engine combustion and calibration, increased injection and cylinder pressures, NOx and PM after-treatment solutions and transitioning to electronic controls.

- Safety laws

Manufacturers are required to comply with technical standards for vehicle production and performance. Vehicles manufactured in India must comply with relevant Indian standards and automotive industry standards.

- Anti-lock braking system (ABS)

ABS technology is now used by most of the modern motorcycles. Although ABS technology was used for high-performance bikes, ABS and combined braking system (CBS) norms would now be mandatory for newly launched vehicles from fiscal 2019. CBS would be made compulsory by the government for all vehicles below 125 cc and ABS for all vehicles above 125 cc from fiscal 2020.

- Electronic fuel injection (EFI)

This technology is expected to replace carburetor, responsible for sending appropriate amount of fuel into cylinders. EFI systems are incorporated in an electronic control unit (ECU) which also controls the ignition system and may control other functions such as anti-lock brakes, traction control systems and transmission. Many premium motorcycles currently employ EFI and the technology would now be used in normal vehicles to optimise their performance.

- Electric vehicle trend in India

The current penetration of electric vehicle in India is negligible, with less than 1% of annual sales. CRISIL Research expects electric vehicle adoption in three wheeler and public transport buses to increase over the next five years largely driven by government subsidies and a focus on the FAME (Faster Adoption and Manufacturing of Hybrid & Electric Vehicles)-II scheme which promotes eco-friendly vehicles including hybrid and electric vehicles. Whereas for personal mobility segment (two-wheelers and passenger vehicles), CRISIL Research does not expect the electric vehicle penetration to pick up significantly over next five years on account of lack of clarity on technology, charging infrastructure and higher cost of ownership. CRISIL Research expects two-wheeler electric vehicle penetration in scooters to pick up first due to lesser model launches in motorcycle segment.

- Emission regulations

The regulatory costs of BS-VI regulations will increase prices of conventional vehicles (two-wheelers, three-wheelers, diesel four-wheelers). CAFE norms which are set for implementation in fiscal 2023 require vehicles sold by manufacturers to have an average fuel efficiency of 21kmpl or 113.1 gm/km. Further tightening of regulations such as the EU target of 95 gm/km coming into effect in 2020 will be challenging to achieve with conventional (ICE) engines alone. According to CRISIL Research, there is tremendous pressure on vehicle manufacturers to launch more energy efficient vehicles and migrate to hybrid vehicles in the near term and electric vehicles in future.

MARKET SIZING AND OUTLOOK OF KEY AUTOMOTIVE COMPONENT SEGMENTS

Automotive components such as connecting rods, crankshafts, rocker arms and gear shifter forks are manufactured using complex engineering processes. These components are critical and complex, and require high level of precision and quality adherence. Accordingly, there is high level of co-ordination between component manufacturers and OEMs throughout the product cycle from designing, testing, validation and final delivery stage. This segment is capital and technology intensive in nature and delivering these components with exact specifications is very critical. The machines required to manufacture these components are very costly and generally imported by the manufacturers. Therefore, a manufacturer with the ability to manufacture these machines in-house has a competitive edge over others.

Special purpose machines ("**SPMs**") are customised machines deployed to automate industrial processes to ensure high productivity, consistent quality and interchangeability of parts by repeatedly carrying out the designed process. SPMs, designed to operate continuously with minimum supervision, are mostly product-specific and need to be designed and developed for each individual requirement. Capability to produce SPMs requires strong design expertise, industry knowledge and technical know-how. While there are multiple manufacturers of less complex SPMs, machines requiring high precision and design standards are produced by relatively few manufacturers in India

In the past, OEMs used to outsource forging operations for certain components whereas machining operations were being performed in-house. However, OEMs have now gradually started outsourcing entire forging and machining operations of these components.

Over the years, the use of aluminium forged and casted engine and transmission components has been increasing consistently, especially in two-wheelers and passenger vehicles. The use of aluminium in passenger cars in place of heavier metals has increased at 3-4% CAGR over last five years, reducing the overall weight of a vehicle. Realisation from aluminium forged and casted components is also higher than from ferrous castings, given the difference in the quality of inputs used and the level of value addition. Stringent emission norms on account of BS-VI implementation in April 2020 and CAFE standards have been pushing OEMs to design vehicles that are lighter in weight. Therefore, the automotive component industry is consistently shifting towards aluminium based components which allows OEMs to not only achieve light-weighting of vehicles but also better fuel efficiency and increased emission compliance.

Connecting rods

A connecting rod is an important component of an internal combustion engine, used in converting the reciprocating motion of a piston into the rotary motion of a crankshaft, and vice versa. The rod connects the piston to a crank or crankshaft, with the smaller end connected to the piston and the bigger end to the crankshaft.

There are various types of connecting rods, such as integral, split and fractured-split. The integral type of a connecting rod finds its application mainly in one-cylinder engines used in two-wheelers, where the rod and the cap of the connecting rod cannot be separated. However, the higher-cc (generally more than 300 cc) engines use a fractured-split connecting rod. A majority of passenger vehicles use the fractured-split connecting rod. The connecting rod needed in an engine is directly proportional to the number of cylinders in an engine. Therefore, two-wheelers, which are generally used with single-cylinder engines, will have one connecting rod, whereas passenger vehicles, which are generally used with four-cylinder engine, will have four connecting rods.

Connecting rods for two-wheelers and passenger vehicles are typically manufactured using forging and machining processes. The raw material used in manufacturing can vary depending on the weight and tensile strength requirement. Since the connecting rod is a moving part in an engine and is subject to wear and tear, the tensile strength of the connecting rod is a key parameter for consideration in the designing process. The implementation of higher-emission norms has resulted in a need for light-weighting of vehicles.

In particular, light-weighting of engines is achieved through the downsizing of parts and use of lightweight materials. To achieve weight reduction, connecting rods are being increasingly manufactured using micro-alloy steel (an alloy of steel with vanadium, boron or titanium). The weight of a two-wheeler's connecting rod is typically in the range of 200-350 gm, whereas that of passenger vehicles is in the range of 400-600 gm.

Two-wheeler and passenger vehicle connecting rod market in India

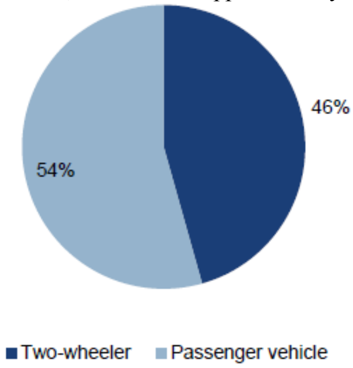
CRISIL Research estimates the size of the two-wheeler and passenger vehicle connecting rod market (catering to OEM demand) at ₹8.7 to ₹9.7 billion in fiscal 2018. The average realisation for a two-wheeler connecting rod ranges from about ₹100 to ₹250, depending on the engine size and material specification across motorcycles, scooters and mopeds. For passenger vehicle connecting rods, the average realisation ranges from ₹200 to ₹900.

In two-wheeler segment, few OEMs also source assembly of crankshaft and connecting rod along with bought out components such as crank pin, sprocket and bearings. Realisation from such an assembled part is typically 35-40% higher than crankshaft and connecting rods procured as standalone components. As a result, the market for two-wheeler crankshaft and connecting rod assembly will be 35-40% higher than standalone markets for two-wheeler crankshafts and connecting rods. In passenger vehicles, few OEMs procure connecting rods with bought out components such as bolts and bushes which results in 10-15% higher realisation for connecting rods with bought out components vis-a-vis standalone connecting rods.

The passenger vehicle segment contributes to a higher share in the connecting rod market, due to the higher per-unit cost and higher usage intensity per vehicle varying across micro-to-premium passenger vehicle segments.

Connecting rod market split by vehicle category in value terms, Fiscal 2018

Total market size, Fiscal 2018: approximately ₹9.2 billion



Source: CRISIL Research

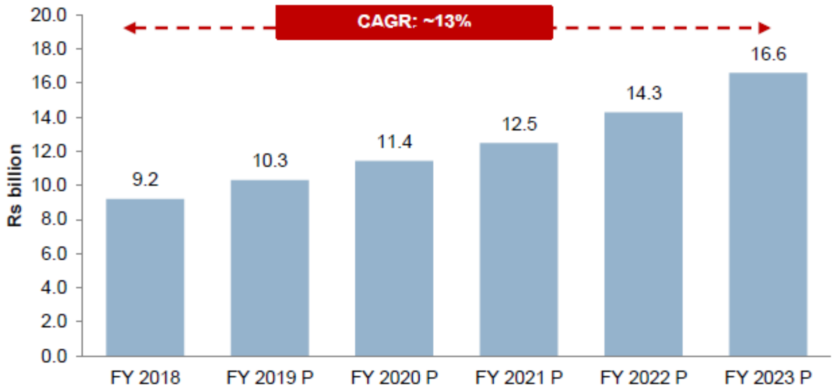
Key players

According to CRISIL Research, we are among the leading two-wheeler and passenger vehicle connecting rod manufacturers in India (i.e. among the top two in the former category (i.e. two-wheeler) and among the top three in the latter category (i.e. passenger vehicle)). Other key players in the two-wheeler connecting rod market in India include Amtek Auto, FIE group and Kalyani group. For the passenger vehicle connecting rod market in India, the key manufacturers include Amtek Auto, Kalyani group, Magal Tech, Amul Industries, Bajaj Motors and Kalyani Forge.

Outlook of the two-wheeler and passenger vehicle connecting rod market

CRISIL Research estimates the size of the two-wheeler and passenger vehicle connecting rod market to grow at a 12-14% CAGR to ₹16.1 to 17.8 billion between fiscals 2018 and 2023. Engine downsizing, which is one of the means to meet emission norms, is not expected to result in significant weight reduction for connecting rods. However, in terms of raw material, the industry is expected to increasingly shift to steel alloys of precious metals, such as boron, vanadium and titanium, to impart higher fatigue strength and lower inertia.

Two-wheeler and passenger vehicle connecting rod market outlook, Fiscals 2018-2023 (in ₹ billion)



Source: CRISIL Research

Crankshaft

Crankshaft is one of the critical parts in the engine assembly which is connected to the pistons on one side and flywheel on the other. It converts reciprocating motion of the pistons into rotational motion for the flywheel.

Flywheel is in turn connected to the axles to put the vehicle in motion. The crankshaft is also connected to the timing belt which synchronises the movement of the camshaft. Camshaft helps the valves open and close.

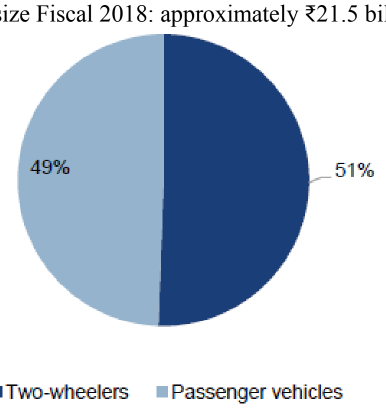
Crankshafts are available in two configurations: integral (single piece) and built-up. Integral crankshafts find their application mainly in passenger vehicles whereas built-up crankshafts are primarily used in single cylinder engines of two-wheelers with less than 300 cc capacity. Two-wheelers with engines higher than 300 cc engines typically use integral crankshafts. Every two-wheeler and passenger vehicle has one crankshaft. Raw material is carefully selected so that the crankshaft has specific properties such as higher tensile strength, more fatigue life and higher corrosion resistive property.

Two-wheeler and passenger vehicle crankshaft market in India

CRISIL Research estimates the size of the two-wheeler and passenger vehicle crankshaft market in India catering to OEMs at ₹20.4 to 22.6 billion in fiscal 2018. The average realisation from a two-wheeler crankshaft approximately ranges from ₹200 to ₹600, varying across motorcycles, scooters and mopeds in the two-wheeler segment. In a passenger vehicle segment, the average realisation ranges from ₹1,500 to ₹9,000. The cost of a crankshaft depends on its complexity and design, raw material and processes used and finish quality. The average realisation from integral crankshafts is typically 25-30% higher than that from built-up crankshafts for an engine of equivalent size. In the two-wheeler segment, few OEMs also source assembly of crankshaft and connecting rod along with bought out components such as crank pins, sprockets and bearings. Realisation from such an assembled part is typically 35-40% higher than crankshaft and connecting rods procured as standalone components. As a result, the market for two-wheeler crankshaft and connecting rod assembly will also be 35-40% higher than standalone markets for two-wheeler crankshafts and connecting rods.

Crankshaft market split by vehicle category in value terms, Fiscal 2018

Market size Fiscal 2018: approximately ₹21.5 billion



Source: CRISIL Research

Key players

According to CRISIL Research, we are among the leading manufacturers of two-wheeler crankshafts in India. Other key players in the two-wheeler crankshaft market in India include Amtek Auto, Kalyani Forge and Kalyani group. Amtek Auto, Bajaj Motors, Kalyani group and Mahindra CIE are key manufacturers of passenger vehicle crankshafts in India.

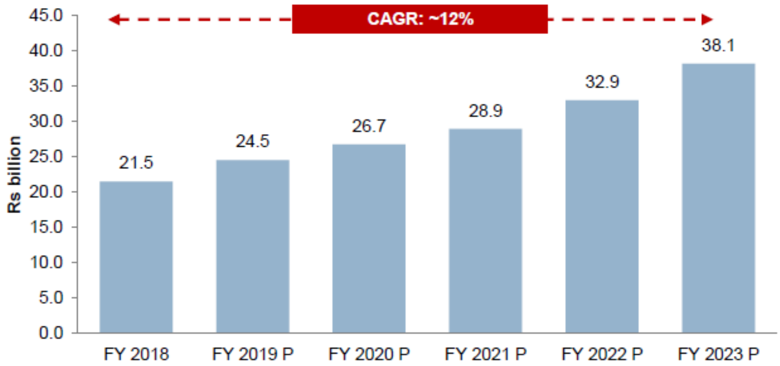
For two-wheelers, manufacturers typically provide finished forged and machined crankshafts, whereas a majority of passenger-vehicle makers provide forged and semi-finished crankshafts. Final finishing is undertaken by passenger vehicle manufacturers.

Outlook of the two-wheeler and passenger vehicle crankshaft market

CRISIL Research estimates the two-wheeler and passenger vehicle crankshaft market to register a 11-13% CAGR to ₹36.2 to 40.0 billion by fiscal 2023. Going forward, engine downsizing, which is one of the means to meet emission norms, is expected to result in reduction in the weight of crankshafts. For this shift, the industry is expected to use different combinations of metal (such as aluminum) to reduce the weight of the crankshaft. Engine downsizing over the past four to five years has resulted in a 20-25% reduction in the weight of passenger vehicle crankshafts.

Additionally, passenger vehicle OEMs are expected to source fully finished crankshafts in future, resulting in an increase in value add for crankshaft manufacturers.

Two-wheeler and passenger vehicle crankshaft market outlook, Fiscals 2018-2023 (in ₹ billion)



Source: CRISIL Research

Rocker arms

Rocker arm is an important part of the valve train in fuel injection system providing not only the means of actuating the valves through a fulcrum utilising the lifter and the push rod, but also provide a means of multiplying the lift ratio.

Rocker arms are available in various designs. The first design is such that one rocker arm is needed for one valve, and the second is where one rocker arm is needed for two valves. The first design is most commonly used in two-wheelers and passenger vehicles. For two-wheelers, the intensity of the rocker arm is two per vehicle in case of a single cylinder engine with one inlet and one outlet valve. For passenger vehicles with generally four cylinder engines with two inlet and outlet valve each for one cylinder, 16 rocker arms are used.

Rocker arm for two-wheelers and passenger vehicles is mainly manufactured using forging process followed by machining. Machining is generally performed by the OEM. Raw material used to manufacture rocker arms for two-wheeler and passenger vehicle is generally alloy steel. A rocker arm is in continuous contact with the valve, which produces a lot of friction. Therefore, the raw material used is carefully selected so that the noise produced by the engine is reduced, weight of the rocker arm is less (lighter weight helps in reducing friction and provides higher rotations per minute (RPM)) and has higher strength for higher efficiency in operations. The average weight of a rocker arm is 100 to 200 g for two-wheeler and passenger vehicles.

According to CRISIL Research, the automotive industry has shifted from rocker arms to hydraulic lash adjusters ("**HLAs**") and thimble tappets, particularly in the passenger vehicles segment, over the past 5-10 years. The use of rocker arms leads to noisy operations and increased wear and tear due to the continuous rattle, requiring regular adjustment in order to maintain a small clearance between the valve and its rocker arm. HLAs or thimble tappets are quieter in operations as compared to rocker arm and do not need periodic adjustment to maintain valve clearance. This shifted trend lead the market share of rocker arms in the passenger vehicles segment stood at ~10% and the remaining is split between HLAs and thimble tappets.

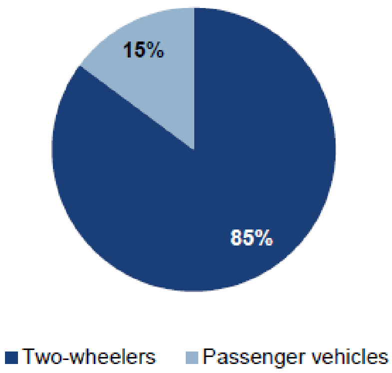
Over the past five to 10 years, the industry has shifted from rocker arms to hydraulic lash adjusters (HLAs) and thimble tappets, particularly in the passenger vehicles segment. The use of rocker arms leads to noisy operations and increased wear and tear due to the continuous rattle, requiring regular adjustment in order to maintain a small clearance between the valve and its rocker arm. HLAs or thimble tappets produce less noise as compared to rocker arm and do not need periodic adjustment to maintain valve clearance. The penetration of rocker arms in the passenger vehicles segment is currently at approximately 10%, with the remainder split between HLA and thimble tappets.

Two-wheeler and passenger vehicle rocker arm market in India

CRISIL Research estimates the two-wheeler and passenger vehicle rocker arms market catering to OEM demand at ₹4.0 to ₹4.4 billion in fiscal 2018. In the two-wheeler segment, the realisation for a pair of rocker arms ranges from ₹135 to ₹160, varying across motorcycles, scooters and mopeds. For higher performing motorcycles, diamond coated rocker arms are used, the average realisation for such rocker arms being 2 to 2.5 times higher than a basic rocker arm. Realisation for a pair of rocker with bought out components such as screws, nuts and bearings is 30 to 35% higher than standalone rocker arms. In the passenger vehicle segment, the realisation range varies between ₹120 to ₹300. The cost of a rocker arm depends on its design, raw material and the processes used. Due to their higher volume, two-wheelers account for a higher share of the rocker arm industry, as compared to passenger vehicles.

Rocker arms market split by vehicle category in value terms, Fiscal 2018

Total market size, Fiscal 2018: approximately ₹4.2 billion



Source: CRISIL Research

Key players

According to CRISIL Research, we are among the leading two-wheeler and passenger vehicle rocker arm manufacturers in India (i.e. among the top two in the former category (i.e. two-wheeler) and the largest in the latter category (i.e. passenger vehicle)). Other key players in the two-wheeler rocker arm segment in India include Bajaj Motors and FIE group. For passenger vehicle rocker arms, other key manufacturers include Bajaj Motors and Micro Turner.

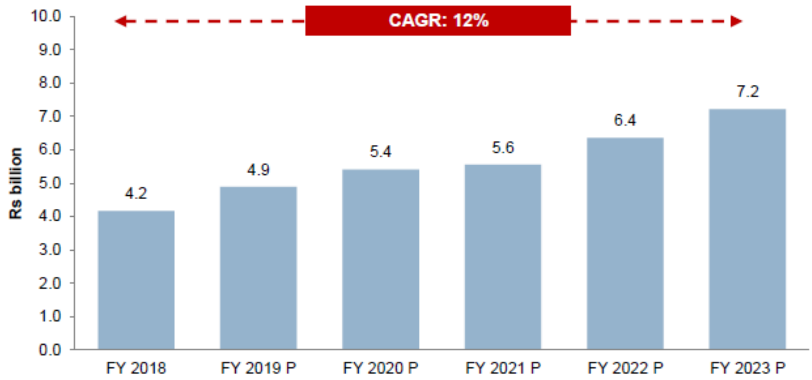
Outlook of the two-wheeler and passenger vehicle rocker arm market

CRISIL Research estimates the two-wheeler and passenger vehicle rocker arm market to register a 11-13% CAGR to ₹6.9-7.6 billion by fiscal 2023.

Engine downsizing measures to meet BS-VI norms is expected to result in reduction in the use of rocker arms, especially in passenger vehicles. In engines with overhead camshafts, the valve operation is increasingly managed with cam lobes in place of rocker arms. Accordingly, the penetration of rocker arms is expected to decrease further from approximately 10% in fiscal 2018 to 4-6% by fiscal 2023.

However, no such change is expected in the two-wheeler segment in the medium term. A diamond like coated (DLC) rocker arm is expected to gain prominence as it is lighter weight and creates less noise as compared to a rocker arm without diamond like coating. Although it is currently available only in high-end motorcycles due to its higher cost, moving forward, the cost of DLC coated rocker arms is expected to reduce due to economies of scale.

Two-wheeler and passenger vehicle rocker arms market outlook, Fiscals 2018-2023 (in ₹ billion)



Source: CRISIL Research

Gear shift forks

A gear shift fork is used to slide gears into or out of engagement with other gears to change from one gear ratio to another in a manual transmission. Only vehicles with manual transmission (including automated manual transmission) have gear shift forks. Other technologies, such as continuously variable transmission ("**CVT**"), do not have a gear shift fork.

Most scooters come with CVT for two-wheelers. However, the penetration of CVT is very low in passenger vehicles (up to 1%), mainly due to higher cost of CVT vehicles compared to manual transmission vehicles.

The usage intensity of gear shift forks depends on the number of gears in a vehicle. Most passenger vehicles have five forward and one reverse gears, requiring four gear shift forks. In the case of two-wheeler motorcycles, two gear shift forks are required, as a typical motorcycle has four forward gears. In the case of higher engine capacity motorcycles, generally three gear shift forks (five forward gears) are required.

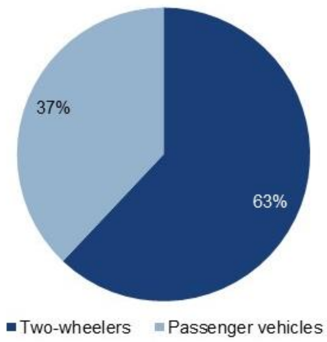
Gear shift forks for passenger vehicles are typically manufactured using processes such as aluminium die casting, forging, stamping and fine-blanking. The raw material used is generally alloy steel or spheroidal graphite (SG) iron. Two-wheeler gear shift forks are manufactured using forgings and investment casting processes. Forged gear shift forks have higher durability compared to investment casted gear shift forks. The raw material and process are selected based on the gear shift fork's specific properties, such as higher strength and stiffness.

Two-wheeler and passenger vehicle gear shifter fork market in India

CRISIL Research estimates the two-wheeler and passenger vehicle gear shift fork market catering to OEM demand at ₹3.3 to ₹3.6 billion in fiscal 2018. The average realisation from a two-wheeler gear shift fork ranges from ₹40 to ₹100, varying across motorcycles, scooters and mopeds. In the passenger vehicle segment, it ranges from ₹70 to ₹120 per gear shifter fork.

Gear shift forks market split by vehicle category in value terms, Fiscal 2018

Total market size, Fiscal 2018: approximately ₹3.4 billion



Source: CRISIL Research

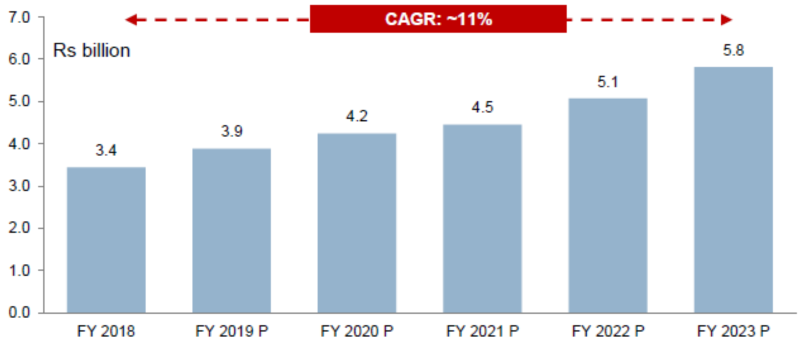
Key players

According to CRISIL Research, we are among the leading two-wheeler (i.e. among the top three) and passenger vehicle gear shift fork manufacturers in India. Other key players in the two-wheeler gear shift fork segment in India include Bajaj Motors and FIE group. For passenger vehicle gear shift forks, other key manufacturers include Bajaj Motors, Kalyani group and RICO Auto.

Outlook of the two-wheeler and passenger vehicle gear shift fork market

CRISIL estimates the size of the two-wheeler and passenger vehicle gear shift fork market to grow at a 10-12% CAGR to approximately ₹5.5 to ₹6.1 billion by fiscal 2023. CRISIL Research expects the penetration of CVT in passenger vehicles to remain less than 5% by fiscal 2023. As a result, the impact of a change in transmission technology on gear shifter forks is projected to be limited by fiscal 2023.

Two-wheeler and passenger vehicle gear shift forks market outlook, Fiscals 2018-2023 (in ₹ billion)



Source: CRISIL Research

Stem comp for two-wheelers

Stem comp is the intermediate part of the front-fork assembly in a two-wheeler, connecting with the handle bar at the top of the assembly and with suspension guides in the lower part of the assembly. It is usually made up of two parts, namely a bracket and a stem, which are welded together.

Stem comp has different terminologies for different OEMs. It is also known as lower triple clamp bracket with steering stem, end-bracket assembly or crown plate bottom assembly.

A stem comp is predominantly used in motorcycles and mopeds, and has a good adoption rate in scooters. Some benefits of stem comp over a fork-type component are:

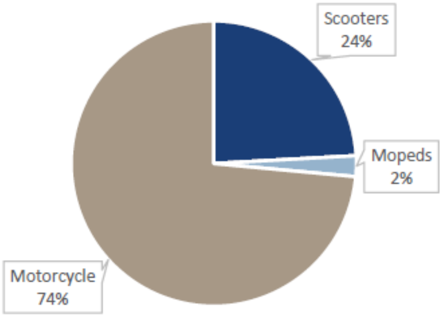
- Easy replacement compared to a fork;
- Enables more suspension travel and increased safety on bumpy roads;
- Can be repaired easily due to its shorter length; and
- Less expensive than a fork.

Two-wheeler stem comp market in India

CRISIL Research estimates the size of the two-wheeler stem comp market catering to OEMs' demand at ₹7.7 to ₹8.5 billion in fiscal 2018. The average realisation from a two-wheeler stem comp ranges from about ₹200 to ₹900, depending on the terrain suitability and material specification across motorcycles, scooters and mopeds.

Some vendors also supply stem comps with a complete front-suspension assembly, thus earning higher realisation from the product line (realisation in this model ranges from ₹1,300 to ₹5,000 since the front-suspension assembly is added to the overall assembly). Realisation from stem comps with a front-suspension assembly is almost 10 times higher than standalone stem comps, and can be a future business model of moving up in the value chain.

Two-wheeler stem comp market segmental revenue, Fiscal 2018



Source: CRISIL Research

Key players

The key suppliers for the two-wheeler stem comps in India include Endurance Technologies, Modern Automotives and Bajaj Sons Ltd.

Outlook of the two-wheeler stem comp market

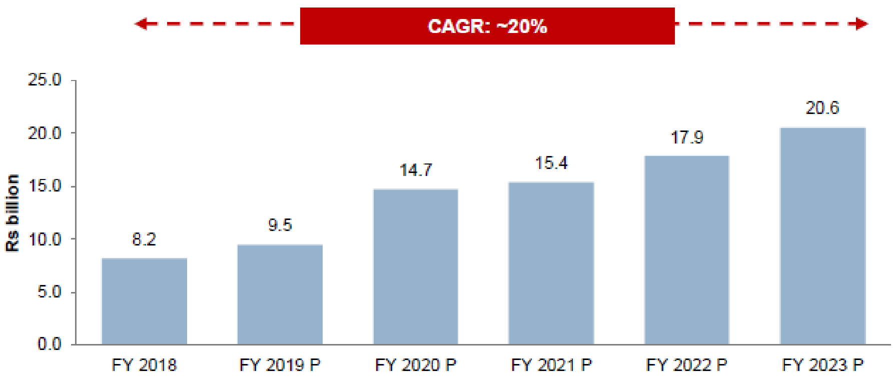
CRISIL Research estimates the two-wheeler stem comp market to grow at a 19-20% CAGR to ₹19.5 to ₹21.5 billion by fiscal 2023. Economies of scale are expected to drive demand for this component in India since most models operate on the stem comp design.

Based on the total revenue from stem comps, the share from the scooter segment share is expected to increase from 24% in fiscal 2018 to 49% in fiscal 2023. The major reason for this growth can be attributed to:

- 1.5 times in realisation, compared to the premium motorcycle segment;
- 33% CAGR (between fiscals 2018 and 2023) in scooter production; and
- Fork-type models being converted into stem comp models.

The motorcycle stem comp segment is expected to see a higher CAGR (between fiscals 2018 and 2023) of approximately 13% in the executive-and-premium segment, which production CAGR is expected to be higher than that of the motorcycle segment at 11%.

Two-wheeler stem comp market outlook, Fiscals 2018-2023 (in ₹ billion)



Source: CRISIL Research

OUR BUSINESS

Some of the information in the following discussion, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read "Forward Looking Statements" on page 16 for a discussion of the risks and uncertainties related to those statements and also "Risk Factors" on page 17. Our actual results may differ materially from those expressed in or implied by these forward-looking statements. Our fiscal ends on March 31 of each year, and references to a particular fiscal are to the twelve months ended March 31 of that year.

Unless otherwise indicated or context requires otherwise, the financial information included herein is based on our Restated Consolidated Financial Statements for fiscals 2014, 2015, 2016, 2017 and 2018 included in this Draft Red Herring Prospectus. For further information, see "Financial Statements" on page 218. Wherever any financial information is presented from our Restated Standalone Financial Statements, it has been specifically mentioned.

Until June 30, 2017, our revenues were presented including applicable excise duty. Following the implementation of GST with effect from July 1, 2017, our revenues are presented net of GST. We therefore present the numbers without excise duties for comparison purposes.

We define Sale Of Products (Net Of Excise Duties), Revenue From Operations (Net Of Excise Duties) and Total Income (Net Of Excise Duties) as, sale of products, revenue from operations and total income reduced by excise duty in each case. Prospective investors should note that these figures are not required by, nor presented in accordance with, Ind AS or Indian GAAP.

*Unless otherwise indicated, industry and market data used in this section has been derived from industry publications and other publicly available information, including, in particular, the report "Assessment of market potential for precision forged and machined components" dated May 2018 (the "**CRISIL Report**") prepared and issued by CRISIL Research commissioned by us. Unless otherwise indicated, all financial, operational, industry and other related information derived from the CRISIL Report and included herein with respect to any particular year refers to such information for the relevant calendar year.*

Overview

We are an engineering-led integrated manufacturer of complex and high-quality precision components for the automotive and aerospace sectors, primarily supplying to original equipment manufacturers ("**OEMs**") in India and internationally. We manufacture and supply a wide range of precision forged and machined components that are critical for engine, transmission and other systems for the two-wheeler, passenger vehicle and light and heavy commercial vehicle verticals in the automotive sector. We also supply our components to the aerospace sector and for off-road vehicles as well as for other segments including tractors, generator sets, stationary engines and other non-automotive applications.

We are a leading supplier to the two-wheeler and passenger vehicle verticals in India. Specifically, we are one of the leading Indian manufacturers of (i) connecting rods, crankshafts, rocker arms and gear shifter forks for two-wheelers and (ii) connecting rods, rocker arms and gear shifter forks for passenger vehicles (*Source: CRISIL Report*). We are among the top two and top three manufacturers of two-wheeler and passenger vehicle connecting rods in India, respectively; among the top two manufacturers and the largest manufacturer of two-wheeler and passenger vehicle rocker arms in India, respectively; and among the top three manufacturers of two-wheeler gear shifter forks in India (*Source: CRISIL Report*). We supply most of our products directly to OEMs and in forged and machined condition, resulting in higher value addition by us.

We have longstanding relationships with several well-known Indian and global OEMs. Specifically, (i) in the two-wheeler vertical we have relationships of over 20 years with Bajaj, over 20 years with Yamaha and over 15 years with HMSI, the fourth, fifth and second largest two-wheeler Indian OEMs in terms of domestic production volume for fiscal 2018, respectively (*Source: CRISIL Report*); and (ii) in the passenger vehicle vertical we have relationships of over 30 years with Maruti Suzuki, the leading Indian passenger vehicle OEM in terms of domestic production volume for fiscal 2018 (*Source: CRISIL Report*), and over eight years with FCA, a leading European passenger vehicle OEM. We have regularly been recognised by our customers for the quality of our products and we are the single source supplier in certain product categories for some of our key customers. We added 21 new customers (including customers in the aerospace sector) between fiscals 2014 and 2018. Bajaj, our largest customer, contributed 21.13% and 25.05% of our consolidated and standalone revenues from the Sale Of Products (Net Of Excise Duties), respectively, in fiscal 2018.

As of May 31, 2018, we had 15 manufacturing facilities in close proximity to the production facilities of certain of our OEM customers, enabling faster supply times. 14 of these facilities are situated in India at various locations, namely, Bengaluru, Manesar, Pune, Pantnagar and Tumkur, and one facility is situated at Trollhattan, Sweden, in Europe. Our largest greenfield facility in Bidadi, Karnataka has recently commenced commercial production.

Our manufacturing operations are (i) integrated across the product cycle with the entire manufacturing process (encompassing forging, heat treatment and machining) being carried out in-house and (ii) coordinated through concurrent design and engineering, machine building and automation. This enables us to streamline our production processes, achieve shorter product development and delivery times, exercise greater control over key inputs and processes, reduce inventories and manage capital expenditure.

As of May 31, 2018, a team of over 150 personnel supported our Company's design, engineering, machine building and automation functions. Our Company's design and engineering capabilities comprise product, process, machine, tool and fixture design as well as advanced engineering. Our Company has a facility in Bengaluru dedicated to machine building and machine design which employed 45 personnel as of May 31, 2018 and manufactured an average of approximately eight machines per month during fiscal 2018. As of May 31, 2018 we had built over 700 computer numerical control ("**CNC**") special purpose machines ("**SPMs**") which are deployed across our manufacturing facilities. Our Company's automation division included a team of 16 personnel as of May 31, 2018 who work concurrently with machine and fixture design and have implemented multiple automation projects intended to increase our productivity and control labour costs.

We were incorporated on December 15, 1981 with our Registered Office and Corporate Office located in Bengaluru. We are promoted by S. Sekhar Vasan, F.R. Singhvi, Unni Rajagopal K and D. Devaraj. We commenced commercial production of passenger vehicle components in 1986 for Maruti Suzuki (formerly known as Maruti Udyog Limited). We then grew our precision components manufacturing business organically in India by commencing supplies to the two-wheeler vertical in 1996, for off road vehicles in 2009 and to the light commercial vehicle vertical in 2011. We set up a manufacturing facility dedicated to high precision aluminium and titanium machined aerospace components in 2013. In April 2017, we acquired a 100% stake in Sansera Sweden AB ("**Sansera Sweden**"), which has facilitated our entry into the heavy commercial vehicle vertical in the automotive sector, expanded our customer base and improved geographical access to OEMs outside India. For further details, see "*History and Certain Corporate Matters – Summary of Key Agreements for our Company*" on page 194. In fiscal 2018, our standalone and consolidated business in India accounted for 75.68% and 68.61%, respectively, of our Revenue From Operations (Net Of Excise Duties).

We are an employee driven, professionally managed organisation and none of our Promoters' family members are involved in any executive capacity with our Company. Our management is led by a professional team comprising of a CEO, head of operations and a CFO. The majority of our management team has been with our Company for more than 10 years and has led the expansion of our product and customer base over the last several years, resulting in business growth and diversification. Our management team has ownership stakes in our Company through ESOP schemes with a view to aligning their interests with our performance.

Over the years, we have established a strong track record of growth and financial performance. This has been driven by an increase in the share of business from our customers for our existing product supplies and consistent track record of new customer and product additions. From fiscal 2014 to fiscal 2018, our revenues from customers in India grew at a compound annual growth rate ("**CAGR**") of 16.14% and our revenues from customers in Europe grew at a CAGR of 42.73%.

Our Total Income (Net Of Excise Duties) for fiscal 2018 was ₹13,710.62 million and grew at a CAGR of approximately 20.60% between fiscal 2014 and fiscal 2018. Our Average RoCE and Net Debt to Equity Ratio for fiscal 2018 was 18.90% and 0.84 respectively.

As of July 2018, our long-term bank facilities were domestically rated ICRA AA-/Positive and our short-term bank facilities were domestically rated ICRA A1+. We have enjoyed steadily improving domestic credit ratings, which has helped us to manage our cost of funding more effectively. Our ICRA rating history is as follows:

Rating history	Fiscal 2014	Fiscal 2015	Fiscal 2016	Fiscal 2017	Fiscal 2018
Long-term bank facilities	[ICRA] A+ (Stable)	[ICRA] A+ (Stable)	[ICRA] AA- (Stable)	[ICRA] AA- (Stable)	[ICRA] AA- (Positive)
Short-term bank facilities	[ICRA] A1	[ICRA] A1	[ICRA] A1+	[ICRA] A1+	[ICRA] A1+

Our key lenders include Citibank, HDFC Bank, HSBC and SBI.

Our Strengths

We consider our business strengths to be the following:

Well diversified business model

Our business model is well diversified by customer base, end segment, geographical spread of revenues and product portfolio.

Customer base: Our ability to obtain orders from new customers has resulted in a diversified customer base that has helped us to reduce customer concentration risk. In fiscal 2014, our top five customers accounted for 74.37% of our revenue from Sale Of Products (Net Of Excise Duties), with our top customer contributing 37.76%. With continued penetration of our existing customer base and the development of new OEM relationships, in fiscal 2018, the contribution of our top five customers to our revenue from Sale Of Products (Net Of Excise Duties) reduced to 62.37%, with our top customer accounting for 21.13%. We have expanded our customer base from 50 customers in fiscal 2014 to 71 customers in fiscal 2018 and are continuously pursuing new OEM relationships.

The following tables set forth the percentages of our revenues from Sale Of Products (Net Of Excise Duties) from our top five customers on a consolidated and standalone basis for the fiscals indicated:

	Fiscal 2014		**Fiscal 2015**		**Fiscal 2016**		**Fiscal 2017**		**Fiscal 2018**	
	Consolidated Customer wise revenues									
	Revenue	**% share**	**Revenue**	**% share**	**Revenue**	**% share**	**Revenue**	**% share**	**Revenue**	**% share**
Customer 1	2,304.64	37.76%	2,415.63	31.08%	2,592.42	30.63%	2,676.67	27.87%	2,719.37	21.13%
Customer 2	963.99	15.79%	1,218.57	15.68%	1,209.60	14.29%	1,337.73	13.93%	1,705.70	13.26%
Customer 3	-	-	-	-	-	-	-	-	1,368.71	10.64%
Customer 4	579.17	9.49%	716.76	9.22%	846.90	10.01%	959.24	9.99%	1,310.24	10.18%
Customer 5	397.79	6.52%	481.58	6.20%	443.90	5.24%	730.97	7.61%	921.48	7.16%
Customer 6	-	-	-	-	-	-	481.73	5.02%	-	-
Customer 7	-	-	709.70	9.13%	568.27	6.71%	-	-	-	-
Customer 8	293.85	4.81%	-	-	-	-	-	-	-	-
Total top 5 customers	4,539.44	74.37%	5,542.25	71.32%	5,661.08	66.88%	6,186.32	64.41%	8,025.50	62.37%
Sale Of Products (Net Of Excise Duties)	**6,103.58**	**100.00%**	**7,771.15**	**100.00%**	**8,464.40**	**100.00%**	**9,603.97**	**100.00%**	**12,866.77**	**100.00%**

	Fiscal 2014		**Fiscal 2015**		**Fiscal 2016**		**Fiscal 2017**		**Fiscal 2018**	
	Standalone Customer wise revenues									
	Revenue	**% share**	**Revenue**	**% share**	**Revenue**	**% share**	**Revenue**	**% share**	**Revenue**	**% share**
Customer 1	2,304.44	40.77%	2,415.71	33.11%	2,592.38	32.53%	2,676.76	29.33%	2,719.38	25.05%
Customer 2	963.99	17.05%	1,218.58	16.70%	1,209.60	15.18%	1,337.61	14.66%	1,705.70	15.71%
Customer 3	579.17	10.25%	716.76	9.82%	846.93	10.63%	959.24	10.51%	1,310.25	12.07%
Customer 4	397.79	7.04%	481.58	6.60%	443.90	5.57%	730.96	8.01%	921.48	8.49%
Customer 5	-	-	-	-	-	-	-	-	630.31	5.81%
Customer 6	245.86	4.35%	709.70	9.73%	568.20	7.13%	476.28	5.22%	-	-
Total top 5 customers	4,491.25	79.46%	5,542.34	75.96%	5,661.01	71.04%	6,180.86	67.74%	7,287.13	67.12%
Sale Of Products (Net Of Excise Duties)	**5,652.36**	**100.00%**	**7,296.37**	**100.00%**	**7,968.24**	**100.00%**	**9,124.92**	**100.00%**	**10,857.36**	**100.00%**

End segment: We have sought to reduce our dependence on the two-wheeler vertical by expanding into other automotive verticals and industry sectors. This has led to a reduced dependence on the two-wheeler vertical, which contributed 64.65% to our revenue from Sale Of Products (Net Of Excise Duties) in fiscal 2014 as compared to 47.27% in fiscal 2018. With an increased focus on the passenger vehicle, light and heavy commercial vehicle and on the aerospace sector, the sales contribution of these verticals increased from 22.37%, 3.55% and 1.79%, respectively, in fiscal 2014 to 26.05%, 15.45% and 3.38%, respectively, in fiscal 2018. The tables below set out the revenues generated from various end segments on a standalone and consolidated basis.

	Fiscal 2014		Fiscal 2015		Fiscal 2016		Fiscal 2017		Fiscal 2018	
	Consolidated Segment wise breakup									
	Revenue	**% share**	**Revenue**	**% share**	**Revenue**	**% share**	**Revenue**	**% share**	**Revenue**	**% share**
Two-wheeler	3,945.98	64.65%	4,529.62	58.29%	4,855.23	57.36%	5,290.20	55.08%	6,082.25	47.27%
Passenger vehicle	1,365.64	22.37%	1,726.21	22.21%	1,949.18	23.03%	2,618.77	27.27%	3,351.22	26.05%
LCV/HCV	216.47	3.55%	281.22	3.62%	372.63	4.40%	397.92	4.14%	1,988.04	15.45%
Off-road	386.82	6.34%	879.46	11.32%	756.21	8.93%	672.86	7.01%	718.57	5.58%
Aerospace	109.12	1.79%	195.62	2.52%	320.41	3.79%	425.06	4.43%	435.21	3.38%
Others	79.54	1.30%	159.02	2.05%	210.75	2.49%	199.16	2.07%	291.48	2.27%
Total	**6,103.58**	**100.00%**	**7,771.15**	**100.00%**	**8,464.40**	**100.00%**	**9,603.97**	**100.00%**	**12,866.77**	**100.00%**

	Fiscal 2014		Fiscal 2015		Fiscal 2016		Fiscal 2017		Fiscal 2018	
	Standalone Segment wise breakup									
	Revenue	**% share**	**Revenue**	**% share**	**Revenue**	**% share**	**Revenue**	**% share**	**Revenue**	**% share**
Two-wheeler	3,945.94	69.81%	4,529.57	62.08%	4,855.17	60.93%	5,290.15	57.97%	6,082.06	56.02%
Passenger vehicle	1,222.36	21.63%	1,600.52	21.94%	1,823.87	22.89%	2,518.81	27.60%	3,258.84	30.02%
LCV/HCV	98.98	1.75%	176.68	2.42%	285.99	3.59%	315.51	3.46%	451.62	4.16%
Off-road	245.85	4.35%	709.70	9.73%	568.27	7.13%	476.27	5.22%	505.71	4.66%
Aerospace	109.12	1.93%	195.62	2.68%	320.41	4.02%	425.06	4.66%	435.21	4.01%
Others	30.11	0.53%	84.29	1.16%	114.53	1.44%	99.12	1.09%	123.91	1.14%
Total	**5,652.36**	**100.00%**	**7,296.37**	**100.00%**	**7,968.24**	**100.00%**	**9,124.92**	**100.00%**	**10,857.36**	**100.00%**

Geographical spread: We have focused on increasing our export revenues with a view to reducing dependence on the Indian market. Our revenues are geographically diversified with Europe, USA and other foreign countries accounting for 24.32% and 31.39% of our standalone and consolidated Revenue From Operations (Net Of Excise Duties) in fiscal 2018.

	Fiscal 2014		Fiscal 2015		Fiscal 2016		Fiscal 2017		Fiscal 2018	
	Consolidated Geography wise revenues									
	Revenue	**% share**	**Revenue**	**% share**	**Revenue**	**% share**	**Revenue**	**% share**	**Revenue**	**% share**
India	5,122.20	79.88%	5,977.45	73.43%	6,782.24	75.27%	7,722.37	75.83%	9,317.84	68.61%
Europe	763.10	11.90%	1,002.48	12.32%	1,178.68	13.08%	1,462.83	14.36%	3,166.59	23.32%
USA	360.48	5.62%	916.64	11.26%	893.85	9.92%	908.77	8.92%	954.34	7.03%
Others	166.76	2.60%	243.40	2.99%	155.76	1.73%	90.11	0.88%	142.49	1.05%
Total	**6,412.54**	**100.00%**	**8,139.97**	**100.00%**	**9,010.53**	**100.00 %**	**10,184.08**	**100.00%**	**13,581.26**	**100.00%**

	Fiscal 2014		Fiscal 2015		Fiscal 2016		Fiscal 2017		Fiscal 2018	
	Standalone Geography wise revenues									
	Revenue	% share	Revenue	% share	Revenue	% share	Revenue	% share	Revenue	% share
India	4,596.16	78.08%	5,442.47	71.56%	6,207.24	73.58%	7,205.03	74.53%	8,684.27	75.68%
Europe	763.10	12.96%	1,002.48	13.18%	1,178.68	13.97%	1,462.83	15.13%	1,693.30	14.76%
USA	360.48	6.12%	916.64	12.05%	893.85	10.60%	908.77	9.40%	954.34	8.32%
Others	166.76	2.83%	243.40	3.20%	155.76	1.85%	90.11	0.93%	142.49	1.24%
Total	**5,886.50**	**100.00%**	**7,605.00**	**100.00%**	**8,435.53**	**100.00%**	**9,666.74**	**100.00%**	**11,474.40**	**100.00%**

Product portfolio: Between fiscals 2014 and 2018, the number of product families our Company supplied (excluding aerospace components) increased from 22 to 30. Within each of our key product families, we manufacture a range of products for different vehicle categories and have the capacity to manufacture finished components from 1.75 grams (an aerospace component) to up to 8,940 grams (integral crankshaft).

Our varied product offering and continuous product development efforts have enabled us to cater to multiple customers, enhance our ability to attract new customers, improve our share of business among existing customers and help reduce our dependence on any single product family, end-application or customer.

The following table sets out the number of product families supplied to the following key customers in fiscal 2014 and fiscal 2018:

Customer	Number of product families supplied in	
	Fiscal 2014	Fiscal 2018
Hero	1	2
HMSI	4	5
Royal Enfield	3	6
Maruti Suzuki	3	5
Toyota	6	15

We have developed new products such as multiple suspension, steering and chassis components for a global passenger vehicle OEM and integral crankshafts which are being supplied to premium two-wheeler OEMs such as Harley Davidson and Royal Enfield. We continue to have an active pipeline of products under development, including aluminium forged and machined components and steering and suspension components for two-wheelers, reverse idlers for passenger vehicles as well as common rails and valve bridges for other applications.

A leading supplier of complex and high-quality precision components in fast growing markets

We are one of the leading Indian manufacturers of (i) connecting rods, crankshafts, rocker arms and gear shifter forks for two-wheelers and (ii) connecting rods, rocker arms and gear shifter forks for passenger vehicles (*Source: CRISIL Report*). Specifically, we are among the top two and top three manufacturers of two-wheeler and passenger vehicle connecting rods in India, respectively; among the top two manufacturers and the largest manufacturer of two-wheeler and passenger vehicle rocker arms in India, respectively; and among the top three manufacturers of two-wheeler gear shifter forks in India (*Source: CRISIL Report*). These precision components are manufactured using complex engineering processes and given the criticality to automotive systems, require adherence to high levels of quality and delivery to exact specifications (*Source: CRISIL Report*). This requires a close coordination between component manufacturers and OEMs throughout the product cycle from design through testing and validation to delivery.

We believe that our market position is the result of our established presence in the precision components manufacturing industry and our ability to manufacture and supply complex and high-quality precision components according to our customers' specifications, resulting in our being a preferred supplier to many of them. Further, our ability to manufacture certain components which our OEM customers in India otherwise would have to import is an additional attraction of our product offering.

From fiscal 2013 to fiscal 2018, production volumes in the two-wheeler and passenger vehicle verticals in the automotive sector have registered CAGRs of 7.8% and 4.6% respectively (*Source: CRISIL Report*). From fiscal 2014 to fiscal 2018, in our key product categories, we have registered sales volume CAGR of 22.76% for connecting rods, 11.92% for crankshaft assemblies, 6.18% for rocker arms and 12.83% for gear shifter forks, on a standalone basis.

India is the second largest two-wheeler manufacturer in the world and overall Indian two-wheeler production is expected to grow at a 6 to 8% CAGR in the next five years to reach 32.7 million units by fiscal 2023 from 23.1 million units in fiscal 2018 (*Source: CRISIL Report*). Similarly, the Indian passenger vehicle market is expected to grow at a CAGR of 6 to 8% over the next five years to reach 6.06 million units by fiscal 2023 from 4.03 million units in fiscal 2018 (*Source: CRISIL Report*).

We believe we are well positioned to leverage our strengths towards the expected growth in the automotive components industry, particularly as OEMs are starting to outsource not only the manufacture of forged precision components but also the machining operations of these components, which they previously performed themselves to integrated component manufacturers (*Source: CRISIL Report*).

Strong capabilities in engineering and design, machine building and automation

We are engineering-led in our capabilities, with integrated operations across the product cycle. As of May 31, 2018, our Company had a team of over 150 personnel working on design, engineering, machine building and automation functions.

Design and engineering capabilities: We possess design and engineering capabilities from product conceptualisation to production, encompassing product, process, machine, fixture and cutting tool design to supply of finished assembled products. We also have advanced engineering capabilities to optimise cycle times to plan our personnel needs and enhance the performance of our existing production lines while seeking to invest efficiently in them. These engineering capabilities enable us to develop new products, streamline the associated testing and validation and increase opportunities for our OEM customers to outsource their component manufacturing processes to us. As examples of such capabilities, we have developed and launched a number of new products for our customers, such as (i) high performance diamond-like carbon ("**DLC**") coated rocker arms for reputed two-wheeler OEMs in USA and Europe; (ii) gear shifter forks through forged route for a leading global passenger vehicle OEM (previously manufactured through fabrication, welding and assembly); (iii) integral connecting rods by eliminating costly and hazardous copper plating requirement through process re-engineering and validation for a leading domestic two-wheeler OEM; (iv) precise and complex passenger vehicle connecting rods for multiple OEMs.

Machine building capabilities: We possess integrated machine building capabilities with several SPMs manufactured in-house. Our CNC SPMs are built in a separate dedicated facility which employed 45 personnel as of May 31, 2018 and manufactured an average of approximately eight machines per month during fiscal 2018. We manufacture advanced CNC SPMs including cracking machines, trumpet-form hole machines, crank-pin bore vertical honing machines, double disc grinding machines and bolt hole gantry lines. Machines needed to manufacture several of the precision components in our product categories are expensive and generally imported in India. Hence, the manufacturers who are able to build these machines in-house can derive competitive benefits from such integrated machine building capabilities (*Source: CRISIL Report*). Our integrated machine building capabilities enable capital and operating efficiencies and help us to respond quickly to customers' changing product specifications. As of May 31, 2018, we had built over 700 CNC SPMs which are deployed across our manufacturing facilities and which have reduced our reliance on third party suppliers.

Automation capabilities: Our Company's automation division included a team of 16 personnel as of May 31, 2018 who work concurrently on machine and fixture design to implement automation projects intended to increase our productivity and control labour costs. We currently have 75 automation projects underway with a number of these targeted for implementation during the current fiscal year. Key automation projects implemented in-house include pick and place systems, material handling gantries, machine tending robots, automated inspection cells and assembly automation. Our automation capabilities are critical to eliminating multiple operations in the production process in order to increase productivity while controlling costs and maintaining consistent product quality.

We have leveraged our design and engineering, machine building and automation capabilities in our existing production facilities to stay competitive. For example, in the case of our fractured connecting rod manufacturing lines we have been able to utilise our automation capabilities to reduce the number of manual operators per shift per line from 23 in 2010 to nine in 2018. These lines have increased production of fractured connecting rods from 4,200 pieces per day in 2010 to 5,200 pieces per day in 2018. We intend to deploy our capabilities on our other existing product lines, including rocker arms, two-wheeler connecting rods and crankshafts.

Longstanding relationships with well-known Indian and global OEM customers

We have longstanding relationships with several well-known Indian and global OEMs. Specifically, (i) in the two-wheeler vertical we have relationships of over 20 years with Bajaj, over 20 years with Yamaha and over 15 years with HMSI, the fourth, fifth and second largest two-wheeler Indian OEMs in terms of domestic production volume for fiscal 2018, respectively (*Source: CRISIL Report*); and (ii) in the passenger vehicle vertical we have relationships of over 30 years with Maruti Suzuki, the leading Indian passenger vehicle OEM in terms of domestic production volume for fiscal 2018 (*Source: CRISIL Report*), and over eight years with FCA, a leading European passenger vehicle OEM. Between fiscals 2014 and 2018, we added 21 new customers (including customers in the aerospace sector) which increased our number of customers from 50 in fiscal 2014 to 71 in fiscal 2018. From fiscal 2014 to fiscal 2018, we have increased the number of customers with whom we have over ₹0.5 billion in annual sales from three to seven.

Our key customers across the verticals we supply to are as follows:

Vertical / Sector	Customers
Two-wheelers	Bajaj, Harley Davidson, Hero, HMSI, KTM, Royal Enfield, Yamaha
Passenger vehicles	FCA, Honda Cars, Maruti Suzuki, Toyota, Volkswagen
LCV/HCV	Ashok Leyland, CNHi, a leading Japanese OEM, a leading German OEM, a leading Swedish OEM
Aerospace	Boeing, UTAS, a leading European OEM
Off-road vehicles and other segments	Bosch, JCB, Polaris

Our OEM customers typically have stringent and time-consuming selection, inspection and review procedures for procurement of components from manufacturers. These procedures include review of the manufacturer's expertise, available manufacturing facilities, processes, financial capabilities and logistical capabilities. For further details, see "*Our Business – Customer acquisition process*" on page 171.

We believe that our consistent delivery of quality and cost competitive products over the past years and our ability to continuously engineer our products to meet our customers' designs and specifications have helped us in receiving orders from multiple OEMs and in multiple locations globally. For instance, we supply our products to Yamaha India, which are further exported to Brazil, China, Indonesia and Thailand, and FCA in Argentina, Brazil and Italy.

We also undertake product development initiatives for our customers based on their specifications which we believe enables us to deepen our customer relationships through cost optimization and reduction of development and testing time. Specific examples include: (i) the development of crankshafts for BS VI engines of motorcycles for a leading two-wheeler manufacturer in India, (ii) the development of a rocker arms for BS VI engines for a leading passenger vehicle manufacturer in India and (iii) development of fractured connecting rods for a leading two wheeler OEM.

We have been recognised with several awards by our customers for the quality of our products. In fiscal 2017, we received the "Quality Performance Award" from Volkswagen, the "Zero Defect Supply Award" from Toyota, the "Best Quality Performance Award" from Fiat India and the "Delivery Performance Award" from Polaris. In addition, we received the "Quality Excellence Award" from General Motors in 2017, marking the fourth consecutive award we have received from General Motors. In fiscal 2015, we received the "Express Development Award" from GKN Aerospace and were also the first Indian supplier to be recognised and accredited by Fiat for having "Perfect Quality" in fiscal 2013.

Skilled and experienced management team

Our Promoter, Chairman and Managing Director, S. Sekhar Vasan founded the Company in 1981 and oversees our research and development efforts which include machine and automation design, metallurgical advancement, and engineering technology absorption and assimilation, apart from overseeing overall performance of the Company. Our Promoter and President, F.R. Singhvi, joined us on a full-time basis in 2004 and oversees our strategy, customer relationships, finance, human resource development, administration and CSR activities, apart from overseeing general performance of the Company.

We are an employee driven, professionally managed organisation and none of our Promoters' family members are involved in any executive capacity with our Company. Our management is led by a professional team comprising of a CEO, head of operations and a CFO. We take pride in our employee culture and endeavour to emphasise teamwork and collaboration across functions to ensure that our employees are able to suggest and implement ideas regardless of their role.

The majority of our management team has been with our Company for more than 10 years and has extensive experience in the precision components manufacturing industry, including operations, business development, quality assurance, customer relationships and human resources, as well as overseen the growth of our business. B R Preetham (Group CEO since 2014) has been with the Company for 25 years and has oversight across all areas of our business, including developing and maintaining relationships with our customers and suppliers. Praveen Chauhan (Vice President, Group Operations since 2016) has been with the Company for 13 years and is responsible for our day-to-day operations.

Our management team currently has ownership stakes in our Company through ESOP schemes with a view to aligning their interests with our performance. We also have in place incentive schemes for employees at various levels as well as in house talent development programmes and career progression pathways.

Our Strategies

Our business strategies include the following:

Focus on high growth business verticals and sectors in India and overseas

Indian automotive components production is expected to grow from ₹3,057 billion in fiscal 2018 to ₹5,176 billion in fiscal 2023 at a CAGR of 10 to 12% (*Source: CRISIL Report*). The growth in the Indian automotive components industry is expected to be aided by, among others, strong growth potential in different verticals in the automotive sector (*Source: CRISIL Report*). Further, as OEMs focus their resources on the final assembly of vehicles, they are increasingly looking to external suppliers for content that they have previously produced in-house. This trend is underpinned by OEMs' growth outside their home markets, consumer expectations with regard to product complexity and feature integration and an increased focus on safety and the environment. Accordingly, we intend to take advantage of this outsourcing trend that has led to an increase in OEM dependency on suppliers that are capable of managing complex component production while maintaining high quality standards across multiple geographies.

Our presence extends across the two-wheeler, passenger vehicle and light and heavy commercial vehicle verticals in the automotive sector and the aerospace sector as well as for off-road vehicles and other segments including tractors, generator sets, stationary engines and other non-automotive applications. We intend to focus in particular on increasing revenue in the two-wheeler, passenger vehicle and commercial vehicle verticals in the automotive sector as well as in the aerospace sector.

In order to increase our share of business with customers, we typically enter into a new customer relationship with one particular product line, seeking to demonstrate the quality and cost efficiency of our products and services and we then seek to strengthen our relationship by expanding into other product lines, resulting in overall business growth. For example, we started with supplies of gear shifter forks to Royal Enfield in fiscal 2014 and in fiscal 2018 we supplied six product families including all our key product categories to Royal Enfield.

Most of the components that we supply are fully finished. For some of our customers, we may start supplying semi-finished products and eventually progress towards supplying products in fully finished form. For example, we are now supplying fully finished crankshafts to Yamaha having graduated from supplying crankshafts in semi-finished condition. Similarly for Toyota, we have started supplying components in semi-finished form and fully finished form. In addition, we intend to focus on geographical expansion of our product categories for certain of our OEMs with whom we have long standing relationships.

Two-wheelers: India, which is the second largest two-wheeler manufacturer in the world, registered a 7.8% CAGR in production between fiscals 2013 to 2018 (*Source: CRISIL Report*). CRISIL estimates overall Indian two-wheeler production to grow at a 6 to 8% CAGR in the next five years to reach 32.7 million units by fiscal 2023 from 23.1 million units in fiscal 2018.

In addition to our longstanding relationships with existing customers, we are continually seeking new OEM customers to expand our customer base. For example, we have recently started supplying two of our key product families to Hero and started a new relationship after receiving a purchase order from a leading two-wheeler OEM.

We have also made progress in developing new product families to diversify and grow our business in this vertical. For example, we invested in a single piece crankshaft line in 2015 and are now supplying these products to Royal Enfield and Harley Davidson. Similarly, we have selectively made progress in new product categories such as aluminium forged components and suspension and steering components and have received a letter of intent from customers for these new product categories.

Passenger vehicles: The Indian passenger vehicle market has grown consistently, with the production of passenger vehicles registering a CAGR of 4.60% from fiscals 2013 to 2018 (*Source: CRISIL Report*). This is expected to grow at a CAGR of 6 to 8% over the next five years to reach 6.06 million units by fiscal 2023 from 4.03 million units in fiscal 2018 (*Source: CRISIL Report*). Similarly, passenger vehicle sales in the European market have grown at a CAGR of 4.5% from 2012 to 2017, and are expected to register a CAGR of 2 to 4% over the next five years (*Source: CRISIL Report*).

We intend to continue to focus on expanding our share of business with leading passenger vehicle OEMs. We will also strive to add new customers to grow and diversify our passenger vehicle revenue base. As an example, we have added several new customers in the last 18 months such as a global tier-1 supplier, a leading OEM based out of USA and a premium European OEM. Further, with our supplies to Toyota, we have expanded our number of product families supplied to include steering, suspension and chassis components and we intend to explore supplying these to other customers.

Light and Heavy Commercial Vehicles: The European commercial vehicle market has grown consistently, registering a CAGR of 6.8% in sales in Europe from 2012 to 2017 (*Source: CRISIL Report*). This is expected to grow at a CAGR of 3 to 5% over the next five years (*Source: CRISIL Report*).

We have recently expanded our customer base through addition of multiple new light and heavy commercial vehicle customers. For example, supplies to two leading European OEMs in India and overseas are expected to begin in the near term.

Further, through Sansera Sweden, we have the capabilities to supply components to heavy commercial vehicle customers. We intend to leverage Sansera Sweden's product portfolio in the European market and our access to OEMs outside India to add new customers in this vertical.

Aerospace sector: The aerospace sector has witnessed growth at a 4.5% CAGR in the number of deliveries of commercial aircraft by Airbus and Boeing from 2012 to 2017 (*Source: CRISIL Report*). This is expected to continue over the next five years at a CAGR of 2 to 4% to reach 1,717 aircraft in 2022 from 1,481 aircraft in 2017 (*Source: CRISIL Report*).

For fiscal 2018, we supplied seven different functional systems to 11 customers in the aerospace segment. We intend to increase our revenue from aerospace OEMs and tier-1 suppliers to aerospace OEMs by supplying high value components such as engine and landing gear components and targeting additional product ranges relating to the existing products that we supply. In particular, we aim to grow our existing relationship with Boeing as well as develop new direct relationships with another leading aerospace OEM.

Continue to diversify business and expand addressable market

We have sought to leverage our experience of being a trustworthy supplier of complex and critical precision forged and machined components to become a preferred supplier for many of our customers. Our in-house design, engineering and production capabilities further enable us to enhance integration of our operations. These capabilities have enabled us to grow our product and customer portfolio and to expand into new geographies. Our acquisition of Sansera Sweden is also an extension of our continued focus on customer, segment and geographical diversification.

We have selectively and gradually focused on diversifying our product portfolio in areas which require a deeper engagement of our design and engineering teams and allows us to service the higher end manufacturing requirements of key OEMs as well as increase opportunities for them to outsource their component manufacturing processes to us. For example, we invested in a single piece crankshaft line in 2015, leveraging our existing capabilities, keeping in view a gradual shift towards premium motorcycles and a significant export market opportunity. We now supply integral crankshafts to two-wheeler OEMs including Royal Enfield and Harley Davidson. Further, this could facilitate our entry into manufacturing multiple cylinder engine crankshafts for passenger vehicles (which are currently mostly done in-house by OEMs).

We have made progress towards supplying aluminium forged components and have already secured a letter of intent from an Indian two-wheeler OEM. With the worldwide introduction of stringent emission norms, light weighting of vehicles has become one of the key focus areas, especially in premium vehicles. With a track record of supplying aluminium and titanium machined products in our aerospace segment, we believe recent progress in aluminium forged products is a step towards enhancing capabilities in light weighting manufacturing.

In addition, our recent foray into steering and suspension products facilitates our entry into a high growth product segment with the advent of enhanced safety norms and also as a diversification away from engine and transmission components in line with our overall diversification strategy. We have received a letter of intent from a two-wheeler OEM for supply of stem comp steering and expect to start supplies in the medium term. We have already developed and supplied multiple steering and suspension parts to Toyota over the last few years.

Further, our ability to deliver precision forged and machined components on a timely basis to our customers has enabled us to follow them to new geographical locations. For instance, we intend to supply connecting rods to new OEMs in Europe, USA and Southeast Asia, rocker arms to OEMs in Indonesia, Vietnam and Thailand and gear shifter forks to OEMs in USA and Southeast Asia. We intend to continue to expand and strengthen our existing relationships with OEMs in India and overseas, maintaining our track record of repeat orders as part of our organic growth efforts, while simultaneously pursuing opportunities to develop new OEM relationships.

We intend to (i) continue to strengthen our innovation efforts in engineering and product manufacturing processes, and use new technologies to deliver high quality and competitively priced products, (ii) increase our supply of "content per vehicle" by increasing the number of parts we supply per vehicle, (iii) capitalise on the current trend of OEMs consolidating their supplier bases in order for us to increase our share of business in individual automobile model programmes, and (iv) replace the in-house manufacturing of certain products by some of our OEM customers by leveraging our experience of the new products that we have manufactured and supplied to other customers. In order to achieve this, we intend to actively manage our customer accounts to increase customer interaction, partner with our customers in the various stages of product development and help our customers manage their supply chain relationships with lower tier suppliers.

Retain and strengthen our technological leadership through continued focus on research and development

We are focused on retaining and strengthening our technological leadership through the continued development of innovative products, which we believe will enable us to expand and diversify our product portfolio and drive increased product orders going forward.

For example, we are jointly developing rocker arms from a statement of requirement ("**SOR**") for a leading passenger vehicle OEM for their new engine likely to be introduced in fiscal 2020. Similarly, we are in the process of concurrently developing fractured connecting rod for a leading passenger vehicle OEM on the basis of SOR. We intend to continue to pursue collaboration opportunities with our existing customers, jointly developing innovative solutions to cater to their needs. Further, to enhance our capabilities, we are undertaking a number of initiatives. For example, we have ordered a new fatigue testing machine, which will enable us to test our products under simulated conditions. This machine is expected to be delivered in 2018 and is expected to enhance our ability to analyse and enhance product reliability, durability and performance.

Our customers' demand for higher performance and top quality products is growing. In response to this, we have placed a strong emphasis on continually improving our design and engineering capabilities so that we can focus on providing high value-added and technology-driven components which will present us with opportunities to capture shifts in customer preferences as well as evolving regulatory requirements, such as heightened emissions control standards. Further, this will increase opportunities for us to become a preferred supplier to our customers, thus giving us the opportunity to consolidate our position with our customers.

For example, with our existing machining capabilities in aluminium and titanium products and our proposed entry into aluminium forged products, we believe that we will be well-positioned to capitalise on the growing demand and increasing need for components that are lighter in weight and environmentally friendly as OEMs strive to reduce the ecological footprint of their vehicles. We intend to explore this vertical as technology drives innovations in the automotive industry and results in greater penetration of electric and hybrid vehicles in India and internationally. In addition, we believe that our ability to ensure consistent delivery of quality and high customer satisfaction will encourage our customers to commission us to manufacture new parts in their upcoming projects.

Focus on operational efficiencies to improve returns

We have been able to deliver Average RoCE of 18.90% in fiscal 2018, 15.83% in fiscal 2017, 17.77% in fiscal 2016 and 19.75% in fiscal 2015. This has occurred against the backdrop of our continued focus on improving operational efficiency, including by the following key initiatives:

- Our operations are integrated across the product cycle, and almost all of our manufacturing processes are carried out in-house. This allows us to respond quickly and efficiently to any customer requirements or change in product specifications without the need to depend on any external vendors. This helps us in closely monitoring product quality, production costs and delivery schedules.

- Our ability to design and build specialised CNC SPMs allows us savings in operational and capital expenditure through savings in capital cost, footprint, power and maintenance costs etc. which would have been otherwise higher. This is because we are able to build these machines only for the specific process required rather than having to purchase standard machines which are generally built to cater for several processes as against a specific process requirement.

- We have adopted a number of initiatives to increase our operational efficiency such as (i) improving production line output by constantly improving productivity at the bottleneck operation through implementing TPM (total productive maintenance) methodology on the shop floor and balancing line output through partial investments (if required), (ii) inventory management (working towards single piece flow and streamlining material movement), (iii) optimising shop floor layouts through simulation software to streamline people and material movement, (iv) utilising simulations to improve input raw material yield in forgings, (v) adopting ECRS (eliminate, combine, reduce and simplify) methodology on various aspects of process and operations to improve productivity and reduce costs, (vi) optimising tool consumption to increase tool life and reduce costs, (vii) reduction in internal rejection or rework by streamlining manufacturing processes, and (viii) energy costs reduction through efficient power sourcing and reduction in consumption through implementation of EMS (energy management systems), with all our plants being EMS certified. As an example, we have developed eight station rotary table machines which combine six operations performed simultaneously in one machine and are managed by a single operator. This has helped improve productivity and reduced manpower, besides lower energy consumption and investments.

- We have implemented several automation projects in-house including pick and place systems, material handling gantries, machine tending robots, automated assembly and automated inspection cells. We have automated a number of our forging and machining operations and currently have more than 40 robots installed across all our manufacturing facilities in India.

- We have a practice of sharing kaizens and QCC results implemented in any one plant, across various plants for horizontal deployment. This helps plants to improve SPQCD (safety, productivity, quality, cost and delivery) simultaneously. This practice is monitored centrally as a corporate function.

- We closely monitor operational efficiency at each of our individual plants, benchmarking performance to relevant key performance indicators. We focus on continuous training and certifications for our employees to help to improve quality control and reliability of our manufacturing processes.

- We have implemented preventive maintenance initiatives across several of our manufacturing locations to reduce losses and rejections through preventive maintenance measures.

- We centralise sourcing and vendor management processes in order to derive economies of scale in raw material procurement and logistics.

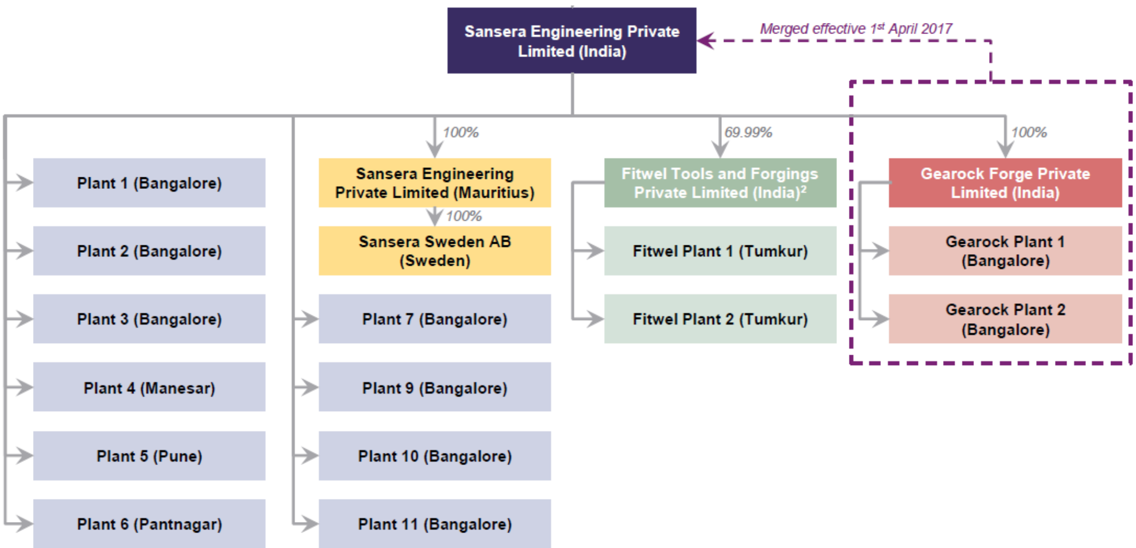
We intend to take a variety of other steps to continue to improve our operational efficiencies. For example, we plan to (i) leverage our experience in evolution of automation in our fractured connecting rod line and horizontally deploy the same across other product lines (for further details, see "*Our Business – Engineering and Design,* *Machine Building and Automation Capabilities*" on page 161); (ii) add new products (including for new customers) so that some of our plants which are dedicated to products for specific customers are utilised more efficiently; (iii) steadily increase capacity utilisation at our greenfield facility at Bidadi, Karnataka which has recently commenced commercial production; (iv) complete Sansera Sweden's move to a new greenfield facility and improve productivity thereafter; (v) take further steps to reduce our energy requirements and secure better energy prices by purchasing power on a long term basis; and (vi) use our design and engineering capabilities to further reduce component and manufacturing process costs.

Description of our Business

We are engaged in manufacturing and supply of precision forged and machined components for OEMs in India and internationally across (i) various verticals in the automotive sector; (ii) the aerospace sector; (iii) for other off-road vehicles; and (iv) other segments including tractors, generator sets, stationary engines and other non-automotive applications.

Corporate Structure

The chart below sets forth the corporate structure and ownership of our Company and our Subsidiaries as on the date of this Draft Red Herring Prospectus.



Notes:

(1) For details of the shareholding of our Company, see "Capital Structure" on page 79.

(2) The remaining 30.01% is owned by D. R. Subramanya and his family.

Our Group

Sansera Engineering Limited: Our Company was incorporated on December 15, 1981 and its Registered Office and Corporate Office are based in Bengaluru. In 1986, our Company commenced manufacturing of rocker arms for Maruti Suzuki, a leading passenger vehicle OEM, and has grown its operations over the years by entering various other verticals such as the two-wheeler vertical, the light commercial vehicle vertical and the aerospace sector. Our Company manufactures and supplies a wide range of precision forged and machined components that are critical for engine, transmission and other systems for the two-wheeler, passenger vehicle and light commercial vehicle verticals in the automotive sector. We also supply our components to the aerospace sector and for off-road vehicles. As of May 31, 2018, our Company had 12 manufacturing facilities in India and one facility which is used as our corporate office. Our Company's manufacturing facilities are well-equipped with forging, machining and heat treatment capabilities and produce precision forged and machined components ranging from 1.75 grams to 8,940 grams. For further details, see "*Our Business – Manufacturing Facilities*" on page 166.

Further, our Company's erstwhile wholly owned Subsidiary, Gearock Forge Private Limited (India) ("**Gearock Forge**") merged its operations with our Company with effect from April 1, 2017, pursuant to a scheme of amalgamation. For further details, see "*History and Certain Corporate Matters*" on page 191. Accordingly, the two plants earlier operated by Gearock Forge in Bengaluru, India are now operated by our Company. As of May

31, 2018, the two plants had 22 forging lines comprising hammers and forging press lines. Through these two plants, we manufacture precision forged components ranging from 16 grams to 11,000 grams. For further details, see "*Our Business – Manufacturing Facilities*" on page 166.

*Fitwel Tools and Forgings Private Limited (India) ("**Fitwel**")*: Incorporated in 1983, Fitwel commenced commercial production in 1987 with the manufacturing of hand tools as its core business. Over the years, Fitwel has diversified into other products and now supplies components for passenger vehicles, off-road vehicles as well as other segments including tractors, generator sets, stationary engines and other non-automotive applications. In 2014, our Company increased its stake in Fitwel from 51% to 69.99%. The remaining 30.01% stake in Fitwel continues to be held by D. R. Subramanya and his family. As of May 31, 2018, Fitwel owned two plants in Tumkur, India and had 22 forging lines comprising hammers, friction screw press and pneumatic press lines and CNC machines. All forging related heat treatment operations are carried out in-house and are monitored and controlled by a metallurgical lab. Fitwel currently produces an average of 2.20 to 2.80 million forged components monthly (in addition to 100,000 machined components monthly) for our Company and various other customers. Fitwel manufactures precision forged components ranging from 18 grams to 5,000 grams. For further details, see "*Our Business – Manufacturing Facilities*" on page 166.

Sansera Sweden AB: In 2017, Sansera Engineering Private Limited (Mauritius), our Company's wholly owned Subsidiary, acquired a 100% stake in Sansera Sweden which is engaged primarily in the manufacturing of critical engine components for heavy commercial vehicles in the European market. As of May 31, 2018, Sansera Sweden runs its operations from one manufacturing facility at Trollhattan, Sweden, in Europe. For further details, see "*Our Business – Manufacturing Facilities*" on page 166.

Our Products

We manufacture and supply a wide range of precision forged and machined components that are critical for engine, transmission and other systems for the two-wheeler, passenger vehicle and light and heavy commercial vehicle verticals in the automotive sector. We also supply our components to the aerospace sector, and for off-road vehicles as well as for other segments including tractors, generator sets, stationary engines and other non-automotive applications. We supply most of our products directly to OEMs and in forged and machined condition, resulting in higher value addition by us.

The key product families that we manufacture for various verticals in the automotive sector, the aerospace sector as well as for off-road vehicles and other segments are as follows:

Vertical / Sector	Product families supplied
Two-wheelers	Connecting rod, rocker arm, gear shifter fork, crankshaft assembly, others (balancer shaft, boss handle and arm relay)
Passenger vehicles	Connecting rod, rocker arm, gear shifter fork, others (sprocket, adapter, rocker shaft, attachment lower ball joint, housing shift lever, spacer input gear and shaft propeller)
LCV/HCV	Connecting rod, others (support injector, intermediate ring, bracket and valve bridge)
Aerospace	Aerostructure parts, actuation parts, control system parts, cargo handling systems, pilot seating systems, lighting system parts
Off-road vehicles and other segments	Connecting rod, rocker arm, gear shifter fork, crankshaft assembly, others (cam shaft balancer shaft, valve bridge, pump housing, body flange and hand tool)

As of May 31, 2018, our Company supplied 30 product families (excluding aerospace components). Our product range has grown consistently from fiscal 2014 to fiscal 2018, as shown in the table below:

Fiscal	Number of product families
2014	22
2015	27
2016	27
2017	27
2018	30

Details of the key product families that we manufacture for our customers are as follows:

Connecting rod: A connecting rod is a critical component of internal combustion engines. It converts the reciprocating motion of a piston into the rotary motion of a crankshaft and vice versa. A connecting rod connects a piston to a crank or crankshaft, with the smaller end connected to the piston and the bigger end to the crankshaft. Connecting rods for two-wheelers and passenger vehicles are typically manufactured using forging and machining processes. Since the connecting rod is a moving part in an engine and is subject to wear and tear, the tensile strength of the connecting rod is a key parameter for consideration in the designing process.

Connecting rods may be integral, split or fractured. Integral connecting rods are used by two-wheelers and off-road vehicles, split connecting rods by two-wheelers, passenger vehicles and light commercial vehicles, and fractured connecting rods by two-wheelers, passenger vehicles, light and heavy commercial vehicles, off-road vehicles and other segments.

We supply all types of connecting rods to multiple customers including Bajaj, FCA, Harley Davidson, HMSI, JCB, Maruti Suzuki, Polaris, Royal Enfield, Toyota, Volkswagen and Yamaha. From fiscals 2014 to 2018, the volume of connecting rods we sold increased from 7.27 million to 17.16 million, and our revenue generated from the supply of connecting rods increased from ₹1,335.57 million to ₹5,212.74 million over the same period.

Integral Connecting Rod

(2W, Off-road)

Split Connecting Rod

(2W, 4W, LCV)

Fractured Connecting Rod

(2W, 4W, LCV, HCV, Off-road, Others)

Rocker arm: A rocker arm is an oscillating lever that conveys radial movement from the cam into linear movement at the intake or exhaust valves. One end is raised and lowered by a rotating lobe of the camshaft while the other end acts on the valve stem. Camshafts rotation pushes the rocker arm up and down, allowing the intake or exhaust valves to be opened and closed. Rocker arms for two-wheelers and passenger vehicles are primarily manufactured using forging process followed by machining. A rocker arm is in continuous contact with the valve which produces a lot of friction. Therefore, the raw material used is carefully selected such that the noise produced by the engine is reduced, weight of the rocker arm is less (which helps in reducing friction and gives higher rotations per minute) and the rocker arm has more strength for higher efficiency in operations.

We manufacture and supply rocker arms in the form of chrome plated rocker arm, DLC coated finger follower, roller rocker arm and sintered tip rocker arm. Chrome plated rocker arms are used by two-wheelers and passenger vehicles, DLC coated finger followers by premium two-wheelers, roller rocker arms by two-wheelers, passenger vehicles and other applications (stationary engine) and sintered tip rocker arms by passenger vehicles.

We supply rocker arms to multiple customers including Bajaj, Harley-Davidson, Hero, HMSI, Maruti Suzuki, Royal Enfield and Yamaha. From fiscals 2014 to 2018, the volume of rocker arms we sold increased from 22.66 million to 28.81 million, and our revenue generated from the supply of rocker arms increased from ₹2,110.54 million to ₹2,853.56 million over the same period.

Chrome Plated Rocker Arm

DLC Coated Finger Follower

Roller Rocker Arm

Sintered Tip Rocker Arm

Crankshaft: Crankshaft is one of the critical parts in an engine assembly which is connected to the pistons on one side and the flywheel on the other. A crankshaft converts reciprocating motion of the pistons into rotational motion for the flywheel, which is in turn connected to the axles to put the vehicle in motion. A crankshaft is also connected to the timing belt which synchronises the movement of the camshaft, assisting the opening and closing of air intake and exhaust valves and fuel injection valves.

Crankshafts are available in two configurations, namely integral (single piece) and built-up. Integral crankshafts have applications mainly in passenger vehicles and two-wheelers with engines higher than 300 cc capacity. Built-up crankshafts are primarily used in single cylinder engines of two-wheelers with less than 300 cc capacity.

We supply crankshafts to multiple customers including Bajaj, HMSI, Motori Minarelli, Polaris, Royal Enfield and Yamaha. Apart from the standard crankshafts for two-wheelers and off-road vehicles, we also provide integral crankshafts for high-end two-wheelers and for braking systems. From fiscals 2014 to 2018, the volume of crankshafts we sold increased from 1.74 million to 2.73 million, and our revenue generated from the supply of crankshafts increased from ₹1,406.37 million to ₹2,125.09 million over the same period.

Crankshaft

Integral Crankshaft

Gear Shifter Fork: A gear shifter fork is used to slide gears into or out of engagement with other gears to change the gear ratio in a manual transmission. A gear shifter fork moves on a shaft, effectively engaging gears of different diameter on the input and output shaft. Gear shift forks for passenger vehicles are typically manufactured using processes such as aluminium die-casting, forging, stamping and fine-blanking. The raw material used is generally alloy steel or spheroidal graphite iron. Two-wheeler gear shift forks are manufactured using forgings and investment casting processes. Forged gear shift forks have higher durability compared to investment casted gear shift forks.

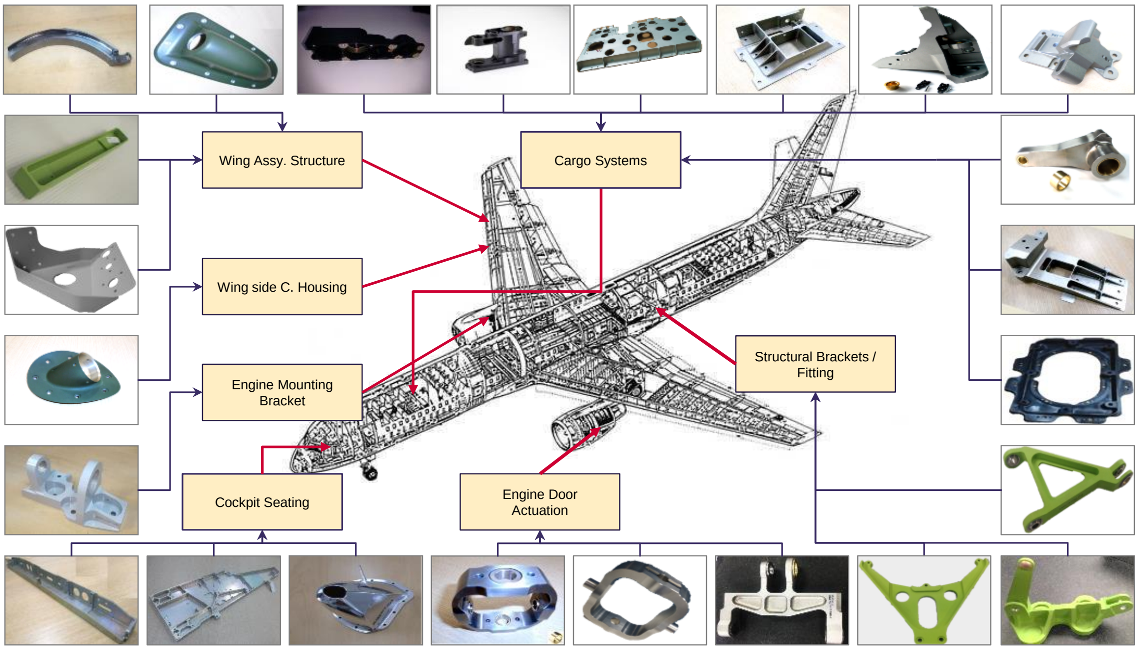
We supply gear shifter forks to customers including Bajaj, Hero, HMSI, Honda Cars, Polaris, Royal Enfield and Yamaha. Apart from the standard gear shifter forks for passenger vehicles, we also provide induction hardened gear shifter forks and gear shifter forks with chrome and DLC coatings for two-wheelers and off-road vehicles. From fiscals 2014 to 2018, the volume of gear shifter forks we sold increased from 7.76 million to 12.58 million, and our revenue generated from the supply of gear shifter forks increased from ₹496.01 million to ₹1,000.53 million over the same period.

Gear Shifter Fork

Chrome / Induction Hardened /

DLC Coated Gear Shifter Fork

Components for Aerospace Structures and Interiors: We supply components for the wing assembly structure, wing side housing, engine mounting bracket, engine door actuation and structural brackets and fittings of an aircraft. In relation to the interior of an aircraft, the components that we manufacture are for the cargo systems and cockpit seating.



From fiscals 2014 to 2018, the volume of various aerospace components we sold increased from 55,167 to 142,121, and our revenue generated from the aerospace segment increased from ₹109.12 million to ₹435.21 million over the same period.

The following tables set forth a breakdown of the consolidated and standalone volume of units of key product families supplied by us as well as our consolidated and standalone revenue from Sale Of Products (Net Of Excise Duties) by these product families for the fiscals indicated:

	Fiscals 2014	**Fiscals 2015**	**Fiscals 2016**	**Fiscals 2017**	**Fiscals 2018**
	Consolidated key product wise sales volume (MM Units)				
Connecting rods*	7.27	8.97	10.19	12.54	17.16
Rocker arms	22.66	25.26	25.20	25.40	28.81
Crankshaft assembly**	1.74	1.89	2.33	2.51	2.73
Gear shifter forks	7.76	9.29	9.58	10.31	12.58

** Includes connecting rods sold as part of crankshaft assembly*
*** Two units of crankshaft is equivalent to one unit of crankshaft assembly*

	Fiscals 2014	Fiscals 2015	Fiscals 2016	Fiscals 2017	Fiscals 2018
	Standalone key product wise sales volume (MM Units)				
Connecting rods*	7.27	8.97	10.19	12.54	16.52
Rocker arms	22.66	25.26	25.20	25.40	28.81
Crankshaft assembly**	1.74	1.89	2.33	2.51	2.73
Gear shifter forks	7.76	9.29	9.58	10.31	12.58

** Includes connecting rods sold as part of crankshaft assembly*
*** Two units of crankshaft is equivalent to one unit of crankshaft assembly*

	Fiscal 2014		Fiscal 2015		Fiscal 2016		Fiscal 2017		Fiscal 2018	
	Consolidated Product wise revenues									
	Revenue	**% share**	**Revenue**	**% share**	**Revenue**	**% share**	**Revenue**	**% share**	**Revenue**	**% share**
Connecting Rods	1,335.57	21.88%	1,827.18	23.51%	2,115.64	24.99%	2,643.27	27.52%	5,212.74	40.51%
Rocker arms	2,110.54	34.58%	2,444.57	31.46%	2,445.88	28.90%	2,487.19	25.90%	2,853.56	22.18%
Crankshafts	1,406.37	23.04%	1,796.22	23.11%	1,924.91	22.74%	2,039.06	21.23%	2,125.09	16.52%
Gear shifter forks	496.01	8.13%	702.88	9.04%	785.82	9.28%	819.57	8.53%	1,000.53	7.78%
Others*	755.09	12.37%	1,000.30	12.87%	1,192.15	14.08%	1,614.88	16.81%	1,674.85	13.02%
Total	**6,103.58**	**100.00%**	**7,771.15**	**100.00%**	**8,464.40**	**100.00%**	**9,603.97**	**100.00%**	**12,866.77**	**100.00%**

**Individual items of these are less than 10% of total sale of products.*

	Fiscal 2014		Fiscal 2015		Fiscal 2016		Fiscal 2017		Fiscal 2018	
	Standalone Product wise revenues									
	Revenue	**% share**	**Revenue**	**% share**	**Revenue**	**% share**	**Revenue**	**% share**	**Revenue**	**% share**
Connecting Rods	1,335.57	23.63%	1,827.18	25.04%	2,115.64	26.55%	2,643.27	28.97%	3,739.45	34.44%
Rocker arms	2,110.54	37.34%	2,444.57	33.50%	2,445.88	30.70%	2,487.19	27.26%	2,853.56	26.28%
Crankshafts	1,406.37	24.88%	1,796.22	24.62%	1,924.91	24.16%	2,039.06	22.35%	2,125.09	19.57%
Gear shifter forks	496.01	8.78%	702.88	9.63%	785.82	9.86%	819.57	8.98%	1,000.53	9.22%
Others*	303.87	5.38%	525.52	7.20%	695.99	8.73%	1,135.83	12.45%	1,138.73	10.49%
Total	**5,652.36**	**100.00%**	**7,296.37**	**100.00%**	**7,968.24**	**100.00%**	**9,124.92**	**100.00%**	**10,857.36**	**100.00%**

**Individual items of these are less than 10% of total sale of products.*

Details of some of our key new products and products under development are as follows:

Integral crankshafts: As there are limitations on the ability of split type crankshafts to bear the force exerted by pistons (during a power stroke), integral (single piece) crankshafts are preferred for higher cc engines such as premium motorcycles and passenger vehicles on account of their ability to reduce vibrations and control balancing. In the case of integral crankshafts, the crank pin is integral to the rest of the crankshaft, rather than being press fitted as in the case of split type crankshafts. As this design renders the manufacturing process from forging to machining more complicated, a higher tonnage capacity of forging presses as well as special and more costly machines for crank pin milling, induction hardening and grinding are required.

In line with our product diversification approach, we set up a single piece crankshaft line in 2015 with the intention of diversifying into integral crankshafts, keeping in view the gradual shift towards the premium bikes in the domestic market and a substantial opportunity available in the export market.

We have received letters of intent or purchase orders from multiple leading two-wheeler OEMs and have started supplying to customers such as Royal Enfield and Harley Davidson. Further, this could facilitate our entry into manufacturing multiple cylinder engine crankshafts for passenger vehicles (which are currently mostly done in-house by OEMs).

Stem comp steering components: Stem comp is the intermediate part of the front-fork assembly in a two-wheeler, and it connects with the handle bar at the top of the assembly and with suspension guides in the lower part of the assembly. It is usually made up of two parts, namely a bracket and a stem, which are welded together. The role of the component is to withstand torsional stress and enable manoeuvrability of the front wheel.

We have received a letter of intent from a two-wheeler OEM for supply of stem comp steering and expect to start supplies in the medium term.

Our foray into steering products facilitates our entry into a high growth product segment with the advent of enhanced safety norms and also as a diversification away from engine and transmission components in line with our overall diversification strategy.

Aluminium forged components: We have made progress towards the supply of multiple aluminium forged components and have already secured a letter of intent from an Indian two-wheeler OEM. These components form part of the steering, suspension and chassis systems. We are in the process of setting up a new aluminium forging press specifically for manufacturing these components.

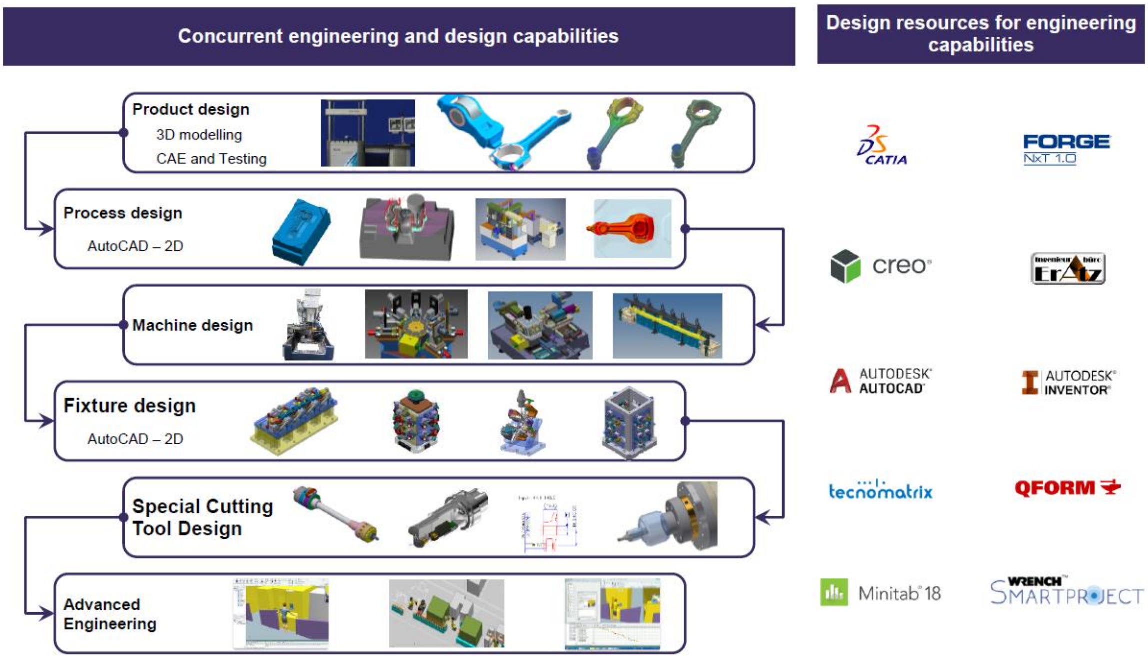
With the worldwide introduction of stringent emission norms, light weighting of vehicles has become one of the key focus areas, especially in premium vehicles. With a track record of supplying aluminium and titanium machined products in our aerospace segment, we believe our recent progress in aluminium forged products is a step towards enhancing capabilities in light weighting manufacturing.

Engineering and Design, Machine Building and Automation Capabilities

We are engineering-led in our capabilities, with integrated operations across the product cycle. As of May 31, 2018, our Company had a team of over 150 personnel working on its in-house engineering and design, machine building and automation divisions to cater to the different product requirements specified by its customers.

Engineering and design capabilities

We possess engineering and design capabilities from product conceptualisation to execution.



Product design: Typically, a customer provides us with technical specifications of the component to be manufactured. The drawing of the component is generated by us for customer approval before initiating the development process. We use our computer aided design ("**CAD**") tools to convert the specifications into a three-dimensional model. The forging designs are validated using metal flow simulation and stress analysis software enabling design engineers to optimise the design and process parameters to ensure higher operational efficiency and productivity. The metal flow simulation process also enhances the ratio of the materials in the output to the input. We also conduct finite element analysis to identify critical features of a product to eliminate potential design failure areas. If required, the products then undergo fatigue testing to evaluate their sturdiness.

We use IT enabled business processes such as advanced CAD, computer aided manufacturing ("**CAM**"), computer aided engineering ("**CAE**") and analysis capabilities which accommodate a range of customer specifications. We utilise specialised software to generate the tool path and virtual measurements of the component using integrated coordinate measuring machines.

Process design: Our process design follows a well-structured process comprising die and forging tool design, forging simulation and optimisation, tool path generation and die milling, forging and machining and related documentation. The process is designed to optimise performance while ensuring production of complex components to the required designs and specifications.

Machine design: Our machine design capabilities have evolved from manual and low throughput machines to fully automated and high capacity production lines. We have designed machines such as linear transfer lines, rotary transfer machines, multi spindle CNC honing machines, duplex milling machines and several other types of SPMs. As an example, our eight station SPMs are suited for mass production of components which involve operations such as turning, boring, facing, drilling, reaming and taping.

Fixture design: We design and manufacture jigs and fixtures which are used in production, inspection and assembly. With processes and resources such as parametric three-dimensional modelling, standard part libraries, mistake proofing, quick setup changes, multi-model adoption and integration with machining and automation design, we seek to prevent incorrect assemblies, detect errors at various stages of the production process, improve equipment uptime and reduce maintenance costs. Using iLOGIC technology, we are able to automate variations to our designs and configure our products more easily with new assembly functions, resulting in quicker design time. For instance, the design time using iLOGIC technology is generally two to three days shorter than the regular design time for our key automotive sector products.

Cutting tool design: We design and develop cutting tools and holders for optimisation of process and cost per component, integration with machines and fixtures and standardisation across product families.

Advanced engineering: Our advanced engineering capabilities include ergonomic analysis, robotics and automation design to reduce air-cutting time as well as for product validation checks. With advanced engineering capabilities, we are able to improve the throughput of the production line and determine the size of buffers and the number of machines the intended throughput requires. We are also able to investigate how failures affect the throughput and the utilisation of the machines. We use discrete event simulation for production system design.

Robot simulation and machine kinematics simulation optimise cycle times through time based simulations. This allows us to plan our personnel needs more efficiently, manage the cost of investment in production lines and optimise the performance of existing production systems.

Machine building capabilities

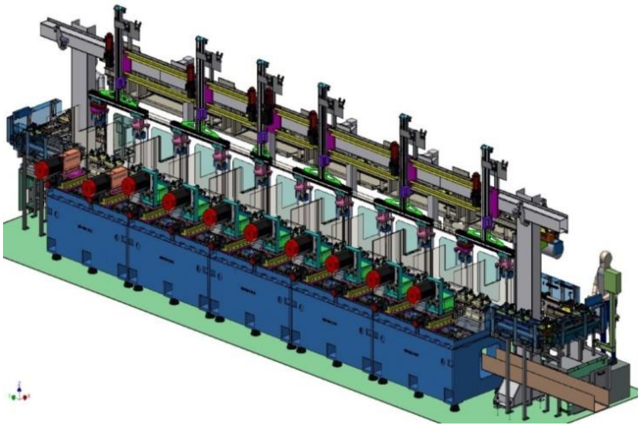
We possess extensive machine building capabilities, with SPMs manufactured in-house. Our Company has a dedicated facility for machine building and machine design with 45 personnel employed as of May 31, 2018.

SPMs are customised machines deployed to automate industrial processes to ensure high productivity, consistent quality and interchangeability of parts by repeatedly carrying out the designed process. SPMs, designed to operate continuously with minimum supervision, are mostly product-specific and need to be designed and developed for each individual requirement. Capability to produce SPMs requires strong design expertise, industry knowledge and technical know-how. While there are multiple manufacturers of less complex SPMs, machines requiring high precision and design standards are produced by relatively few manufacturers in India *(Source: CRISIL Report).*

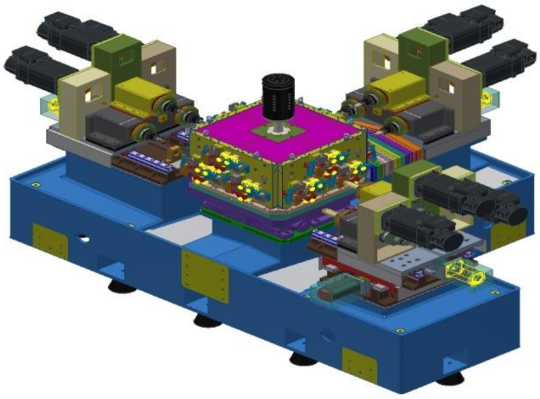
Our CNC SPM machines are designed and developed in-house, including electrical components assembly, spindle assembly, laser calibration, and integration with automation, trials and prove-outs, save for standard parts such as controllers, ball screws, castings and machine covers. This provides us with quality, operating efficiency and cost advantages, and also enables us to respond quickly to any change in specifications by our customers, thereby ensuring a shorter supply time. As of May 31, 2018, we had 700 CNC SPMs built in-house and we manufactured an average of approximately eight machines per month during fiscal 2018. Some of our own complex SPMs that have been manufactured in-house, including cracking machines, trumpet-form hole machines, crank-pin bore vertical honing machine and bolt hole machines.

Details of our specific complex SPMs are as follows:

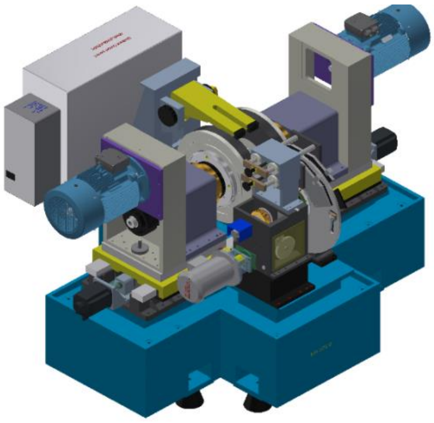
1. *Automated Cells*: We have designed and built automated cells for bolt hole machining operations consisting of 10 SPMs performing 10 different operations. An over-head gantry is used for pallet transfer between each station. Salient features include industry 4.0 capabilities and requirement of only two operators for the entire automated cell of 10 SPMs.



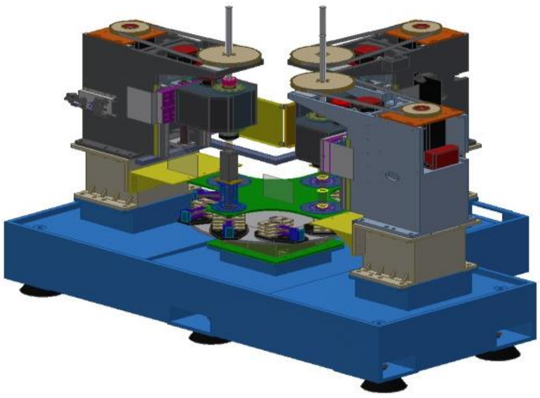
2. *Four-station SPMs*: Our four-station SPMs result in high part quality as all pre-machining operations (such as pin hole drilling and pre-finish boring of pin hole for bush fitting and crankpin pre-boring) are combined in single SPM and single clamping.



3. *Double disc grinding machines*: Salient features of these machines include high speed and high precision grinding with part inspection features. Components for a wide range of engine categories can be grinded using these machines. The components are fed through a guided chamber in a rotating carrier plate.



4. *Vertical honing machines*: We design and manufacture our four-station honing machines which have multiple part honing capabilities with a wide range of honing diameters. These machines have a servo actuated tool expansion. These machines help us to achieve significant precision on cylindricity tolerance.



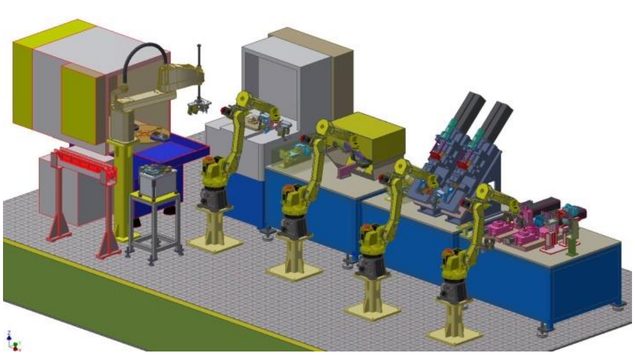
Automation capabilities

Our Company's automation division included a team of 16 personnel as of May 31, 2018 who work concurrently with machine and fixture design and have implemented multiple automation projects intended to increase our productivity and control labour costs. Currently, we have 75 automation projects ongoing, with a number of them planned for implementation in fiscal 2019, including relating to the implementation of machining line, inspection cell and assembly line for roller rocker arms and connecting rods.

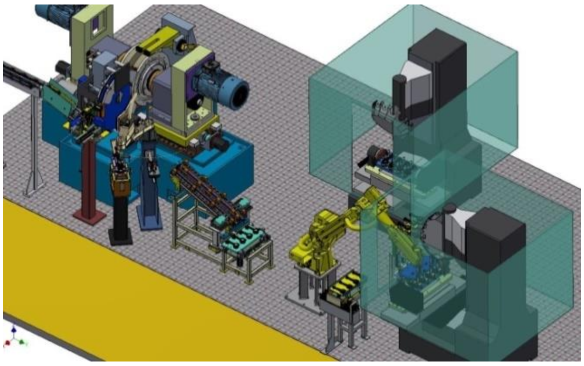
We focus on operational efficiency through the implementation of multiple automation projects for higher productivity and cost control. Key automation projects implemented in-house include pick and place systems, material handling gantries, machine tending robots, automated inspection cells and assembly automation. Other executed automation projects include gantry line, robotics line, robotic cell for final inspection, manipulator for reduced roller, laser scribing and fracture, crankshaft coining, post-fractured process automation and small end taper milling.

Details of our key automation projects are as follows:

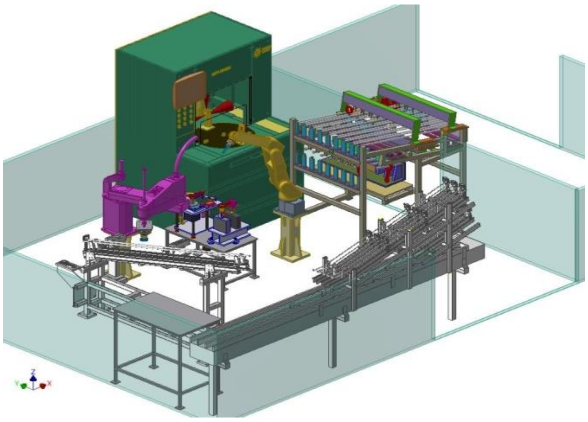
1. *Automated fracture and bolt assembly cells*: Our automated assembly cells for connecting rods performs six operations and two inspection process by the use of five robots. The operations include pin bore inspection, laser grooving, fracture of crank-end, brushing, air-blast cleaning, bolt insertion and torque and chip off inspection. The assembly cell has a "takt time" (which refers to the average time between the start of production of one piece and the start of production of the next piece) of 15 seconds per piece and produces 4,500 pieces per day. These automated assembly cells are configured with SCADA (Supervisory Control and Data Acquisition) control system architecture.



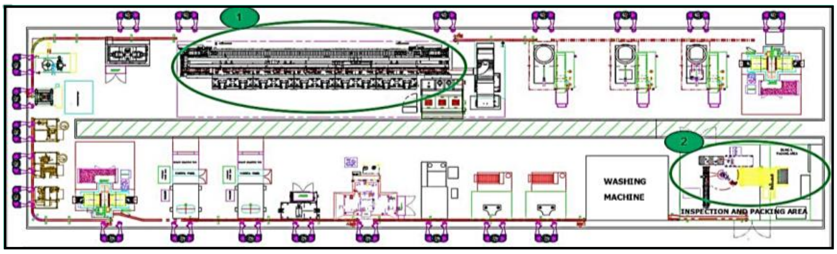
2. *Automated post assembly machining cells*: Our automated post-assembly machining cell has one robot each for double-disk grinding and two for vertical machining centers. The robotic end of the arm handles up to eight-components (Unload 4-Parts and Load 4-Parts). Finish grinding is controlled by an electronic measuring gage, which is followed by machining of taper face, step faces and chamfers pieces with a takt time of 15 seconds per piece and 4,500 pieces per day.



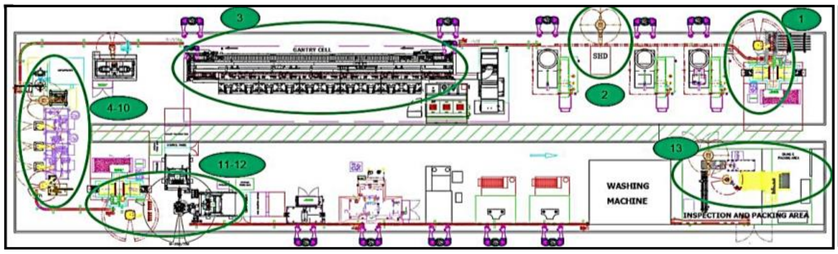
3. *Robotic final inspection cells*: Our automated final inspection cell has two robots for measuring 14 critical dimensional parameters and differential weight between the pieces. It is programmed with laser marking and grade segregation abilities. The automated final inspection cell has a takt time of 12 seconds per piece, thereby having the capacity to inspect 5,400 pieces per day.



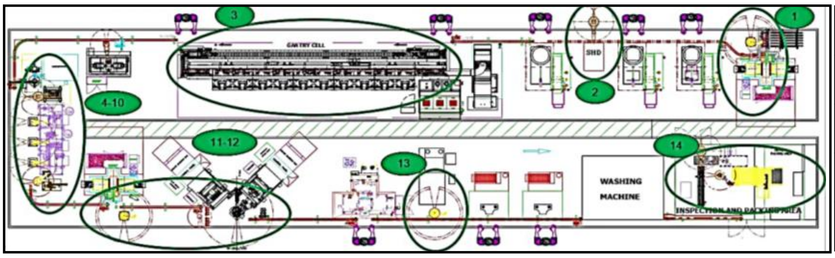
We have leveraged our design and engineering, machine building and automation capabilities as summarised above in our existing production facilities to stay competitive. As an example, the following chart shows evolution of our fractured connecting rod lines over five manufacturing lines deployed over the last eight years:



CR-Machining Line -1 (Dec.2010)	
TAKT TIME	18 SEC.
OUT-PUT / DAY	4200 pc.
MAN-POWER / SHIFT	23
NO.OF AUTOMATIONS	2



CR-Machining Line -4 (Feb.2017)	
TAKT TIME	15 SEC.
OUT-PUT / DAY	4500 pc.
MAN-POWER / SHIFT	12
NO.OF AUTOMATIONS	13



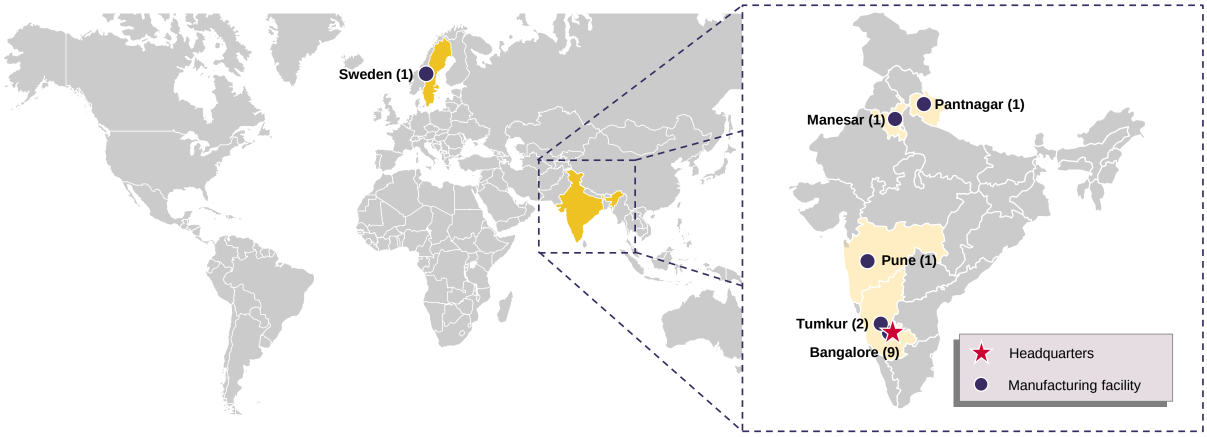
CR-Machining Line -5 (Feb.2018)	
TAKT TIME	13 SEC.
OUT-PUT / DAY	5200 pc.
MAN-POWER / SHIFT	9
NO.OF AUTOMATIONS	14

As indicated above, we have progressively been able to reduce takt time and increase productivity by increasing the number of automations. We now plan to deploy these capabilities across our manufacturing capabilities such as existing rocker arm, crankshaft and two-wheeler connecting rod lines.

Manufacturing Facilities

Facilities

As of May 31, 2018, we had 14 manufacturing facilities and one unit was used as our corporate unit situated in India at various locations, namely, Bengaluru, Manesar, Pune, Pantnagar and Tumkur, and one facility at Trollhattan, Sweden, in Europe operated by Sansera Sweden, our wholly owned Subsidiary. Of our 14 manufacturing facilities situated in India, Gearock Forge and Fitwel each operate two manufacturing facilities in Bengaluru and Tumkur, respectively. Our largest manufacturing facility in Bidadi, India, has recently commenced commercial production. As of May 31, 2018, we owned seven manufacturing facilities and have entered into lease cum sale agreements with state owned IDCs for three manufacturing facilities and five manufacturing facilities are on rented premises.



We seek to align our manufacturing capabilities closely to our customers' demands while simultaneously managing costs. Our plant configurations are flexible, allowing us to move our machinery from one location to another to interchange capacity and product mix. We can also shift production lines between certain products based on customer and operational requirements, thereby enhancing our machine productivity. All of our automotive components are capable of being designed, engineered and manufactured in at least two of our manufacturing facilities (excluding the facility at Trollhattan, Sweden).

All our automotive manufacturing facilities are certified for automotive sector quality management systems as per the International Automotive Task Force ("**IATF**") requirement. We also have AS 9100D and BS EN ISO 9001:2015 certifications by UKAS Management Systems under the Aerospace Sector Certification Scheme for current international standards of quality management systems for our aerospace component manufacturing facility.

Most of our key manufacturing facilities in India have been certified for conforming to and following international standards of quality management systems such as IATF 16949:2016 and BS EN 9100:2016 (technically equivalent to AS9100D), environmental management system standards ISO14001:2004 and ISO14001:2015 as well as occupational health and safety management system standards BS OHSAS 18001:2007. Our aerospace facility is NADCAP accredited for measurement and inspection.

All our facilities in India are operated around the clock for six days a week except for Sundays and national holidays. Details of our manufacturing facilities are as follows:

Plant No.[1]	Location	Leased/ Owned	Annual Installed Capacity as of March 31, 2018 (units)	Capacity Utilisation in Fiscal 2018[2] (%)	Capacity Utilisation in Fiscal 2017[2] (%)	Capacity Utilisation in Fiscal 2016[2] (%)	Key products	Facilities
1	Gharvebhavi Palya, Bengaluru, Karnataka	Leased	4,320,000	54	87	68	Rocker arm	Machining and assembling
2	Bommasandra, Bengaluru, Karnataka	Owned	23,382,000	90	84	82	Rocker arm, connecting rod, rocker shaft, gear shifter fork and oil pump flange	Machining and heat treatment, metallurgy and metrology laboratory, and die milling
3	Jigani Link Road, Bengaluru, Karnataka	Owned	12,286,500	90	77	80	Rocker arm, crankshaft, balancer shaft, integral crankshaft and valve bridge	Machining and assembly
4	Manesar, Haryana	Owned	12,825,000	88	68	57	Rocker arm and connecting rod	Heat treatment, and machining and assembly
5	Chakan Pune, Maharashtra	Owned	3,990,000	75	90	85	Rocker arm, crankshaft and connecting rod	Forging and heat treatment, machining and assembly, and tool room
6	Pantnagar, Uttarakhand	Owned	20,283,000	61	62	59	Rocker arm, connecting rod, crankshaft, gear shifter fork, sprocket and spacer gear	Forging and tool room, machining and heat treatment, and chrome plating and assembly
7	Jigani Link Road, Bengaluru, Karnataka	Owned	11,412,000	68	73	62	Connecting rod	Engineering and research and development, forging and tool room, and machining and laboratory
9	Jigani Link Road, Bengaluru, Karnataka	Leased	238,464	43	45	49	Aerospace components (cargo system, lighting system and housing)	Machining and assembly
10	Bommsandra, Jigani Link Road, Bengaluru, Karnataka	Leased	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Machine building	Machine building and automation
11	Bidadi, Bengaluru, Karnataka	Owned	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Connecting rod	Machining and forging (under-construction)
12	Bommasandra, Bengaluru, Karnataka	Owned	36,225,000	81	79	76	Rocker arm, connecting rod, gear shifter fork and crankshaft	Forging press, drop and hydraulic hammer, and heat treatment
14	Bommasandra, Bengaluru, Karnataka	Leased					Rocker arm, connecting rod, gear shifter fork and crankshaft	Forging press, drop and hydraulic hammer, and heat treatment

Plant No.(1)	**Location**	**Leased/ Owned**	**Annual Installed Capacity as of March 31, 2018 (units)**	**Capacity Utilisation in Fiscal 2018(2) (%)**	**Capacity Utilisation in Fiscal 2017(2) (%)**	**Capacity Utilisation in Fiscal 2016(2) (%)**	**Key products**	**Facilities**
Fitwel - Plant 1	Tumkur, Bengaluru, Karnataka	Owned	36,000,000	81	74	76	Camshaft, link, lever, barrel, rotor and pump housing	Forging press, drop hammer, heat treatment and screw press
Fitwel - Plant 2	Tumkur, Bengaluru, Karnataka	Owned					Camshaft, link, lever, barrel, rotor and pump housing	Forging press, drop hammer, heat treatment and screw press
Sansera Sweden Plant	Trollhattan, Sweden	Leased	683,200	94	Not Applicable	Not Applicable	Connecting rod	Machining

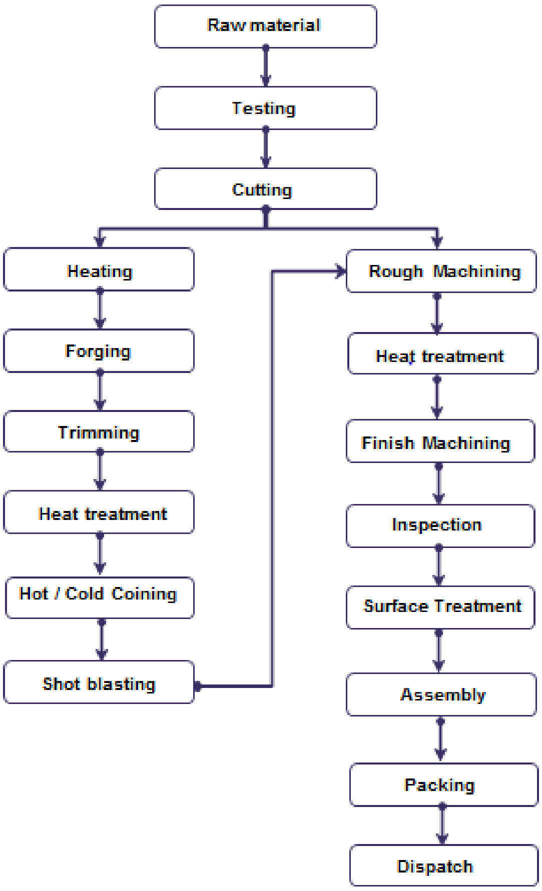
Notes:

(1) Plant 8 is used for our Registered and Corporate office.

(2) Capacity utilisation in fiscal 2018 is based on the closing capacity in fiscal 2017, and the same basis applies for the calculation of capacity utilisation in fiscals 2017 and 2016.

Manufacturing Processes

Set forth below is a chart and description of the key manufacturing processes for precision forged and machined components at our manufacturing facilities:



Forging: The manufacturing process typically starts with steel bars (raw material) that are cut into smaller billets by the shearing or sawing process. The billets are heated to stipulated temperatures and then subjected to a process of forging where the metal is pressed, pounded or squeezed under high pressure resulting in high-strength parts with the required shape and size.

Heat treatment: The forged components are subjected to heat treatment to achieve the required specifications on microstructure and hardness, among others. Our heat treatment facilities include various types of furnaces such as sealed quench furnaces and other batch and continuous furnace lines. Certain parts are also subjected to heat treatment during the process of machining to achieve a more specific microstructure, case depth and hardness.

Shot blasting: The forgings are then subjected to further operations such as shot blasting, a surface treatment process in which high velocity steel abrasive shots are directed in a controlled manner onto the surface that needs to be treated. Shot blasting is a method through which it is possible to obtain excellent cleaning and surface preparation for subsequent finishing operations.

Machining: Machining refers to the conversion of raw forging into a finished component with exact specifications in relation to size, shape and other performance parameters. Machining operations are usually divided into the two phases, distinguished by purpose and cutting conditions:

- Roughing: Roughing is used to remove large amounts of material from the starting work-part (typically a forging) as rapidly as possible, in order to produce a shape close to the desired form, but leaving some material on the piece for a subsequent finishing operation.
- Finishing: Finishing is used to complete the part and achieve the final dimensions, tolerance and surface finish.

Some of our key machining processes are milling, turning, drilling, slitting, reaming and boring, tapping, honing and grinding (including the inside diameter, outside diameter, double disc, surface and profile grinding).

Machining operations are performed on SPMs, which typically are computer numerically controlled (CNC). In addition to designing and building these SPMs in-house, we also make own dies (for forgings), jigs (for holding tools in the machine) and fixtures (for holding the work-part in the machine or for inspection) during machining operations.

Surface treatment: Machined parts are further subject to specific surface treatment such as hard chrome plating, DLC coating and phosphating to provide high performance product life, wear resistance, better surface finish and corrosion resistance.

Testing and validation: Our in-house capabilities in product testing and validation enable us to test and validate our products in conformity with customer requirements. This ensures product reliability, reduces the product development cycle time to meet customer's requirements and helps reduce manufacturing throughput time.

Quality Assurance and Quality Control

In the precision components manufacturing industry, adherence to quality standards is a critical factor as any defect in any of the products manufactured by us, or failure to comply with the design specifications of our customers, may lead to cancellation of purchase orders placed by our customers and loss of reputation. In order to maintain the quality standards and comply with the design specifications our customers, we follow a stringent quality control mechanism. At each stage of the manufacturing process, the components are examined by our operators to ensure there is no defect from the previous stage operator. Separately, representatives of our customers regularly inspect our manufacturing facilities and manufacturing processes. We also have a separate team of engineers responsible for quality assurance.

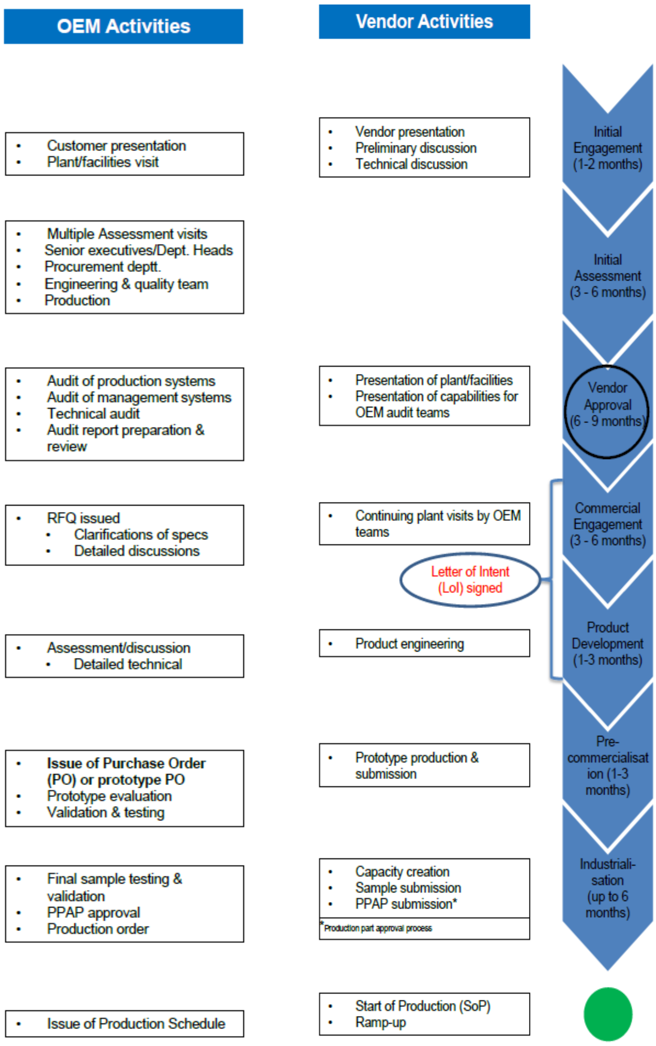
Most of our key manufacturing facilities in India have been certified for conforming to and following international standards of quality management systems such as IATF 16949:2016 and BS EN 9100:2016 (technically equivalent to AS9100D), environmental management system standards ISO14001:2004 and ISO14001:2015 as well as occupational health and safety management system standards BS OHSAS 18001:2007.

We also have AS 9100D and BS EN ISO 9001:2015 certifications by UKAS Management Systems under the Aerospace Sector Certification Scheme for current international standards of quality management systems for our aerospace component manufacturing facility. In addition, our aerospace facility is NADCAP accredited for measurement and inspection.

Sales and Marketing

Customer acquisition process

In the precision components industry, OEMs tend to have an extensive and detailed vendor approval processes which typically take 18 to 24 months. While each OEM has its own approval process, the typical sequence of activities for new vendor approval is as follows:



Requests for quotations ("**RFQs**") are typically issued only after the vendor has successfully cleared an initial audit and has been classified as an approved vendor. Once RFQs are issued and the vendor's response is within the expected commercial requirements of the OEM, OEMs conduct further plant-specific and product-specific audits. A letter of intent is then issued as a confirmation of commercial engagement and typically states details of the commercial relationship such as intended volumes, expected start of production and timeline for other intermediate steps. Following this the vendor develops proto type samples for validation while any remaining commercial details are discussed, negotiated and agreed between the vendor and the OEM. If a new product is being developed, the OEMs require several prototypes samples and often issue prototype purchase orders and make payments to the vendors. Only after the testing and validation of the prototypes does the OEM give the approval for the vendor to establish manufacturing capacity for the specific part, and the OEM may issue a purchase order at this stage to specify any details not included in the letter of intent. Once the manufacturing capacity has been established by the vendor, a further approval process (Production Part Approval Process or PPAP as defined by the Automotive Industry Action Group) is conducted to demonstrate that the vendor has developed its design and production process to meet the client's requirements. PPAP is conducted on the actual production lines that are to be used by the vendor. The vendor submits PPAP samples (fully finished product) which have been produced on the actual manufacturing line. The OEM then conducts final testing and validation such as fatigue and endurance testing. In some cases, this may include actual field testing (e.g. connecting rods are installed in engines which are in turn installed in cars which are run on test tracks for some minimum distance (typically 30,000 km)). Once the OEM is satisfied with the PPAP samples, it issues the final confirmation to start commercial production.

Given the time and effort involved in the approval process as indicated above, OEMs typically do not switch vendors unless there are specific quality and cost issues.

Our customers at times also request us to partner with their own development teams throughout a product cycle, which involves design, engineering and product development. Accordingly, our engineers and sales team work on-site at the customers' location with their in-house engineering and design teams to develop customised solutions, which in turn allows us to maximise our sales opportunities. We believe such arrangements give us the opportunity to embed our products into our customers' expansion and development plans.

The table below sets forth the status with respect to the number of customers at the LoI and PO stage as of May 31, 2018.

Vertical/Sector	Product family	Number of customers at LoI / PO stage
Two-wheelers	Rocker arm	7
	Gear shifter fork	7
	Crankshaft	3
	Integral crankshaft	5
	Connecting rod	7
	Stem comp steering	1*
	Aluminium forged component	1*
	Other products	1
Passenger vehicles	Rocker arm	1
	Gear shifter fork	1
	Connecting rod	5
	Other products	2
LCV/HCV	Connecting rod	3
	Other products	1
Off-road vehicles and other segments	Integral crankshaft	1
	Other products	1

**LoI received after May 31, 2018*

Sales and marketing team

Our sales and marketing team focuses on developing customer relationships, acquiring new contracts for development and manufacturing, identifying new customers and generating business opportunities. We focus on strategically aligning ourselves with customers to create long-term relationships after the initial sale.

Our OEM customers include some of the largest Indian and global OEMs. We have a diverse customer base in 19 countries across USA, Latin America, Europe, Russia and Asia, and a consistent track record of customer additions (including customers in the aerospace sector) over the years as indicated below:

Fiscal	Number of customers
2014	50
2015	51
2016	52
2017	56
2018	71

The table below sets forth some of our key customers in various verticals in the automotive sector, the aerospace sector as well as others:

Vertical / Sector	Customers
Two-wheelers	Bajaj, Harley Davidson, Hero, HMSI, KTM, Royal Enfield, Yamaha
Passenger vehicles	FCA, Honda Cars, Maruti Suzuki, Toyota, Volkswagen
LCV/HCV	Ashok Leyland, CNHi, a leading Japanese OEM, a leading German OEM, a leading Swedish OEM
Aerospace	Boeing, UTAS, a leading European OEM
Off-road vehicles and other segments	Bosch, JCB, Polaris

In addition, we supply to certain customers across multiple geographies as a result of our long-term association with them. Geographies of our supply to these customers are as follows:

Customer	Geographies across which we supply
Honda	Brazil, China, England and Thailand*
Yamaha	Brazil, China, Indonesia and Thailand*
FCA	Argentina, Brazil and Italy
HMSI	Thailand
Maruti Suzuki	Indonesia*

**Purchase orders are raised through the Indian arm of the company which are further supplied to entities to foreign companies*

For details relating to the contribution from our top five customers to our revenues and a breakdown of our revenues by geographical markets, see "*Our Business – Our Strengths – Well diversified business model*" on page 146.

Customer Agreements

For our domestic customers, we do not generally have firm commitment or long term purchase agreements with most of our customers and instead rely on purchase orders issued by our customers from time to time. For our export customers, we enter into various purchase and supply agreements. The components are supplied by us under various purchase orders issued by the customers from time to time, under the terms of the master purchase or supply agreement. For further details, see "*Risk Factors – We do not have firm commitment supply agreements with our customers. If our customers choose not to source their requirements from us, our business and results of operations may be materially adversely affected*" on page 18.

The purchase orders issued by the customers specify the type of components, the quantity and the cost for each batch of orders placed. Most of our customers provide us with forecasts of order volumes, generally firm for the first month, and a tentative delivery schedule for the following months, as well as annual sales projections that help us estimate production requirement and capital expenditure for that particular product or business line and facilitate our resource planning. When actual production volumes differ significantly from our estimates, we generally seek to make up any shortfalls through new orders, either with existing or with new customers, which may or may not materialise.

The purchase orders are typically subject to conditions such as ensuring that all products delivered to the customer have been inspected and will be safe for use, that orders will be fulfilled according to predetermined delivery schedules and that all products will be built to customer specifications. Some of our customers under their respective purchase or supply contracts, have the right to check and verify our relevant manufacturing systems processes, which may include inspection of the manufacturing facilities, review of the manufacturing processes and review of the raw materials. Further our purchase or supply contracts contain a warranty provision which warrants conformity of the products to specifications, drawings, samples or descriptions furnished by the customers and further warrants that products delivered will be merchantable, of good material and workmanship and free from defects.

While in practice we have passed the increase in the cost of raw materials onto our domestic customers, there is usually a gap in time between the date of procurement of those raw materials and the date on which we can reset the component prices for our customers so as to account for the increase in the prices of such raw materials. In addition, we may not be able to pass raw material price increases to all our customers as our ability to adjust pricing terms with customers varies based on our specific customer relationships, market practice with respect to the particular raw material or component and other factors such as raw material content and whether medium-term price fluctuations have been factored into our component prices at the time of price finalisation. As a result, for some of our export customers, we may in some instances bear the risk of any price increases that occur.

Raw Materials and Suppliers

Our primary raw materials are (i) steel rounds bars, castings, forgings, ferrous alloys and non-ferrous alloys like aluminium, nickel, copper and titanium and (ii) assembled components such as roller bearings, screws, crank pins, bolts, bushes and sintered tips.

We procure raw materials from our suppliers based on purchase orders and we do not have any purchase agreements or firm commitments executed with them. Pursuant to the terms of our purchase orders, we reserve the right to reject defective materials, and any warranty claims accepted by our Company for defective materials supplied by our suppliers are passed onto such suppliers. We primarily purchase raw materials back-to-back and in line with the terms and prices that are agreed with our customers, either from suppliers stipulated by our customers or those suggested by us and approved by our customers. We procure from multiple suppliers with whom we have long-term relationships to ensure timely availability of raw materials of the desired quality and quantity. We have a diversified supplier base to reduce supplier concentration risk. For further details, see "*Risk Factors – We depend on third parties with whom we do not have long-term supply contracts for the supply of raw materials. A loss of suppliers or interruptions in the delivery of raw materials or volatility in the prices of raw materials on which we rely may have a material adverse effect on our business and results of operations*" on page 23.

Our suppliers undergo a qualification process and performance rating to ensure that the supplied raw materials are of satisfactory quality. We select our suppliers and sub-contractors based on their performance and delivery and quality rating. We ensure that our suppliers are customer-approved or certified for automotive sector quality management systems such as IATF 16949:2016 or equivalent standards. An on-site audit of our suppliers is carried out yearly whereas an on-site audit of our sub-contractors is carried out at least once a year.

Energy and Water

Our manufacturing processes require an uninterrupted and constant voltage power to ensure that the products are of high quality and also to increase the productivity and lifetime of our machines and equipment. Our Company makes arrangements for power purchase from local utilities as well as captive power generation through generator sets in all our manufacturing facilities. Our manufacturing processes require water consumption although they are not water intensive. The requirement for water is met primarily through outside resources, or through local utility companies. In a few of our manufacturing facilities, the water requirement is met through our own bore wells.

We are also able to conserve energy through our in-house development of CNC SPMs which are built with optimal energy usage in mind. We also source a portion of our electricity requirements from third-party renewable energy producers. We undertake water conservation measures on an ongoing basis and reuse water in order to reduce wastage. For further details, see "*Risk Factors – We have power and water requirements and any disruption to power or water sources could increase our production costs*" on page 32.

Transportation

Our products are typically shipped to our OEM customers. The mode of transportation for a particular shipment is dependent on the urgency, size and value of the order. Our domestic operations use a number of different modes of transportation including road, air and rail. We manage the transportation requirements for such domestic or inbound freight directly. Where a shipment is outbound overseas, we use a number of different modes of transportation including road, air and sea. We also utilise third party freight forwarders who contract with the relevant ocean carriers and airlines on our behalf, and engage third party logistics services providers to provide support on our transportation requirements. These third party service providers are responsible for ensuring our transportation rates are competitive and that our transportation carriers are performing as required. For further details, see "*Risk Factors – We are dependent on smooth supply and transportation and timely delivery of our products to customers*" on page 22.

Human Resources

We are focused on the development of the expertise, skill sets and know-how of our employees. Our personnel policies are aimed at recruiting talented individuals and promoting the development of their skills, including through in-house as well as external training programmes.

The following table sets forth the breakdown of number of persons employed by our Company as of May 31, 2018:

	Number of employees
Managerial Staff	231
Engineers	358
Executives	62
Trainee Engineers	24
Assistants	19
Total Staff (A)	**694**
Confirmed Employees	912
Trainees and Apprentices	1,671
Contract Employees	3,067
Total Associates (B)	5,650
Total (A+B)	**6,344**

As of May 31, 2018, 835 employees employed with our Company and Fitwel were members of labour unions. We have entered into labour union agreements involving, among others, revised wage structures, ex-gratia payments, attendance bonuses and the provision of or enhancement of insurance policies. For further details, see "*Risk Factors – Our employees are members of unions and we may be subject to industrial unrest, slowdowns and increased wage costs, which may adversely affect our business and results of operations*" on page 22.

Health, Employee Safety and Environment

We closely adhere to laws and regulations relating to protection of health, employee safety and the environment. We carry out our activities while following appropriate standards of work safety and our working conditions seek to promote a healthy and safe work environment. We have an employee health and safety policy to promote workplace health and safety and minimise the risk of accidents at our facilities.

We have taken initiatives to reduce the risk of accidents and prevent environmental pollution at our facilities including ensuring that plant employee safety manuals covering employee safety and environmental procedures are in place and that plant level hazard identification and risk assessments are periodically carried out; providing training and awareness programs on employee safety and environment to all employees, including training on machines and other operations at shop-floors, and the use of first aid and other procedures to deal with emergencies; implementing regular employee safety audits, management review meetings and periodic employee safety meetings; and conducting periodic emergency mock drills in our plants.

We experienced work-related fatalities or injuries in relation to burn injuries sustained by two contract workers pursuant to a fire accident at Plant 12, and a cut and crush injury sustained by a contract worker while removing scrap struck at the hydraulic cylinder area of a compactor machine at Plant 9. For further details, see "*Risk Factors – Our operations are subject to environmental and health and safety laws and other government regulations which could result in material liabilities in the future*" on page 29. After each incident, we conducted a thorough internal investigation as to the reasons that the incident occurred, and implemented policy and process changes aimed to minimise the risk of similar future incidents.

In addition, we also have implement initiatives to reduce the environmental impact of our operations. Such initiatives include organising periodic workshops to enhance the capabilities of plant heads and their teams with respect to environment compliance management; setting up and periodically upgrading effluent and sewage treatment plants at our manufacturing facilitates to treat and recycle treated waste water; installing solar panels and sourcing power for our operations from renewable energy sources; and switching to LED lights from a conventional lighting system.

We have obtained, or are in the process of renewing, all material environmental consents and licenses from the relevant governmental agencies that are necessary for us to carry on our business. Our activities are subject to the environmental laws and regulations of India, which govern, among other things, air emissions, waste water discharge, and handling, storage and disposal of hazardous substances and wastes. Our Subsidiary in Sweden is subject to Swedish regulations relating to environmental, health and safety measures. Since the commencement of our operations, we have not experienced any emission or leakage of hazardous substances from our facilities.

All our existing manufacturing units are certified for environmental system standard ISO 14001:2004 and for occupational, health and safety system standard BS OHSAS 18001:2007.

Intellectual Property

As of the date of this Draft Red Herring Prospectus, our Company and Subsidiaries have not registered any patents in India. We may apply for patents for the technical aspects of our products and the processes for making those products in the future.

As of the date of this Draft Red Herring Prospectus, our Company has registered the following trade mark with the Trade Marks Registry in Mumbai.

Trade mark	Trade mark number	Date of grant	Valid up to	Class
SANSERA ideas@work	3258270	May 12, 2016	May 12, 2026	12
Sansera (logo)	545113	February 11, 1991	February 11, 2025	12

Immovable Properties

Our registered office is located at Plant No. 7, No. 143A, Jigani Link Road, Bommasandra Industrial Area, Anekal Taluk, Bengaluru 560105, and our corporate office is located at Plant No. 7, No. 143A, Jigani Link Road, Bommasandra Industrial Area, Anekal Taluk, Bengaluru 560106, Karnataka, India. The land on which our registered office and corporate office is located has a lease cum sale arrangement, pursuant to which the lessor shall sell the property to our Company during or at the end of the lease period, or the extended lease period (if any), if our Company has performed all conditions under the lease and sale agreement and has not breached the terms of the said agreement.

Our manufacturing facilities are located on premises that are either owned or leased by us. Details of our immovable properties are listed below:

S/No.	Location	Leased/Owned	Term of lease
1.	No. 8, A.M. Industrial Estate, 12th KM mark, Bengaluru – Hosur National Highway, in survey numbers 49/1 and 49/3, Bommanahalli City Municipality, Garvebhaivi Palya, Hosur Road, Bengaluru, Karnataka	Leased	April 1, 2018 to March 31, 2019
2.	Plot No 125 & 126, 4th Phase , Bommasandra, Jigani Link Road Industrial Area, Jigani Hobli, Anekal Taluk , Bengaluru-561 101	Leased	May 15, 2015 to May 14, 2020
3.	Plot No. 100, Bommasandra, Jigani Link Road, Industrial Area, Jigani Hobli, Bengaluru (Urban), Karnataka	Leased	October 17, 2012 to October 16, 2022
4.	Plot No. 102, Bommsandra Jigani Link Road, Anekal Taluk, Bengaluru Urban District, Karnataka	Leased	December 15, 2016 to December 14, 2019

S/No.	Location	Leased/Owned	Term of lease
5.	Plot No. 34, 35 and 36, Jigani Industrial Area, II Phase, Jigani Hobli, Anekal Taluk, Bengaluru, Karnataka	Leased	December 1, 2017 to November 30, 2027
6.	Plot no 20, Gut No 48, Behind Endurance systems, E-92, Ranjagaon Shen Punji, MIDC, Waluj-431 001	Leased	January 1, 2015 to December 31, 2018
7.	House No 401, Amazon -A, Omexe Riviera, Rudrapur, Uttarkhand	Lease cum sale*	Not applicable
8.	Plot No 143-B-8, Bommasandra Industrial Area, Hebbagodi Village, Attibele Hobli, Anekal Taluk, Bengaluru 560 099	Lease cum sale*	Not applicable
9.	Site No A1, Khata No 344, Hebbagodi Village, Attibele Hobli, Anekal Taluk, Bengaluru 560 099	Owned	Not applicable
10.	Plot No 143-C-2, Bommasandra Industrial Area, Hebbagodi Village, Attibele Hobli, Anekal Taluk, Bengaluru 560 099	Owned	Not applicable
11.	No.261 C, Bommasandra Industrial Area, Bengaluru	Owned	Not applicable
12.	No. 260 A, Bommasandra Industrial Area, Bengaluru	Owned	Not applicable
13.	No.261/C, Bommasandra Industrial Area, Anekal Tq, Bengaluru, Karnataka, PIN-560 099	Owned	Not applicable
14.	Sansera Engineering Pvt Ltd., No.01, Bommasandra Jigani Link Road, Jigani, Bengaluru, Karnataka, PIN-560 099.	Owned	Not applicable
15.	Plot no. 22-23, Industrial Model Township, Sector-06, Manesar, Haryana, PIN-122 050	Owned	Not applicable
16.	B-18, MIDC Chakan, Pune, Maharashtra, PIN-410 501	Long term lease	December 1, 2004 to December 2, 2099
17.	Plot no. 18, Sector 09, IIE Pantnagar, District Udamsingh Nagar, Pantnagar, Uttarakhand, PIN-263 153	Long term lease	June 5, 2006 to June 6, 2096
18.	No. 143/A, Bommasandra Jigani Link Road, Jigani, Bengaluru, Karnataka, PIN- 560 099	Owned	Not applicable
19.	Plot no. 48, 2nd Phase, Bidadi Industrial Area, Sector 2, Village Shyammamangala Bidadi Hobli, Ramanagara Taluk, Ramanagara District	Lease cum sale*	December 31, 1999 to December 30, 2010*
20.	Unit No.5 KHT Complex Antharasanahalli, Tumkur 560 106	Owned	Not applicable
21.	P2 Unit No.2 KHT Complex, Antharasanahalii Tumkur 560 106	Owned	Not applicable
22.	Flygmotorvägen 1 461 38 Trollhättan	Lease	January 1, 2011 to December 31, 2018
23.	Stallbackavägen 26 461 38 Trollhättan	Lease	January 1, 2011 to July 1, 2028

**The lessor shall sell the property to our Company during or at the end of the lease period, or the extended lease period (if any), if our Company has performed all conditions under the lease cum sale agreement and has not breached the terms of the said agreement.*

Competition

We face competition both domestically and internationally, in relation to specific products and our product ranges. The following table indicates our key competitors in the domestic market and the product families that they compete in (*Source: CRISIL Report*):

Product family	Vertical	Competitor
Connecting rods	Two-wheeler	Amtek Auto, FIE Group, Kalyani Group
	Passenger vehicle	Amtek Auto, Kalyani Group, Magal Tech, Amul Industries, Bajaj Motors, Kalyani Forge
Rocker arms	Two-wheeler	Bajaj Motors, FIE Group
	Passenger vehicle	Bajaj Motors, Micro Turner
Crankshafts	Two-wheeler	Amtek Auto, Kalyani Forge, Kalyani Group
Gear Shifter Forks	Two-wheeler	Bajaj Motors, FIE Group
	Passenger vehicle	Bajaj Motors, Kalyani Group, RICO Auto
Stem Comp	Two-wheeler	Endurance Technologies, Modern Automotives, Bajaj Sons Ltd

While the precision components manufacturing industry is extremely competitive, we believe that our core expertise in all aspects of design, research, engineering and development, our diversified portfolio of products, our ability to meet our customers' varying requirements, and the strong relationships that we have built with our customers over the years differentiate us from our competitors. We also believe that there are a number of barriers to entry into the market, including precision components manufacturing being a capital-intensive business and involving complex technology, machinery and systems.

Information Technology

Our design and engineering facilities comprise IT enabled processes such as CAD, CAM and CAE facilities and design software. We also have information technology systems which aid in design, development and prototyping such as Autodesk, Tecnomatrix, QFORM, Minitab, Creo and Forge. We have implemented SAP platforms encompassing business functions including production, materials, finance, inventory, maintenance, and human resource management. We make efforts to consistently upgrade our systems to ensure efficiency and business continuity. All our information technology systems are IATF certified. We have also implemented a product lifecycle management system which manages all our product data from the design stage to commercialisation.

Insurance

Our operations are subject to various risks inherent in the automotive and aerospace industries as well as fire, theft, earthquake, flood acts of terrorism and other force majeure events. We maintain insurance policies for our manufacturing facilities in India and abroad, including buildings, machinery and inventories, as well as for personal accident coverage, public liability coverage, product liability coverage and workmen compensation. In addition, we also maintain insurance policies covering directors' and officers' liability, general liability and policies that provide coverage for risks during the shipment of products. We are not insured against consequential damages, environmental damages, terrorist acts and war related events.

We believe that our insurance coverage is in accordance with industry custom, including the terms of and the scope of the coverage provided by such insurance. However, our policies are subject to standard limitations, including with respect to the maximum amount that can be claimed. For example, in the case of business interruption, limitations apply with respect to the length of the interruption covered and the maximum amount that can be claimed. Therefore, insurance might not necessarily cover all losses incurred by us and we cannot provide any assurance that we will not incur losses or suffer claims beyond the limits of, or outside the relevant coverage of, our insurance policies.

Awards and Recognition

We have been recognised with several awards by our customers for the quality of our products. In 2017, we received the "Quality Performance Award" from Volkswagen, the "Zero Defect Supply Award" from Toyota, the "Best Quality Performance Award" from Fiat India and the "Delivery Performance Award" from Polaris. In addition, we received the "Quality Excellence Award" from General Motors in 2017 for our quality performance, marking the fourth consecutive award we have received from General Motors. In 2015, we received the "Express Development Award" from GKN Aerospace and were also the first Indian supplier to be recognised and accredited by Fiat for having "Perfect Quality" in 2013. For further details, see "*History and Certain Corporate Matters – Awards and Accreditations*" on page 189.

Corporate Social Responsibility

We seek to be a socially responsible corporation and we believe that CSR is an integral part of our operations. To this end, we have established the Sansera Foundation in Bengaluru which was set up on July 5, 2007 and spearheads our CSR efforts. Our CSR initiatives are focused on demonstrating care for the community through three broad areas, namely (i) education and skill development, (ii) health and wellness and (iii) environmental sustainability, energy and water conservation.

As an example, we have undertaken and developed a lake in Kyalasanahalli, Bengaluru and we have also partnered with various government and private schools in the areas of vocational training and skill development for underprivileged children. Many of our employees have volunteered for CSR activities. We have spent ₹27.15 million, ₹14.30 million and ₹6.08 million in fiscals 2018, 2017 and 2016 respectively on CSR activities.

SELECTED FINANCIAL INFORMATION

You should read the selected financial presented below in conjunction with our Restated Consolidated Financial Statements and Restated Standalone Financial Statements as of and for the fiscal years ended March 31, 2018, 2017, 2016, 2015 and 2014 including the notes thereto and reports thereon, each included in this Draft Red Herring Prospectus.

The figures and ratios presented in this section are a supplemental measure of performance that is not required by, nor presented in accordance with, Ind AS or Indian GAAP. These are not a measurement of financial performance or liquidity under Ind AS or Indian GAAP and should not be considered as an alternative to any other performance measures derived in accordance with Ind AS or Indian GAAP, nor as an alternative to cash flow from operating activities as a measure of liquidity. In addition, the figures and ratios presented are not standardised terms and hence, a direct comparison as reported by different companies may not be possible or meaningful. We present these figures and ratios because we believe that these are frequently used by securities analysts, investors and other interest parties in evaluating companies in our industry, many of whom present such non-GAAP measures when reporting their results.

We define EBITDA as the sum of (i) Profit for the year, (ii) Total tax expenses, (ii) Finance costs and (iv) Depreciation and amortisation expense. The table below reconciles our profit for the year under Ind AS to our definition of EBITDA for the periods specified:

Figures in INR MM	**As per our Restated Standalone Financial Statements:**				
	Fiscal 2018	**Fiscal 2017**	**Fiscal 2016**	**Fiscal 2015**	**Fiscal 2014**
Profit for the year	997.60	644.10	633.04	614.83	407.41
Add back:					
Total tax expenses	550.15	319.12	243.32	257.00	139.46
Finance costs	396.20	298.31	289.12	200.13	268.02
Depreciation and amortisation expense	538.72	444.54	349.62	316.15	338.72
EBITDA	**2,482.67**	**1,706.07**	**1,515.10**	**1,388.11**	**1,153.61**

Figures in INR MM	**As per our Restated Consolidated Financial Statements:**				
	Fiscal 2018	**Fiscal 2017**	**Fiscal 2016**	**Fiscal 2015**	**Fiscal 2014**
Profit for the year	868.49	638.04	637.38	641.35	422.58
Add back:					
Total tax expenses	584.45	318.43	246.79	265.79	156.71
Finance costs	440.03	329.43	321.70	226.97	295.56
Depreciation and amortisation expense	607.73	467.03	370.35	337.30	360.21
EBITDA	**2,500.70**	**1,752.93**	**1,576.22**	**1,471.41**	**1,235.06**

Note: The Restated Consolidated Financial Statements for fiscal 2018 included exceptional items of ₹122.07 million, which impacted the EBITDA. These exceptional items were in relation to relocation of Sansera Sweden to a new facility.

Ratios:

The following tables set forth certain financial ratios for the periods specified:

Figures in INR MM	As per our Restated Standalone Financial Statements:				
	Fiscal 2018	Fiscal 2017	Fiscal 2016	Fiscal 2015	Fiscal 2014
Average RoE[1] (%)	18.14%	13.81%	16.03%	18.86%	NA
Average RoCE[2] (%)	21.40%	16.83%	18.77%	20.40%	NA
Net Debt to Equity Ratio [3]	0.78	0.70	0.59	0.67	0.66
EBITDA Margin[4] (%)	21.40%	17.53%	17.84%	18.22%	19.36%
Profit After Tax Margin[5] (%)	8.60%	6.62%	7.46%	8.07%	6.84%

Figures in INR MM	As per our Restated Consolidated Financial Statements:				
	Fiscal 2018	Fiscal 2017	Fiscal 2016	Fiscal 2015	Fiscal 2014
Average RoE[1] (%)	15.59%	13.28%	15.60%	18.87%	NA
Average RoCE[2] (%)	18.90%	15.83%	17.77%	19.75%	NA
Net Debt to Equity Ratio[3]	0.84	0.75	0.63	0.70	0.67
EBITDA Margin[4] (%)	18.24%	17.10%	17.38%	18.04%	19.06%
Profit After Tax Margin[5] (%)	6.33%	6.23%	7.03%	7.86%	6.52%

Note: The Restated Consolidated Financial Statements for fiscal 2018 included exceptional items of ₹122.07 million, which impacted the ratios. These exceptional items were in relation to relocation of Sansera Sweden to a new facility.

Definition of Ratios:

(1) *Average RoE (Average return on equity) is calculated as Profit for the year divided by average total equity. Average total equity is defined as the sum of (i) Total equity on the last day of the immediately preceding fiscal year and (ii) Total equity on the last day of the fiscal year, divided by two.*

(2) *Average RoCE (Average return on capital employed) is calculated as Earnings Before Interest and Tax divided by average Capital Employed. Earnings Before Interest and Tax is defined as EBITDA less Depreciation and amortisation expense. Average Capital Employed is defined as the sum of (i) Capital Employed on the last day of the immediately preceding fiscal year and (ii) Capital Employed on the last day of the fiscal year, divided by two. Capital Employed is defined as the sum of (i) Total equity and (ii) Net Debt less (iii) Investments in subsidiaries.*

(3) *Net Debt to Equity Ratio is calculated as Net Debt divided by total equity. Net Debt is defined as the sum of (i) current borrowings, (ii) non-current borrowings, (iii) current maturities of non-current borrowings and finance lease obligations less (i) cash and cash equivalents.*

(4) *EBITDA Margin is calculated as EBITDA divided by Total Income (Net Of Excise Duties). Total Income (Net Of Excise Duties) is defined as total income less excise duty.*

(5) *Profit After Tax Margin is calculated as Profit for the year divided by Total Income (Net Of Excise Duties). Total Income (Net Of Excise Duties) is defined as total income less excise duty.*

REGULATIONS AND POLICIES

Given below is an indicative summary of certain relevant laws, regulations and policies, as prescribed by the government of India and other regulatory bodies that are applicable to our Company and Subsidiaries for running our business. The information in this section has been obtained from various legislations, including rules and regulations promulgated by regulatory bodies, which are available in the public domain. The description of the applicable regulations as given below has been provided in a manner to provide general information to the investors and may not be exhaustive and is neither designed nor intended to be a substitute for professional legal advice. The statements below are based on the current provisions of applicable law, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions. For details of government approvals obtained by us, see "Government and Other Approvals" on page 432.

Key Acts, Regulations and Policies governing our Company and our Subsidiaries

Regulations regarding foreign investments

Under the current consolidated FDI Policy, effective from August 28, 2017, issued by the Department of Industrial Policy and Promotion ("**DIPP**") including any modifications thereto or substitutions thereof, issued from time to time (the "**Consolidated FDI Policy**"), 100% FDI through automatic route is permitted in the manufacturing sector. Additionally, trading under the Consolidated FDI Policy is also under the automatic route and FDI is permitted up to 100% therein. Trading under the Consolidated FDI Policy includes sale of goods/ merchandise to retailers, industrial, commercial, institutional or other professional business users or to other wholesalers and related subordinated service providers.

Regulations applicable to the production and manufacturing sector

*Industries (Development and Regulation) Act, 1951, as amended ("**IDR Act**")*

The IDR Act has been liberalized under the New Industrial Policy dated July 24, 1991 and all industrial undertakings are exempt from licensing except for certain industries, including, among others, all types of electronic aerospace, defence equipment, ships and other vessels drawn by power. The IDR Act is administered by the Ministry of Industries and Commerce through the DIPP. The main objectives of the IDR Act is to empower the Government to take necessary steps for the development of industries; to regulate the pattern and direction of industrial development; and to control the activities, performance and results of industrial undertakings in the public interest. The DIPP is responsible for formulation and implementation of promotional and developmental measures for growth of the industrial sector.

*Legal Metrology Act, 2009 ("**LM Act**")*

The LM Act seeks to establish and enforce standards of weights and measures, regulate trade and commerce in weights, measures and other goods which are sold or distributed by weight, measure or number and for matters connected therewith or incidental thereto. The LM Act makes it mandatory to obtain a license from the Controller of Legal Metrology by any person who manufactures sells or repairs any weight or measure. All weights or measures in use or proposed to be used in any transaction or protection, are required to be verified and stamped at such place and during such hours as the Controller of Legal Metrology may specify on payment of prescribed fees. Various penalties have been provided for contravention of the provisions of the LM Act. The penalty of using non-standard weight or measure may attract a fine of upto ₹ 20,000 and, a subsequent offence, may lead to penalties and imprisonment extending to three years along with fine. In case a person imports any weight or measure without being registered under the LM Act, he may be punished with fine which may extend to ₹ 25,000. The LM Act also provides for provisions relating to compounding of offences.

Environmental laws

*Environment Protection Act, 1986 ("**EPA**") and Environment (Protection) Rules, 1986*

The EPA is the umbrella legislation in respect of the various environmental protection laws in India. Under the EPA, the government of India is empowered to take any measure it deems necessary or expedient for protecting and improving the quality of the environment and preventing and controlling environmental pollution. This includes rules for, *inter alia*, laying down standards for the quality of environment, standards for emission of discharge of environment pollutants from various sources, as provided under the Environment (Protection) Rules, 1986, inspection of any premises, plant, equipment, machinery, examination of manufacturing processes and materials likely to cause pollution. Penalties for violation of the EPA include fines up to ₹ 100,000 or imprisonment of up to five years, or both. The imprisonment can extend up to seven years if the violation of the EPA continues. There are provisions with respect to certain compliances by persons handling hazardous substances, furnishing of information to the authorities in certain cases, establishment of environment laboratories and appointment of Government analysts.

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

The Air Act has been enacted to provide for the prevention, control and abatement of air pollution. The Air Act was enacted with a view to protect the environment and surroundings from any adverse effects of the pollutants that may emanate from any factory or manufacturing operation or activity. It lays down the limits with regard to emissions and pollutants that are a direct result of any operation or activity. Periodic checks on the factories are mandated in the form of yearly approvals and consents from the respective state pollution control boards. Pursuant to the provisions of the Air Act, any person, establishing or operating any industrial plant within an air pollution control area, must obtain the consent of the relevant state pollution control board, prior to establishing or operating such industrial plant. The state pollution control board may then grant consent, subject to mentioned conditions relating to pollution control equipment to be installed at the facilities. No person operating any industrial plant in any air pollution control area is permitted to discharge the emission of any air pollutant in excess of the standards laid down by the state pollution control board.

*Water (Prevention and Control of Pollution) Act, 1974 ("**Water Act**") and Water (Prevention and Control of Pollution) Cess Act, 1977*

The Water Act aims to prevent and control water pollution as well as restore water quality by establishing and empowering the central and state pollution control board. Under the Water Act, any person establishing any industry, operation or process, any treatment or disposal system, using any new or altered outlet for the discharge of sewage or new discharge of sewage, must obtain the consent of the relevant state pollution control board, which is empowered to establish standards and conditions that are required to be complied with. In certain cases, the state pollution control board may cause the local Magistrates to restrain the activities of such person who is likely to cause pollution. Penalty for the contravention of the provisions of the Water Act include imposition of fines and/or imprisonment.

*Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016, ("**Hazardous Wastes Rules**")*

The Hazardous Wastes Rules impose an obligation on every occupier of a facility generating hazardous waste to deploy safe and environmentally sound measures for handling of hazardous waste generated at such facility. Every person engaged in generation, processing, treatment, packaging, storage, transportation, use, collection, destruction, conversion, offering for sale and transfer of hazardous waste, must obtain an approval from the applicable state pollution control board. The occupier, the importer, the transporter and the operator of disposal facility are liable for damages to the environment or third party resulting from the improper handling and disposal of hazardous waste.

*Public Liability Insurance Act, 1991 ("**Public Liability Act**")*

The Public Liability Act imposes liability on the owner or controller of hazardous substances for any damage arising out of an accident involving such hazardous substance. A list of hazardous substances covered by the Public Liability Act has been enumerated by the Government by way of a notification. The owner or handler is also required to take out an insurance policy insuring against liability under the legislation. The rules made under the Public Liability Act mandate that the employer has to contribute a sum equal to the premium paid on the insurance policies towards the environment relief fund.

Tax Legislations

The tax related laws that are applicable to our Company include the Income Tax Act, 1961, the Income Tax Rules, the Customs Act, 1962, Customs Tariff Act, 1975, Goods and Services Tax Act, 2017, local body tax in respective states and Finance Act, 1994 and various applicable tax notifications and circulars.

Labour Legislations

*Factories Act, 1948 ("**Factories Act**")*

The Factories Act defines a "factory" to cover any premises which employs ten or more workers and in which manufacturing process is carried on with the aid of power. Each state government has rules in respect of the prior submission of plans and their approval for the establishment of factories, as well as for licensing of factories. The Factories Act provides that an occupier of a factory i.e., the person who has ultimate control over the affairs of the factory, and in the case of a company, any one of the directors, must ensure the health, safety and welfare of all workers. There is a prohibition on employing children below the age of fourteen years in a factory. The occupier and the manager of a factory may be punished in accordance with the Factories Act for different offences in case of contravention of any provision thereof and in case of a continuing contravention after conviction, an additional fine for each day of contravention may be levied.

Other labour legislations

In addition to the Factories Act, depending upon the nature of activity, and/or the number of employees at each establishment, the following is an indicative list of labour laws applicable to the business and operations of Indian companies engaged in manufacturing activities:

- Child Labour (Prohibition and Abolition) Act, 1986;
- Contract Labour (Regulation and Abolition) Act, 1970;
- Employees Compensation Act, 1923;
- Employees' Provident Funds and Miscellaneous Provisions Act, 1952;
- Employees' State Insurance Act, 1948;
- Equal Remuneration Act, 1976;
- Industrial Disputes Act, 1947;
- Industrial Employment (Standing Order) Act, 1946;
- Inter-State Migrant Workers Act, 1979;
- Maternity Benefit Act, 1961;
- Minimum Wages Act, 1948;
- Payment of Bonus Act, 1965;
- Payment of Gratuity Act, 1972;
- Payment of Wages Act, 1936;
- Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013;
- Trade Unions Act, 1926; and
- state-specific Shops and Establishments Act, 1963.

Other Applicable Laws

*Electricity Act, 2003 ("**Electricity Act**") and Central Electricity Authority (Measures relating to Safety and Electric Supply) Regulations, 2010, as amended ("**Electricity Regulations**")*

The Electricity Act consolidates the laws relating to generation, transmission, distribution, trading and use of electricity. It lays down provisions in relation to transmission and distribution of electricity. It states that the State Government can specify suitable measures for specifying action to be taken in relation to any electric line or electrical plant, or any electrical appliance under the control of a consumer for the purpose of eliminating or reducing the risk of personal injury or damage to property or interference with its use.

The Electricity Regulations are framed under the Electricity Act and they lay down the provisions in relation to the safety provisions for electrical installations and apparatus of voltage exceeding 650 volts. The said installation requires approval from the electric inspector before commencement of supply and recommencement after shutdown for six months for electrical installations exceeding 650 volts.

Trade Marks Act, 1999 ("Trade Marks Act")

The Trade Marks Act provides for the application and registration of trademarks in India. The purpose of the Trade Marks Act is to grant exclusive rights to marks such as a brand, label and heading, and to obtain relief in case of infringement of such marks. An application for the registration of trademarks has to be made to Controller-General of Patents, Designs and Trade

Marks who is the Registrar of Trade Marks for the purposes of the Trade Marks Act. It also provides for penalties for infringement, falsifying, and falsely applying trademarks and using them to cause confusion among the public.

*The Bureau of Indian Standards Act, 2016 ("**BIS Act**")*

In addition to the above, our Company is also governed by the provisions of the Companies Act and rules framed thereunder, foreign exchange laws, foreign trade laws, and other applicable laws and regulations imposed by the central and state government and other authorities for day to day business, operations and administration of our Company.

HISTORY AND CERTAIN CORPORATE MATTERS

Brief history of our Company

Our Company was incorporated as Sansera Engineering Private Limited on December 15, 1981 at Bengaluru, Karnataka, India as a private limited company under the Companies Act, 1956. Our Company was converted into a public limited company pursuant to a special resolution passed by our Shareholders at the EGM held on June 19, 2018 and the name of our Company was changed to Sansera Engineering Limited. A fresh certificate of incorporation consequent upon conversion to a public limited company was issued by the Registrar of Companies, Karnataka on June 29, 2018.

Changes in Registered Office

The details of changes in the registered office of our Company are given below:

Date of change of Registered Office	Details of the address of Registered Office
June 27, 1997	From 51, Ranga Rao Road, Basavangudi, Bengaluru 560 004, Karnataka, India to 261/C Bommasandra Industrial Area, Hebbagodi Post, Anekal Taluk, Bengaluru 560 099, Karnataka, India
July 31, 2018	From 261/C Bommasandra Industrial Area, Hebbagodi Post, Anekal Taluk, Bengaluru 560 099, Karnataka, India to Plot No. 143/A, Jigani Link Road, Bommasandra Industrial Area, Anekal Taluk, Bengaluru 560 105, Karnataka

The changes in the registered office were made to ensure operational efficiency.

Main Objects of our Company

The main objects contained in the Memorandum of Association of our Company are as follows:

"1. To carry on the business of manufacture of engineering products such as parts, assemblies and sub-assemblies for automobiles, trucks, Earth moving machinery, locomotives, aircraft, two and three wheelers, industrial machinery, textile machinery, compressors, agricultural pumps and equipment, transmission and transmission bodies, suspension, internal combustion engines and other equipment including machine tools.

"Engineering products" as used above is meant to include products, parts, fitment assemblies and sub-assemblies in the fields of mechanical, electrical, electronic, hydraulic, pneumatic engineering and other areas in engineering."

2. To carry on the business as agents, distributors, representatives and dealers in all types of engineering products as detailed above.

3. To offer consultancy services and to act as Consultants in the above fields.

4. To do research and develop tools in the above categories.

5. To undertake, carry out, promote and sponsor rural development, including any programme for promoting the social and economic welfare of, or the uplift of the public in any rural area and to incur any expenditure on any programme of rural development and to assist execution and promotion there of either directly or through an independent agency or in any other manner. And without prejudice to the generality of the foregoing, it is hereby declared that "Programme of rural development" shall also include any programmed for promoting the social and economic welfare of or the uplift of the public in any rural area which the company may consider likely to promote and assist rural development, and that the words "rural area" shall include such areas as may be regarded as rural areas under Section 35CC of the income Tax Act, 1961 or any other modification or re-enactment thereof for the time being in force or any other law relating rural development for the time being in force or any may be regarded by the company as rural areas and the company may, at their discretion, in order to implement any of the above mentioned objects or purposes transfer without consideration or at such fair or concessional value as the company may think fit and divest ownership of any property of the company to or in favour of any Public or Local Body or Authority or Central or State Government, as the Company may deem fit.

6. *To undertake, carry out, promote or sponsor or assist any activity for the promotion and growth of national economy and for discharging what the company may consider to be social and moral responsibility to the public or any section of the public as also any activity which the Company considers likely to promoter national welfare or social, economic or moral uplift of the public or any section of the public and in such manner and by such means as the company may think fit and the company may without prejudice to the generality of the foregoing, undertake, carry out, promoter and sponsor any activity for publication of any books, literature, newspapers, etc., or for organizing lectures or seminars likely to advance these objects or for giving merit awards, or for giving scholarships, loans or any other assistance to deserving students or other scholars or person to enable them to pursue their studies or academic pursuits or researches and for establishing, conducting or assisting any body, institution, fund, trust, etc., having any one or more of the aforesaid objects as one or more of its objects by giving donation or otherwise in any other manner and the Company may, in order to implement any of the above mentioned objects or purposes, transfer without consideration or at such fair or concessional value as the company may think fit and divest the ownership of any property of the Company to or in favour of any Public or Local Body or Authority or Central or State Government or any Public Institution or Trust as the company deems fit. "*

The main objects as contained in the Memorandum of Association enable our Company to carry on the business presently being carried out.

Amendments to the Memorandum of Association

Set out below are the amendments to our Memorandum of Association since the incorporation of our Company.

Date of Shareholders' Resolution	Particulars
December 15, 1981	Clause V of the MoA was amended to reflect the division of the authorized share capital of the Company of ₹ 500,000 divided into 4,000 cumulative redeemable preference shares of ₹ 100 each and 1,000 Equity Shares of ₹ 100 each
September 27, 1989	Clause V of the MoA was amended to reflect the increase in the authorized share capital of the Company from ₹ 500,000 divided into 4,000 cumulative redeemable preference shares of ₹ 100 each and 1,000 Equity Shares of ₹ 100 to ₹ 1,000,000 divided into 4,000 cumulative redeemable preference shares of ₹ 100 each and 6,000 Equity Shares of ₹ 100 each
June 14, 1990	Clause V of the MoA was amended to reflect the increase in the authorized share capital of the Company from ₹ 1,000,000 divided into 4,000 cumulative redeemable preference shares of ₹ 100 each and 6,000 Equity Shares of ₹ 100 each to ₹ 1,500,000 divided into 4,000 cumulative redeemable preference shares of ₹ 100 each and 11,000 Equity Shares of ₹ 100 each
August 16, 1994	Clause V of the MoA was amended to reflect the increase in the authorized share capital of the Company from to ₹ 1,500,000 divided into 4,000 cumulative redeemable preference shares of ₹ 100 each and 11,000 Equity Shares of ₹ 100 each to ₹ 10,000,000 divided into 4,000 cumulative redeemable preference shares of ₹ 100 each and 96,000 Equity Shares of ₹ 100 each
July 1, 2013	Clause V of the MoA was amended to reflect the increase and reclassification in the authorized share capital of the Company from ₹ 10,000,000 divided into 4,000 cumulative redeemable preference shares of ₹ 100 each and 96,000 Equity Shares of ₹ 100 each to ₹ 220,000,000 divided into 1,150,000 Equity Shares of ₹ 100 each, 300,000 Series A compulsorily convertible preference shares of ₹ 100 each and 750,000 Series B compulsorily convertible preference shares of ₹ 100 each
June 19, 2018	Clause I of the MoA was amended to reflect the change in the name of our Company from Sansera Engineering Private Limited to Sansera Engineering Limited pursuant to the conversion of our Company from a private limited company to a public limited company
July 28, 2018	Clause V of the MoA was amended to reflect the sub-division in the authorized share capital of the Company from ₹220,000,000 divided into 1,150,000* Equity Shares of ₹ 100 each, 300,000 Series A compulsorily convertible preference shares of ₹ 100 each and 750,000 Series B compulsorily convertible preference shares of ₹ 100 each to ₹230,000,000 divided into 62,500,000 Equity Shares of ₹ 2 each, 300,000 Series A compulsorily convertible preference shares of ₹ 100 each and 750,000 Series B compulsorily convertible preference shares of ₹100 each
August 8, 2018	Clause III of the MoA was amended to include the following other objects appearing under Clause III (C) of the MoA in the incidental objects appearing under Clause III (B) of the MoA: 1. *"To carry on the business of manufacturers, fabricators, exporters and importers, dealers in repairs, cleaners, stores and warehouses of automobiles parts and components, sheet metal articles, of any type or for any purposes, gears, engine parts, filters, pumps, boilers, turbines, dynamos, stoves, iron monger,*

Date of Shareholders' Resolution	Particulars
	hardware, wireless goods, sewing machines, motor lorries, omnibuses, coaches, ships, marine engines, two and three wheelers, tram cars, locomotives, carriages, trucks, cycles, bicycles, tricycles and other vehicles, plant machinery, machine parts and accessories tools implements and accessories of every kind. 2. *To carry on the business of iron and Steel Founders, Brass Founders, Metal Workers, Metallurgists, Jobworkers, Mechanical, Civil and Electrical Engineers and Structural Engineers.* 3. *To manufacture, purchase, sell, use and import and export forgings, heavy castings, medium and light castings and casting in brass, iron, steel, aluminum, copper, gunmetal and plastics, rubber, bakelites, petrochemical products, etc. which are capable of being conveniently made or sold in any of the business aforesaid.* 4. *To manufacture, import and export Pig Iron, Ferrosilicon, Ferrochrome and other ferrous substances and compounds and also of non-ferrous metals such as aluminum, brass, tin, etc.* 5. *To carry on the business of founders in all metal, mechanical engineers and generally deal with the by-products obtained in the process of manufacturing articles for which the Company is established.* 6. *To transact or carry on all kinds of Agency business including the business of buying Agents, Selling Agents, Commission Agents, Distributors, etc."*

**The authorised equity share capital of our Company was increased from 1,150,000 Equity Shares of ₹ 100 each to 1,250,000 Equity Shares of ₹100 each, effective from April 1, 2017, pursuant to the scheme of amalgamation under Section 233 of the Companies Act, 2013 read with Rule 25 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 for amalgamation of Gearock Forge Private Limited with our Company. For details, see "Details regarding acquisition of business/ undertakings, mergers, amalgamation, revaluation of assets, if any – Scheme of amalgamation of Gearock Forge Private Limited with our Company" on page 191 below. However, our Company did not reflect an increase in the authorized share capital by way of an amendment to the MoA Further, please refer to "Risk Factors – Our Company was incorporated in 1981 and we are unable to trace some of our historical records. We cannot assure you that no legal proceedings or regulatory actions will be initiated against our Company in the future in relation to the missing filings and corporate records, which may impact our financial condition and reputation. "on page 23.*

Major events and milestones of our Company

The table below sets forth the key events and milestones of our Company:

Year	Particulars
1986	• Received first purchase order from Maruti Udyog Limited
1996	• Commenced operations at Plant 2 situated in Bengaluru which also functions as our Company's headquarters
2000	• Commenced operations at Gearock Forge, formerly, a 100% subsidiary of our Company
2004	• Commenced operations at Plant 3 situated in Bengaluru
2005	• Commenced operations at Plant 4 situated in Manesar, Haryana • Commenced operations at Plant 5 situated in Pune for the manufacture of crankshafts
2007	• Commenced operations at Plant 6 situated in Pantnagar for Bajaj
2008	• Installed forging and heat treatment facilities in Plant 5 and Plant 6 • Commenced operations at Plant 7 situated in Bengaluru
2009	• Commenced production of connecting rods
2012	• Commenced operations at Plant 8 situated in Bengaluru
2013	• Majority stake in our Company was acquired by CVCIGP II Employee Ebene Limited and Client Ebene Limited (formerly called CVCIGP II Client Ebene Limited)
2014	• Became the first company to supply machines connecting rods to Kirloskar Toyota Textile Machinery Private Limited
2015	• Commenced operations at Plant 9 situated in Bengaluru as an aerospace division of our Company
2017	• Acquired Mape Sweden AB (Trolhattan Sweden), a European manufacturer of engine components • Commenced production of brackets for Boeing Commercial Airplanes

Awards and Accreditations

Our Company has received the following awards and accreditations:

Year	Awards and Accreditations
2018	• Received AS9100D and BS EN ISO 9001:2015 for Plant 9 by UKAS Management System under the Aerospace Sector Certification Scheme • Rated as "ICRA AA -" for long term bank facilities • Rated as "ICRA A+" for short term bank facilities
2017	• Awarded the Quality Performance Award by Volkswagen AG • Awarded the Prashamsa Suraksha Puraskara by the National Safety Council, Karnataka Chapter • Received ISO/IEC 17025:2005 certification for all facilities situated in Karnataka by National Accreditation Board for Testing and Calibration Laboratories • Awarded the Zero Defect Supplies Award by Toyota Kirloskar Motor • Awarded the Best Quality Performance Award by Fiat India Automobiles Private Limited • Awarded the "2017 Delivery Performance Award" by Polaris • Rated as "ICRA AA - " for long term bank facilities • Rated as "ICRA A1+" for short term bank facilities
2016	• Awarded the Quality Excellence Award by General Motors Company • Awarded a "4 star rating" by Confederation of Indian Industry – EHS • Received EN ISO 50001:2011 certification for Plant 2 by TUV NORD CERT GmbH • Rated as "ICRA AA - " for long term bank facilities • Rated as "ICRA A1+" for short term bank facilities
2015	• Awarded the Quality Excellence Award by General Motors Company • Awarded the Competitiveness Award by General Motors Company • Received ISO 9001: 2008 certification for Plant 2, Plant 3 and Plant 7 by TUV India Private Limited • Received ISO/TS 16949:2009 certification for Plant 2, Plant 3, Plant 4, Plant 5, Plant 6 and Plant 7 by TUV NORD CERT GmbH • Awarded the Express Development Award by GKN Aerospace • Rated as "ICRA A+" for long term bank facilities • Rated as "ICRA A" for short term bank facilities
2014	• Awarded the Best Collaboration Award by Ducati Motor Holding Spa, Italy • Awarded the Quality Excellence Award by General Motors Company • Awarded a "3 star rating" by Confederation of Indian Industry – EHS • Rated as "ICRA A1" for short term fund based facilities • Rated as "ICRA A+" for long term fund based facilities
2013	• Awarded the Perfect Quality Award by Fiat • Awarded the Silver Award for part development by India Yamaha Motors Private Limited • Awarded the Quality Excellence Award from General Motors Company • Awarded the Prashamsa Suraksha Puraskara by the National Safety Council, Karnataka Chapter • Received ISO 14001:2004 certification for Plant 9 by TUV NORD CERT GmbH • Received BS OHSAS 18001:2007 certification for Plant 9 by TUV NORD CERT GmbH • Rated as "ICRA A1" for short term fund based facilities • Rate as "ICRA A" for long term fund based facilities
2012	• Received ISO 14001:2004 certification for Plant 5 by TUV NORD CERT GmbH • Received BS OHSAS 18001:2007 certification for Plant 5 by TUV NORD CERT GmbH
2011	• Awarded the Overall Excellence Award by Maruti Suzuki India Limited • Awarded the Quality and Service Award by Ducati Motor Holding Spa, Italy • Received a certificate of recognition as a Star Export House by the Ministry of Commerce and Industry, Government of India • Received ISO 14001:2004 certification for Plant 7 by TUV NORD CERT GmbH • Received BS OHSAS 18001:2007 certification for Plant 7 by TUV NORD CERT GmbH
2010	• Received ISO 14001:2004 certification for Plant 4 and Plant 6 by TUV NORD CERT GmbH • Received BS OHSAS 18001:2007 certification for Plant 4 and Plant 6 by TUV NORD CERT GmbH
2009	• Awarded the Grand Award for QCDDM by Honda Motorcycles and Scooters India Private Limited
2008	• Received ISO 14001:2004 certification for Plant 2 and Plant 3 by TUV NORD CERT GmbH • Received BS OHSAS 18001:2007 certification for Plant 2 and Plant 3 by TUV NORD CERT GmbH
2007	• Awarded the Samman Patra Award by the Ministry of Finance, Department of Revenue, Government of India
2005	• Awarded the Vendor Performance award by Maruti Suzuki India Limited • Awarded the New Product Development Support award by Bajaj Auto
2004	• Awarded the Supplier award for quality from Honda Motorcycles and Scooters India Private Limited

Year	Awards and Accreditations
2001	• Awarded the Best Machining award by Yamaha Motors Private Limited

Other Details Regarding our Company

For details regarding the description of our Company's corporate profile, including description of our business, activities, services, products, geographical presence, market, growth, exports, profits dues to foreign operations together with country wise analysis, geographical segment, competitors, management, major suppliers and customers, environmental issues, technology, managerial competence, capacity and location, see "*Our Management*", "*Our Business*", "*Industry Overview*", "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" and "*Financial Statements*" on pages 197, 144, 108, 394 and 218, respectively.

For details regarding our management and its managerial competence, see "*Our Management*" on page 197.

Strikes and Lock-outs

There have been instances of strikes, lock-outs or instances of labour unrest in our Company. There was an instance of strike in each of Plant 1, Plant 2 and Plant 3 between August 1, 2011 to August 23, 2011, *inter alia*, in relation to an increase in wages and other facilities. Subsequently, our Company executed wage settlement agreements with the union for Plant 1, Plant 2 and Plant 3. See "*Risk Factors – Our employees are members of unions and we may be subject to industrial unrest, slowdowns and increased wage costs, which may adversely affect our business and results of operations*" on page 22.

Common Pursuits

Our Subsidiaries are engaged in lines of business that are similar to our Company. For details, see "*Our Business*" and "*Risk Factors*" on pages 144 and 17. We shall adopt necessary procedures and practices as permitted by law to address any conflict situations, as and when they may arise. Further, in the event that our Company undertakes a divestment of its shareholding in any of the Subsidiaries, a conflict in operations of our Subsidiaries and our Company may arise to the extent of the common activities. For details see, "*Risk Factors – Some of our Subsidiaries in lines of business that are similar to our Company*" on page 29. For further details of related business transactions and their significance on the financial performance of our Company, see "*Related Party Transactions*" on page 216.

Details regarding acquisition of business/undertakings, mergers, amalgamation, revaluation of assets, if any

Except as disclosed below, our Company has neither acquired any entity, business or undertaking nor undertaken any merger, amalgamation or revaluation of assets:

Scheme of amalgamation of Gearock Forge Private Limited ("Gearock Forge") with our Company as approved by the Ministry of Corporate Affairs, Regional Director, South East Region, Hyderabad ("Scheme of Amalgamation")

Our Company filed a scheme of amalgamation under Section 233 read with Rule 24 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 before the Regional Director for the transfer and vesting of the entire business and undertaking of Gearock Forge, a wholly owned subsidiary of our Company, with our Company. The rationale for the merger was for securing capital, enabling economic expansion and increasing business operations.

The Scheme of Amalgamation was approved by the Regional Director, South East Region, Ministry of Corporate Affairs through an order dated March 13, 2018 ("**Order**"). Pursuant to the Order, with effect from April 1, 2017, *inter alia*, (i) all the assets and properties (movable, immovable, tangible or intangible, present, future and contingent); (ii) all agreements, rights, contracts (including but not limited to agreements in relation to immovable properties used by Gearock Forge by way of lease, license and business arrangements, licenses, registrations, permits in relation to the business of Gearock Forge); (iii) all intellectual property rights, records, sales materials, computer programmes, manuals, data, brands, including all trademark and patent applications that are pending in the name of Gearock Forge; (iv) all amounts claimed from any governmental authority, refund of taxes, debts (secured and unsecured), liabilities (contingent liabilities) and all other obligations of Gearock Forge; and (v) all employees of Gearock Forge were transferred to our Company. In consideration of the amalgamation, the investment made by our Company in the equity share capital of Gearock Forge were cancelled and no shares were issued by our Company, without there being any further act or deed in furtherance thereof.

The Scheme of Amalgamation came into effect from March 13, 2018 which was the date on which a certified copy of the Order was filed with the RoC, and the amalgamation becoming operative with effect from April 1, 2017.

Share purchase agreement dated August 1, 2014 entered into between our Company, Fitwell, Subramanya Doddaballapur Ramarao, D Narayan, D L Shakunthala, Kavitha Rama Shekar ("Sellers") and certain key individual shareholders and other shareholders of Fitwel

Our Company entered into a share purchase agreement dated August 1, 2014 with Fitwel, the Sellers, certain key shareholders, other shareholders of Fitwel, in relation to the sale of 67,556 equity shares of Fitwel aggregating to 19.00% of the share capital of Fitwel for a consideration of ₹74,100,150. At the time of execution of the share purchase agreement, our Company was a shareholder of Fitwel, holding 50.99% of the equity shares of the Company. The said 50.99% shareholding comprising of 181,316 equity shares was acquired by our Company on March 20, 2007.Accordingly, the shareholding of our Company in Fitwel increased to 69.99%.

Share purchase agreement dated April 14, 2017 entered into between MAPE Technology S.r.l. and Sansera Mauritius

Sansera Mauritius entered into a share purchase agreement dated April 14, 2017 with MAPE Technology S.r.l. in relation to the purchase of 1,000 shares of MAPE Sweden AB aggregating to 100.00% of the share capital of MAPE Sweden AB for a consideration of EUR 3,500,000 along with expenses incurred for payment of any dividends, fees, asset transfers transaction related expenses.

Revaluation of assets

Our Company has not undertaken any revaluation of its assets.

Capital raising activities through equity and debt

Except as mentioned in "*Capital Structure*" on page 79, our Company has not raised any capital through equity. For details of the outstanding debt facilities of our Company, see "*Financial Indebtedness*" and "*Financial Statements*" on pages 426 and 218.

Defaults or rescheduling of borrowings with financial institutions/banks and conversion of loans into equity

There have been no defaults or rescheduling of borrowings with financial institutions/banks in respect of our current borrowings from lenders. Further, none of our outstanding loans have been converted into equity shares.

Time and cost overruns

There have been no significant time and cost overruns in the development, implementation of any of our plants or facilities.

Changes in the activities of our Company during the last five years

There has been no change in the activities of our Company during the last five years which may have had a material effect on the profit/loss account of our Company including discontinuance of line of business, loss of agencies or markets and similar factors.

Accumulated Profits or Losses

There are no accumulated profits or losses of any of our Subsidiaries that are not accounted for by our Company in the Restated Consolidated Financial Statements.

Injunction or restraining order

Our Company is not operating under any injunction or restraining order.

Partnership Firms

Our Company is not a partner in any partnership firm.

Interest in our Company

None of our Subsidiaries have any interest in our Company's business other than as stated in "*Our Business*" and "*Financial Statements*" on page 144 and 218, respectively.

Our Shareholders

Our Company has 9 Shareholders, as of the date of this Draft Red Herring Prospectus. For further details regarding our Shareholders, see "*Capital Structure*" on page 79.

Strategic or Financial Partners

Our Company does not have any strategic or financial partners as on the date of this Draft Red Herring Prospectus.

Our Holding Company

As on the date of this Draft Red Herring Prospectus, Client Ebene Limited and CVCIGP II Employee Ebene Limited are identified as our holding companies in our Restated Financial Statements and the Promoters of our Company are S Sekhar Vasan, F R Singhvi, Unni Rajagopal K and D Devaraj.

Our Subsidiaries

Our Company has three Subsidiaries. Unless stated otherwise, information in relation our Subsidiaries is as on the date of this Draft Red Herring Prospectus.

1. ***Fitwel Tools and Forgings Private Limited ("Fitwel")***

    Corporate Information

    Fitwel was incorporated on November 19, 1983 under the Companies Act, 1956 as a private limited company. It has its registered office at Unit No. 5, KHT Complex, Antharasanahalli, Tumkur, Karnataka 572 106.

    Fitwel is authorized to, *inter-alia*, engage in the business of manufacturing or dealing in kinds of tools including forged hand tools and automobile parts, components and products used by the auto industry, engineering industry and the railways.

    Capital Structure

    The authorised share capital of Fitwel is ₹15,000,000 divided into 1,500,000 equity shares of face value of ₹10 each and the issued and paid up share capital of Fitwel is ₹3,555,560 divided into 355,556 equity shares of face value of ₹10 each.

    Shareholding

    Our Company directly holds 248,872 equity shares of face value of ₹10 each aggregating to 69.99% of the issued and paid up share capital of Fitwel.

2. ***Sansera Engineering Pvt. Ltd., Mauritius ("Sansera Mauritius")***

    Corporate Information

Sansera Mauritius was incorporated on November 4, 2016 under the Section 24 of the Mauritius Companies Act, 2001 as a private limited company. It has its registered office at Les Cascades Building, Edith Cavell Street, Port Louis, Republic of Mauritius. Sansera Mauritius has category 1 global business license issued under the Financial Services Act, 2007.

Sansera Mauritius is authorized to *inter-alia* engage in carrying out global business activities under the Financial Services Act, 2007.

Capital Structure

The authorised share capital of Sansera Mauritius is EUR 9,520,000 divided into 10,000 ordinary shares of face value of EUR 10 each, 592,000 optionally redeemable preference shares of face value of EUR 10 each, 140,000 series A optionally redeemable preference shares of face value of EUR 10 each, 160,000 series B optionally redeemable preference shares of face value of EUR 10 each and 50,000 series C optionally redeemable preference shares of face value EUR 10 each.

Shareholding

Our Company directly holds an aggregate of 9,520,000 shares of Sansera Mauritius comprising of 10,000 ordinary shares of face value of EUR 10 each, 592,000 optionally redeemable preference shares of face value of EUR 10 each, 140,000 series A optionally redeemable preference shares of face value of EUR 10 each, 160,000 series B optionally redeemable preference shares of face value of EUR 10 each and 50,000 series C optionally redeemable preference shares of face value EUR 10 each aggregating to 100.00% of the issued and paid up share capital of Sansera Mauritius.

3. ***Sansera Sweden AB ("Sansera Sweden")***

Corporate Information

Sansera Sweden was incorporated on June 9, 2009 with the Swedish Companies Registration Office under the Swedish Companies Act as a Swedish private limited liability company. It has its registered office at Flygmotorvägen 1, 461 38 Trollhättan, Sweden.

Sansera Sweden is authorized to, *inter-alia*, engage in the business of carrying out construction, manufacturing and sale of precision products of metal within the engineering and vehicle industry and conduct related businesses.

Capital Structure

The registered share capital of Sansera Sweden is SEK 100,000 divided into 1,000 shares of face value of SEK 100 each.

Shareholding

Sansera Mauritius directly holds 1,000 shares of face value of SEK 100 each aggregating to 100% of the issued and paid up share capital of Sansera Sweden.

Our Associates

Our Company does not have any associate companies.

Summary of Key Agreements for our Company

Shareholders' agreement dated May 29, 2013 entered into amongst our Company, CVCIGP II Employee Ebene Limited, Client Ebene Limited (formerly called CVCIGP II Client Ebene Limited), S Sekhar Vasan, F R Singhvi, Unni Rajagopal K, D Devaraj, Karthik Das and Anjana Iyer, as amended on March 23, 2016

Our Company, CVCIGP II Employee Ebene Limited, Client Ebene Limited (formerly called CVCIGP II Client Ebene Limited), S Sekhar Vasan, F R Singhvi, Unni Rajagopal K, D Devaraj, Karthik Das and Anjana Iyer have entered into a shareholders' agreement *inter-alia* recording their rights and obligations in relation to the operation and management of our Company. Pursuant to the terms of this agreement, S Sekhar Vasan and F R Singhvi have agreed, that they shall not directly or indirectly compete with the business of the Company during the subsistence of the agreement. Further, in terms of the agreement, CVCIGP II Employee Ebene Limited and Client Ebene Limited are entitled to appoint four or more directors on the Board of the Company and S Sekhar Vasan, F R Singhvi and Unni Rajagopal K shall be the representatives of the Promoters, on the Board of the Company. The presence of at least two representatives of CVCIGP II Employee Ebene Limited and Client Ebene Limited and one representative of the SHA Promoters are required to constitute valid quorum at Board meetings. Further, CVCIGP II Employee Ebene Limited and Client Ebene Limited are entitled to certain affirmative rights including in respect of issuance of securities, amending the business plan and entering into related party transactions and Promoters are also entitled to certain affirmative rights including in respect of alteration of charter documents, effecting a buy-back and liquidation of our Company. Each Promoter is also entitled to pre-emptive rights in respect of any issuance of securities, periodic information rights in respect of the activities and performance of the Company. Further, sale of shares by our Promoters, CVCIGP II Employee Ebene Limited and Client Ebene Limited are subject to certain transfer restrictions including tag along rights and drag-along rights. In the event of full cash exit by CVCIGP II Employee Ebene Limited and Client Ebene Limited at a valuation in excess of IRR of 25.00% on the investment amount in USD, our Promoters are entitled to such excess amount, provided such amount shall not (i) exceed an amount representing the value of 7.00% of the share capital of the Company on a fully diluted basis; (ii) result in the amounts retained by CVCIGP II Employee Ebene Limited and Client Ebene Limited being lower than a value that represents 51.00% of the share capital on a fully diluted basis; and/or (iii) result in CVCIGP II Employee Ebene Limited and Client Ebene Limited realising proceeds from such cash exit at an amount that is lower than such amount that provides them an IRR of 25.00% on the investment amount in USD. Additionally, if the amount realised by CVCIGP II Employee Ebene Limited and Client Ebene Limited is in excess of the investor benchmark rate as specified in the agreement, our Promoters are entitled to 30.00% of the excess amount realized by CVCIGP II Employee Ebene Limited and Client Ebene Limited at the time of their full cash exit, which may be paid in cash or such other method that achieves the same commercial effect.

Amendment agreement dated August 8, 2018 entered into amongst our Company, S Sekhar Vasan, F R Singhvi, Unni Rajagopal K, D Devaraj, Client Ebene Limited, CVCIGP II Employee Ebene Limited and other shareholders

Pursuant to undertaking the initial public offering of our Company's equity shares, our Company, S Sekhar Vasan, F R Singhvi, Unni Rajagopal K, D Devaraj, Client Ebene Limited, CVCIGP II Employee Limited and the other shareholders have agreed to waive and amend certain rights as set out in the aforesaid shareholders agreement until the termination of the amendment agreement and terminate the aforesaid shareholders agreement on the date of listing of our Company's Equity Shares on a recognised stock exchange. The parties have agreed to waive the rights of the two investors to adopt Indian GAAP in relation to the financial statements and have agreed to terminate their information rights under the shareholders agreement. Further, the board composition has been amended to reflect that the Client Ebene Limited may nominate one director to the board of our Company, provided that it holds at least 5% of the issued and paid-up capital of our Company on a fully diluted basis and that CVCIGP II Employee Ebene Limited would not have the right to appoint nominee directors on the board of our Company. Further, the promoters of our Company are permitted to nominate two directors subject to the promoters cumulatively holding at least 5% of the issued and paid-up capital on a fully diluted basis. In addition, if the amount realised by CVCIGP II Employee Ebene Limited and Client Ebene Limited is in excess of the investor benchmark rate as specified in the agreement, our Promoters are entitled to 30.00% of the excess amount realized by CVCIGP II Employee Ebene Limited and Client Ebene Limited at the time of their full cash exit, which may be paid in cash or such other method that achieves the same commercial effect ("**Promoter Upside**"). The right of Client Ebene Limited, CVCIGP II Employee Limited and the Promoters to appoint nominee directors, and the right of our Promoters to receive the "**Promoter Upside**" shall survive the termination of the aforesaid shareholders agreement, subject to receipt of shareholders approval by way of a special resolution, post listing of the Equity Shares pursuant to the Offer. Client Ebene Limited and CVCIGP II Employee Limited have waived their right to effect a sale event as prescribed under the shareholders agreement form the date of filing the red herring prospectus until the date of listing of Equity Shares. This amendment agreement will terminate automatically in the event that either of Client Ebene Limited or CVCIGP II Employee Limited withdraw their participation in the Offer.

Share subscription agreement dated May 29, 2013 entered into amongst our Company, CVCIGP II Employee Ebene Limited, Client Ebene Limited (formerly called CVCIGP II Client Ebene Limited), S Sekhar Vasan, F R Singhvi, Unni Rajagopal K, D Devaraj, Karthik Das and Anjana Iyer, as amended on March 23, 2016

Pursuant to the share subscription agreement, as amended (i) CVCIGP II Employee Ebene Limited subscribed to 107,700 Series

A CCPS and 269,250 Series B CCPS of the Company and (ii) Client Ebene Limited subscribed to 192,300 Series A CCPS and 480,750 Series B CCPS of the Company. For further details, see "*Capital Structure*" on page 79.

Share purchase agreement dated May 29, 2013 entered into amongst our Company, S Sekhar Vasan, F R Singhvi, Unni Rajagopal K, D Devaraj, certain members of the promoter group (as defined in the agreement), CVCIGP II Employee Ebene Limited and Client Ebene Limited (formerly called CVCIGP II Client Ebene Limited)

Pursuant to the share purchase agreement, S Sekhar Vasan, F R Singhvi, Unni Rajagopal K, D Devaraj and certain members of the promoter group (as defined in the agreement) transferred 30,349 Equity Shares of the Company for a consideration of ₹2,283,458,760 to CVCIGP II Employee Ebene Limited and Client Ebene Limited aggregating to 51.00% of the share capital of our Company.

Share Purchase Agreement dated May 29, 2013 entered into amongst our Company, CVCIGP II Employee Ebene Limited and Client Ebene Limited (formerly called CVCIGP II Client Ebene Limited), Monsoon India Select Equity Fund Limited and Monsoon India Select Equity Fund 2 Limited

Pursuant to the share purchase agreement, Monsoon India Select Equity Fund and Monsoon India Select Equity Fund 2 Limited transferred 517 and 913 Equity Shares of the Company aggregating to 2.21% of the equity share capital of our Company to CVCIGP II Employee Ebene Limited and Client Ebene Limited for a consideration of ₹44,408,749 and ₹78,423,961, respectively.

Guarantees

As of May 31, 2018, except F R Singhvi, who has provided a guarantee in relation to an overdraft facility of ₹12.50 million availed by Mulder (India) Private Limited, from Axis Bank Limited, none of our Promoters have provided guarantees to any third parties.

OUR MANAGEMENT

Board of Directors

In terms of our Articles of Association, our Company is required to have not more than 12 Directors. As on the date of this Draft Red Herring Prospectus, our Board comprises of six Directors.

The following table sets forth details regarding our Board of Directors:

Sl. No.	Name, designation, address, occupation, nationality, term and DIN	Age (years)	Other directorships
1.	**S Sekhar Vasan** ***Designation**:* Chairman and Managing Director ***Address**:* #51, Oriental Home, Ranga Rao Road, Basavangudi, Bangalore South, Bengaluru 560 004, Karnataka, India ***Occupation**:* Professional ***Nationality**:* Indian ***Term**:* seven years with effect from July 8, 2013 ***DIN**:* 00361245	65	**Other Directorships:** • Sansera Engineering Private Limited, Mauritius
2.	**Unni Rajagopal K** ***Designation**:* Non-Executive Director ***Address**:* Tarawad, Palanahalli, Yelahanka, Bangalore North, Bengaluru 560 064, Karnataka, India ***Occupation**:* Professional ***Nationality**:* Indian ***Term**:* Liable to retire by rotation ***DIN**:* 00229915	64	**Other Directorships:** • Nil
3.	**Raunak Gupta** ***Designation**:* Non-Executive, Nominee Director ***Address**:* B-1608, Oberoi Splendor, JVLR, Andheri (East), Mumbai 400 060, Maharashtra, India ***Occupation**:* Professional ***Nationality**:* Indian ***Term**:* Liable to retire by rotation ***DIN**:* 06624489	39	**Other Directorships:** • Nil
4.	**Muthuswami Lakshminarayan**	71	**Other Directorships:**

Sl. No.	Name, designation, address, occupation, nationality, term and DIN	Age (years)	Other directorships
	Designation: Non-Executive, Independent Director ***Address:*** #464 7th Main, NGEF Layout, Sadanandanagar, Bangalore North, Indiranagar, Bengaluru 560 038, Karnataka, India ***Occupation:*** Service ***Nationality:*** Indian ***Term:*** Three years from July 27, 2018 ***DIN:*** 00064750		• ASM Technologies Limited • Dickinson Fowler Private Limited • Invest Karnataka Forum • Janaadhar (India) Private Limited • Kirloskar Oil Engines Limited • Kostal India Private Limited • Leadec India Private Limited • Rane (Madras) Limited • TVS Automobile Solutions Private Limited • TVS Electronics Limited • Wabco India Limited • Wendt India Limited
5.	**Revathy Ashok** ***Designation:*** Non-Executive, Independent Director ***Address:*** 13976-2, Domlur Layout, Sharadamma Layout, Bengaluru 560 071, Karnataka, India ***Occupation:*** Service ***Nationality:*** Indian ***Term:*** Three years from July 27, 2018 ***DIN:*** 00057539	59	**Other Directorships:** • ADC India Communications Limited • Astrazeneca Pharma India Limited • Athena Infonomics India Private Limited • Khemeia Technologies Private Limited • L&T Construction Equipment Limited • Microland Limited • Quess Corp Limited • Shell MRPL Aviation Fuels and Services Limited • Welspun Captive Power Generation Limited • Welspun Corp Limited • Welspun Global Brands Limited • Welspun Tradings Limited
6.	**Sylvain Bilaine** ***Designation:*** Non-Executive, Independent Director ***Address:*** 18-A, Jean Marx Street (Et 2), L-8250 Mamer	64	**Other Directorships:** • SYB Consulting India Private Limited

Sl. No.	Name, designation, address, occupation, nationality, term and DIN	Age (years)	Other directorships
	Occupation: Service ***Nationality:*** French ***Term:*** Three years from July 27, 2018 ***DIN:*** 00128817		

Relationship between our Directors

None of our Directors are related to each other.

Brief Biographies of Directors

S Sekhar Vasan is the Chairman and Managing Director of our Company. He has been a Director of our Company since incorporation. He holds a bachelor of technology degree from Indian Institute of Technology, Madras and post graduate diploma in management from Indian Institute of Management, Bangalore. He has over 38 years of experience in the field of manufacturing of precision products.

Unni Rajagopal K is a Non-Executive Director of our Company. He has been a Director of our Company since March 1, 1991. He holds a bachelor of arts degree from Bangalore University. He is a member of the Institute of Chartered Accountants of India since 1986. He was a partner at Singhvi, Dev & Unni, a chartered accountants' partnership firm from 1981 to 2018.

Raunak Gupta is a Non-Executive, Nominee Director of our Company. He has been a Director of our Company since July 8, 2013. He holds a bachelor of technology degree from the Indian Institute of Technology, Delhi and a post graduate diploma in computer aided management from the Indian Institute of Management, Calcutta. He is currently employed with TRG Advisors India Private Limited as a Director. He was previously employed with Infosys Technologies Limited, Rabo India Finance Private Limited, Motilal Oswal Investment Advisors Private Limited and Citi Venture Capital International.

Muthuswami Lakshminarayan is a Non-Executive, Independent Director of our Company. He has been a Director of our Company with effect from July 27, 2018. He holds a master's degree in technology from Indian Institute of Technology, Bombay. He spent over 22 years at Bosch. He retired after serving on the board of Bosch Limited as a Managing Director for nine years. He spent over seven years at Harman International (India) Private Limited in the capacities of Managing Director, Country Manager, India and Advisory Chairman.

Revathy Ashok is a Non-Executive, Independent Director of our Company. She has been a Director of our Company with effect from July 27, 2018. She holds a post graduate diploma in management with specialisation in habitat and environmental studies from the Indian Institute of Management, Bangalore. She has also been awarded the faculty medal for best performance in Habitat & Environmental Studies from the Indian Institute of Management, Bangalore. She has experience in the field of finance, and she was the chief financial officer of Syntel Inc and the managing director, head – finance of Tishman Speyer India Private Limited.

Sylvain Bilaine is a Non-Executive Director, Independent Director of our Company. He has been a Director of our Company with effect from July 27, 2018. He holds an engineering degree in electrochemistry and electro metallurgy from the National Higher College, Polytechnic National Institute of Grenoble. He has aso successfully completed the program for executive development from the International Institute for Management Development in Lausanne, Switzerland. He has previously worked at Renault for 26 years. Later, he founded and managed SY. B Consulting a limited liability company involved in the business of management consulting and international business development.

Confirmations

None of our Directors is or was a director of any listed company during the last five years preceding the date of this Red Herring Prospectus, whose shares have been or were suspended from being traded on the BSE or the NSE.

None of our Directors is or was a director of any listed company which has been or was delisted from any stock exchange.

No proceedings/investigations have been initiated by SEBI against any company, the board of directors of which also comprise any of the Directors of our Company. No consideration in cash or shares or otherwise has been paid or agreed to be paid to any of our Directors or to the firms or companies in which they are interested as a member by any person either to induce him to become, or to help him qualify as a Director, or otherwise for services rendered by him or by the firm or company in which he is interested, in connection with the promotion or formation of our Company.

Terms of appointment of Executive Directors

S Sekhar Vasan

S Sekhar Vasan has been a Director on our Board since incorporation. He was appointed as the Chairman and Managing Director of our Company on July 8, 2013. Pursuant to employment agreement dated July 4, 2013 and Board resolution dated February 14, 2017, S Sekhar Vasan is entitled to an annual remuneration of ₹14.99 million (inclusive of all allowances or benefits as may be extended by the Board from time to time) with effect from April 1, 2017.

Payment or benefit to Directors of our Company

The sitting fees/other remuneration paid to our Directors in Financial Year 2018 are as follows:

1. **Remuneration to Executive Directors:**

   Our Company has paid ₹14.74 million each as remuneration to S Sekhar Vasan, in Financial Year 2018.

2. **Remuneration to Non-Executive Directors:**

   Our Company has pursuant to a Board resolution dated July 27, 2018 fixed the sitting fees payable to our independent Directors at ₹25,000 per meeting for attending the meetings of our Board and ₹12,500 per meeting for attending the meeting of the committees of our Board thereof with effect from July 27, 2018.

   Our Company has not paid any remuneration to the Non-Executive Directors in Financial Year 2018. The travel expenses for attending meetings of the Board of Directors or a committee thereof, site visits and other Company related expenses are borne by our Company, from time to time.

Arrangement or understanding with major Shareholders, customers, suppliers or others

Pursuant to the shareholders' agreement dated May 29, 2013, as amended, S Sekhar Vasan and Unni Rajagopal K have been appointed as the nominee Directors of the Promoters on our Board and Client Ebene Limited has appointed Raunak Gupta as their nominee Director on our Board. Except as stated above, there is no arrangement or understanding with the major Shareholders, customers, suppliers or others, pursuant to which any of our Directors was appointed on the Board.

Shareholding of Directors in our Company

Our Directors are not required to hold any qualification shares.

The shareholding of our Directors in our Company as of the date of filing this Draft Red Herring Prospectus is set forth below:

Name of Director	Number of Equity Shares	Pre-Offer Percentage Shareholding (%)
S Sekhar Vasan	12,307,600	26.22
Unni Rajagopal K	3,416,925	7.28

Shareholding of Directors in our Subsidiaries

None of our Directors hold any equity shares in our Subsidiaries.

Appointment of relatives of our Directors to any office or place of profit

None of the relatives of our Directors currently holds any office or place of profit in our Company.

Interest of Directors

Our Independent Directors may be deemed to be interested to the extent of sitting fees payable to them for attending meetings of our Board or committees thereof as well as to the extent of other remuneration and reimbursement of expenses payable under our Articles of Association. Some of our Directors may hold positions as directors on boards of our Subsidiaries. In consideration for their services, they are paid managerial remuneration in accordance with the provisions of the Companies Act.

Except as stated in "*Related Party Transactions*" on page 216, and to the extent of shareholding in our Company, if any, our Directors do not have any other interest in our business.

Our Directors have no interest in any property acquired by our Company two years prior to the date of this Draft Red Herring Prospectus, or proposed to be acquired by our Company.

Our Directors have no interest in any transaction by our Company for acquisition of land, construction of building or supply of machinery.

Our Directors may also be regarded as interested in the Equity Shares held by them or Equity Shares that may be subscribed by or allotted to them. All of our Directors may also be deemed to be interested to the extent of remuneration (if applicable), reimbursement of expenses (if applicable), to the extent of any Equity Shares held by them (if applicable) and to the extent of benefits arising out of such shareholding and to the extent of the transactions entered into in the ordinary course of business with the companies in which our Directors hold directorship. The nominee Director of Client Ebene Limited may be interested to the extent of any equity shares held by Client Ebene Limited and to the extent of any benefits arising out of such shareholding.

Other than S Sekhar Vasan and Unni Rajagopal K who are interested in the promotion of our Company as disclosed in "*Promoters and Promoter Group*" on page 211, none of our Directors have any interest in the promotion of our Company other than in the ordinary course of business.

Except as disclosed in this Draft Red Herring Prospectus, no amount or benefit has been paid or given within the two preceding years or is intended to be paid or given to any of our Directors except the normal remuneration for services rendered as Directors and/or as Key Management Personnel.

Except as disclosed in this Draft Red Herring Prospectus, no loans have been availed by our Directors from our Company.

Except as disclosed in "*Related Party Transactions*" on page 216, none of the beneficiaries of loans, advances and sundry debtors are related to the Directors of our Company.

Except as disclosed in "*Our Management – Bonus or profit sharing plan of the Key Management Personnel*" on page 209, none of our Directors are party to any bonus or profit sharing plan of our Company.

Further, except statutory benefits upon termination of their employment in our Company on retirement, no officer of our Company, including our Directors and the Key Management Personnel, has entered into a service contract with our Company pursuant to which they are entitled to any benefits upon termination of employment.

Changes in the Board in the last three years

Name	Date of Appointment/Change/ Cessation	Reason
Raunak Gupta	July 27, 2018	Appointment as Non-Executive, Nominee Director
Raunak Gupta	July 27, 2018	Resignation as investor director
Muthuswami Lakshminarayan	July 27, 2018	Appointment as Non-Executive, Independent Director
Revathy Ashok	July 27, 2018	Appointment as Non-Executive, Independent Director
Sylvain Bilaine	July 27, 2018	Appointment as Non-Executive, Independent Director
Rajeev Karla	July 27, 2018	Resignation as Non-Executive Director
F R Singhvi	July 11, 2018	Vacation of office as Joint Managing Director
Satish Chavva	May 24, 2016	Resigned from the post of Director

Borrowing Powers of Board

Pursuant to our Articles of Association, and in accordance with the provisions of the Companies Act and the rules made thereunder, our Board is authorised to borrow such monies together with the money already borrowed does not exceed the paid up share capital, free reserves and securities premium of our Company.

Corporate Governance

The corporate governance provisions of the SEBI Listing Regulations will be applicable to us immediately upon the listing of the Equity Shares with the Stock Exchanges. The corporate governance framework is based on an effective independent Board, separation of the Board's supervisory role from the executive management team, constitution of the Board committees and formulation of policies, each as required under law, including the SEBI Listing Regulations. We are in compliance with the requirements of the applicable regulations, including the SEBI Listing Regulations, the Companies Act and the SEBI ICDR Regulations, in respect of corporate governance particularly in relation to constitution of the Board and committees thereof.

Our Board has been constituted in compliance with the Companies Act, 2013 and the SEBI Listing Regulations. Currently, our Board has 6 Directors, headed by the Chairman who is an executive director. In compliance with the requirements of the SEBI Listing Regulations, we have 1 Executive Director, 5 Non-Executive Directors including 3 Independent Directors on our Board. Our Board also has one woman Director.

The Board of Directors functions either as a full board or through various committees constituted to oversee specific operational areas. The executive management provides the Board of Directors detailed reports on its performance periodically.

Committees of the Board

In addition to the committees of our Board detailed below, our Board may from time to time, constitute committees for various functions.

Audit Committee

The members of the Audit Committee are:

1. Revathy Ashok, *Chairman;*
2. Muthuswami Lakshminarayan; and
3. Unni Rajagopal K

The Audit Committee was constituted by a meeting of the Board of Directors held on July 31,2018. The scope and functions of the Audit Committee is in accordance with Section 177 of the Companies Act, 2013, Regulation 18 of the SEBI Listing Regulations and its terms of reference include the following:

a) Overseeing our Company's financial reporting process and disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;

b) Recommending to the Board, the appointment, re-appointment, and replacement, remuneration and terms of appointment of the internal auditor, cost auditor and statutory auditor and the fixation of audit fee;

c) Reviewing and monitoring the auditor's independence and performance and the effectiveness of audit process;

d) Approving payments to the statutory auditors, internal and cost auditors for any other services rendered by statutory auditors, internal and cost auditors;

e) Reviewing with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:

    i) Matters required to be stated in the Director's responsibility statement to be included in the Board's report in terms of Section 134(3)(c) of the Companies Act, 2013;

ii) Changes, if any, in accounting policies and practices and reasons for the same;

iii) Major accounting entries involving estimates based on the exercise of judgment by management;

iv) Significant adjustments made in the financial statements arising out of audit findings;

v) Compliance with listing and other legal requirements relating to financial statements;

vi) Disclosure of any related party transactions; and

vii) Qualifications and modified opinions in the draft audit report.

f) Reviewing with the management, the quarterly, half-yearly and annual financial statements before submission to the Board for approval;

g) Scrutiny of inter-corporate loans and investments;

h) Valuation of undertakings or assets of our Company, wherever necessary;

i) Evaluating internal financial controls and risk management systems;

j) Approving or subsequently modifying transactions of our Company with related parties, provided that the audit committee may make omnibus approval for related party transactions proposed to be entered into by our Company subject to such conditions as may be prescribed;

Explanation: The term "related party transactions" shall have the same meaning as provided in Regulation 2(1)(zc) of the SEBI Listing Regulations and/or the applicable Accounting Standards and/or Companies Act, 2013.

k) 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;

l) Evaluating undertakings or assets of our Company, wherever necessary;

m) Establishing a vigil mechanism for directors and employees to report their genuine concerns or grievances;

n) Reviewing, with the management, the performance of statutory and internal auditors and adequacy of the internal control systems;

o) 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;

p) Discussing with internal auditors on any significant findings and follow up thereon;

q) 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;

r) Discussing with statutory auditors, internal auditors, secretarial auditors and cost auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

s) Looking into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

t) Approving appointment of the chief financial officer (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;

u) Reviewing the functioning of the whistle blower mechanism, in case the same is existing;

v) Carrying out any other functions as provided under the Companies Act, the SEBI Listing Regulations and other applicable laws; and

w) Formulating, reviewing and making recommendations to the Board to amend the Audit Committee charter from time to time.

The powers of the Audit Committee include the following:

a) To investigate activity within its terms of reference;

b) To seek information from any employees;

c) To obtain outside legal or other professional advice;

d) To secure attendance of outsiders with relevant expertise, if it considers necessary; and

e) To have full access to the information contained in the records of the Company.

The Audit Committee shall mandatorily review the following information:

a) Management discussion and analysis of financial condition and result of operations;

b) Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;

c) Management letters/letters of internal control weaknesses issued by the statutory auditors;

d) Internal audit reports relating to internal control weaknesses;

e) The appointment, removal and terms of remuneration of the chief internal auditor; and

f) Statement of deviations:

(i) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the SEBI Listing Regulations; and

(ii) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) of the SEBI Listing Regulations.

The Audit Committee is required to meet at least four times in a year under the SEBI Listing Regulations.

Nomination and Remuneration Committee

The members of the Nomination and Remuneration Committee are:

1. Revathy Ashok, *Chairman*;
2. Raunak Gupta; and
3. Sylvian Bilaine.

The Nomination and Remuneration Committee was constituted as the Compensation Committee by a meeting of the Board of Directors held on July 31, 2018. The scope and functions of the Nomination and Remuneration Committee is in accordance with Section 178 of the Companies Act, 2013 and regulation 19 of the SEBI Listing Regulations. The terms of reference of the Nomination and Remuneration Committee include the following:

a) Formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;

b) Formulation of criteria for evaluation of performance of the independent directors and the Board;

c) Devising a policy on Board diversity;

d) Identifying persons who are qualified to become directors or who may be appointed in senior management in accordance with the criteria laid down, recommending to the Board their appointment and removal and carrying out evaluation of every director's performance. Our Company shall disclose the remuneration policy and the evaluation criteria in its annual report;

e) Analysing, monitoring and reviewing various human resource and compensation matters;

f) Determining our Company's policy on specific remuneration packages for executive directors including pension rights and any compensation payment, and determining remuneration packages of such directors;

g) Recommending to the our board, all remuneration, in whatever form, payable to senior management;

h) Determining compensation levels payable to the senior management personnel and other staff (as deemed necessary), which shall be market-related, usually consisting of a fixed and variable component;

i) Reviewing and approving compensation strategy from time to time in the context of the then current Indian market in accordance with applicable laws;

j) Performing such functions as are required to be performed by the compensation committee under the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 including the following:

    (i) administering the employees' stock option plan (the "**Plan**");

    (ii) determining the eligibility of employees to participate under the Plan;

    (iii) granting options to eligible employees and determining the date of grant;

    (iv) determining the number of options to be granted to an employee;

    (v) determining the exercise price under the Plan;

    (vi) deciding on matters such as quantum of and milestones for grant, eligibility of employees who shall be entitled to grant of options, vesting period and conditions thereof, termination policies, etc.; and

    (vii) construing and interpreting the Plan and any agreements defining the rights and obligations of our Company and eligible employees under the Plan, and prescribing,amending and/or rescinding rules and regulations relating to the administration of the Plan.

k) Framing suitable policies and systems to ensure that there is no violation, as amended from time to time, of any securities laws or any other applicable laws in India or overseas, including:

    (i) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; or

    (ii) The Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003;

l) Determining whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors; and

m) Performing such other activities as may be delegated by the Board of Directors and/or are statutorily prescribed under any law to be attended to by such committee.

Stakeholders' Relationship Committee

The members of the Stakeholders' Relationship Committee are:

1. Muthuswami Lakshminarayan, *Chairman;*

2. Unni Rajagopal K; and

3. S Sekhar Vasan.

The Stakeholders' Relationship Committee was constituted by our Board of Directors at their meeting held on July 31, 2018. The scope and functions of the Stakeholders' Relationship Committee is in accordance with Section 178 of the Companies Act, 2013 and regulation 20 of the SEBI Listing Regulations. The terms of reference of the Stakeholders' Relationship Committee include the following:

a) Redressal of grievances of shareholders, debenture holders and other security holders, including complaints related to the transfer of shares, including non receipt of share certificates and review of cases for refusal of transfer/ transmission of shares and debentures, non-receipt of alance sheet, non-receipt of declared dividends, non-receipt of annual reports, general meetings, etc. and assisting with quarterly reporting of such complaints;

b) Review of measures taken for effective exercise of voting rights by shareholders;

c) Review of the various measures and initiatives taken by our Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/ annual reports/ statutory notices by the shareholders of our Company;

d) Giving effect to allotment of shares, approval of transfer or transmission of shares, debentures or any other securities;

e) Dematerialisation of shares and re-materilaisation of shares, issue of duplicate certificates and new certificates on split/ consolidation/ renewal;

f) Review of adherence to the service standards adopted by our Company in respect of various services being rendered by the registrar and share transfer agents;

g) Oversee the performance of the registrars and transfer agents of our Company and to recommend measures for overall improvement in the quality of investor services; and

h) Carrying out any other function as prescribed under the SEBI Listing Regulations, Companies Act, 2013 and the rules and regulations made thereunder, each as amended or other applicable law.

Corporate Social Responsibility Committee

The members of the Corporate Social Responsibility Committee are:

1. Unni Rajagopal K, *Chairman;*

2. Sylvian Bilaine; and

3. S Sekhar Vasan.

The Corporate Social Responsibility Committee was constituted by our Board of Directors at their meeting held on March 7, 2014 and last reconstituted on July 31, 2018.. The terms of reference of the Corporate Social Responsibility Committee of our Company are as per Section 135 of the Companies Act, 2013 and the applicable rules thereunder.

IPO Committee

The members of the IPO Committee are:

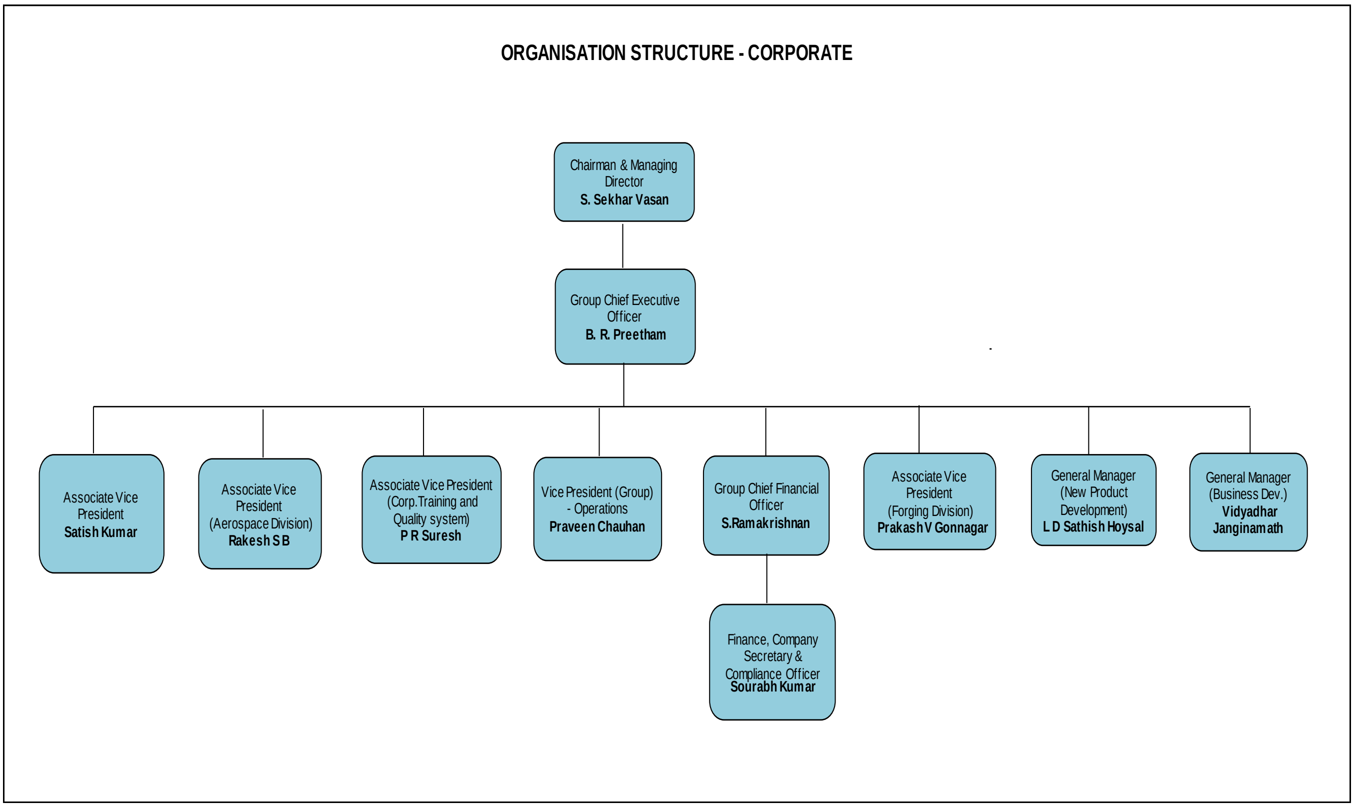
1. S Sekhar Vasan, *Chairman*;

2. Raunak Gupta; and

3. Muthuswami Lakshminarayan.

The IPO Committee was constituted by our Board of Directors on July 31, 2018. The IPO Committee has been authorized to approve and decide upon all activities in connection with the Offer, including, but not limited to, to approve the Draft Red Herring Prospectus, this Red Herring Prospectus and the Prospectus, to decide the terms and conditions of the Offer, to appoint various intermediaries, negotiating and executing Offer related agreements and to submit applications and documents to relevant statutory and other authorities from time to time.

Management Organisation Chart



Key Management Personnel

The details of the Key Management Personnel of our Company, in addition to our Chairman and Managing Director, S Sekhar Vasan are as follows:

(i) B R Preetham;

(ii) Praveen Chauhan;

(iii) Ramakrishnan S.;

(iv) Satish Kumar;

(v) PR Suresh;

(vi) Vidyadhar Janginamath;

(vii) Rakesh S.B.;

(viii) L.D. Satish Hoysal;

(ix) Prakash V. Gonnagar; and

(x) Sourabh Kumar.

B R Preetham is the Group Chief Executive Officer of our Company and has been associated with our Company since September 29, 1992. He is the responsible for supervising the affairs of our Company and our Subsidiaries. He holds a bachelor of engineering degree from Bangalore University. He has over 25 years of experience in the field of precision products manufacturing. During Financial Year 2018, he was paid a gross compensation of ₹ 12.81 million.

Praveen Chauhan is the Vice President (Group) of our Company and has been associated with our Company since August 1, 2004. He is responsible for supervising the affairs of our Company's plant operations. He holds a diploma in automobile engineering from Board of Technical Education Delhi. He has over 32 years of experience in the field of engineering. Prior to joining our Company, he was associated with Maruti Udyog Limited. During Financial Year 2018, he was paid a gross compensation of ₹ 7.29 million.

Ramakrishnan S is the Group Chief Financial Officer of our Company and has been associated with our Company since April 4, 2016. He is the head of finance department of our Company and our Subsidiaries. He holds a bachelor's degree in commerce from University of Madras. He is an associate member of the Institute of Chartered Accountants of India and has passed the final examinations conducted by the Institute of Cost and Works Accountants of India and the Institute of Company Secretaries of India. He has over 20 years of experience in the fields of finance and accounting. Prior to joining our Company, he was associated with Ingram Micro India Private Limited. During Financial Year 2018, he was paid a gross compensation of ₹ 8.94 million.

Satish Kumar is the Associate Vice President of our Company and has been associated with our Company since September 24, 2004. He is responsible for supervising the affairs of Plant 5 of our Company. He holds a bachelor of engineering degree in mechanical engineering from Bangalore University. He has over 24 years of work experience in various fields including marketing, plant operation and management. Prior to joining our Company, he was associated with Kirloskar Oil Engines Limited. During Financial Year 2018, he was paid a gross compensation of ₹ 5.21 million.

P R Suresh is the Associate Vice President of our Company and has been associated with our Company since March 1, 1992. He is responsible for supervising the affairs of corporate training and quality systems department of our Company. He holds a bachelor of engineering degree in mechanical engineering from University of Mysore and a master of business administration degree from Indira Gandhi National Open University. He has over 26 years of experience in the fields of quality systems management. During Financial Year 2018, he was paid a gross compensation of ₹4.01 million.

Vidyadhar Janginamath is the General Manager – Business Development of our Company and has been associated with our Company since April 20, 2007. He is responsible for supervising the affairs of business development department of our Company. He holds a bachelor of engineering degree in mechanical engineering from Karnatak University. He has over 24 years of experience in the field of product engineering and development. Prior to joining our Company, he was associated with Motor Industries Co. Ltd. During Financial Year 2018, he was paid a gross compensation of ₹3.87 million.

Rakesh S B is the Associate Vice President – Aerospace Division of our Company and has been associated with our Company since February 20, 2015. He is responsible for supervising the affairs of aerospace division of our Company. He holds a bachelor of engineering degree in mechanical engineering from University of Mysore. He has over 17 years of work experience in various fields including sales, marketing and aerospace engineering. Prior to joining our Company, he was associated with Makino India Private Limited. During Financial Year 2018, he was paid a gross compensation of ₹ 3.71 million.

L D Satish Hoysal is the General Manager of our Company and has been associated with our Company since March 1, 1995. He is responsible for supervising the affairs of new product development department of our Company. He holds a bachelor of engineering degree in industrial production from University of Mysore. He has undergone apprenticeship training at HMT Ltd. in the field of industrial engineering. He has also completed computer application course in Autocad from International School of Computer Technology. He has over 23 of experience in the fields of industrial engineering. During Financial Year 2018, he was paid a gross compensation of ₹ 2.21 million.

Prakash V Gonnagar is the Associate Vice President of our Company and has been associated with Gearock Forge Private Limited (which has subsequently merged with our Company) since June 20, 2007. He is responsible for supervising the affairs of forging division of our Company. He holds a bachelor of engineering degree in mechanical engineering from Karnataka University. He has over 28 years of experience in the field of forging. Prior to joining our Company, he was associated with Mahindra Forgings Limited. During Financial Year 2018, he was paid a gross compensation of ₹4.10 million.

Sourabh Kumar is the Manager – Finance, Company Secretary and Compliance Officer of our Company and has been associated with our Company since March 2, 2015. He is responsible for supervising the affairs of finance department of our Company. He is also the company secretary of our Company. He holds a bachelor of commerce degree from Bangalore University and a master of commerce degree from Karnataka State Open University. He is a member of the Institute of Company Secretaries of India. He has also completed the final examination held by the Institute of Chartered Accountants of India. He has over six years of experience in the fields of finance and accounting. Prior to joining our Company, he was associated with Narayana Hrudayalaya Private Limited. During Financial Year 2018, he was paid a gross compensation of ₹ 1.43 million.

None of the Key Management Personnel are related to each other.

All the Key Management Personnel are permanent employees of our Company.

Shareholding of Key Management Personnel

The details of Equity Shares held by our Key Management Personnel as of the date of this Draft Red Herring Prospectus is as follows:

Name of Director	Number of Equity Shares	Pre- Offer Percentage Shareholding (%)
S Sekhar Vasan	12,307,600	26.22

Bonus or profit sharing plan of the Key Management Personnel

Our Company has adopted an EBITDA based incentive scheme for its employees to incentivise them and to retain talent. Except as disclosed above, none of the Key Management Personnel is party to any bonus or profit sharing plan of our Company.

For details of terms of appointment of our Executive Directors, see "*Our Management - Terms of appointment of Executive Directors*" on page 200.

Interests of Key Management Personnel

Except as disclosed above in relation to our Executive Directors, the Key Management Personnel do not have any interest in our Company other than to the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of business. For details, see "*Our Management - Interests of Directors*" on page 201. The Key Management Personnel may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of such Equity Shares, if any.

None of the Key Management Personnel have been paid any consideration of any nature from our Company other than their remuneration.

Further, there is no arrangement or understanding with the major shareholders, customers, suppliers or others, pursuant to which any Key Management Personnel was selected as member of senior management.

Except as disclosed below, none of our Key Management Personnel have availed any loan from our Company:

Name	Designation	Loan Amount outstanding as on May 31, 2018 (in ₹)
B R Preetham	Group Chief Executive Officer	2,884,849
P R Suresh	Associate Vice President	3,000,000
Praveen Chauhan	Vice President (Group)	9,162,862
L D Sathish Hoysal	General Manager	2,04,668
Vidyadhar Janginamath	General Manager – Business Development	4,40,000
Sourabh Kumar	Manager Finance, Company Secretary and Compliance Officer	1,63,262
Prakash V Gonnagar	Associate Vice President	75,000

Changes in the Key Management Personnel

The changes in the Key Management Personnel in the last three years are as follows:

Name	Designation	Date of change	Reason for change
B R Preetham	Group Chief Executive Officer	July 27, 2018	Appointed as the Group Chief Executive Officer
Ramakrishnan S.	Group Chief Financial Officer	July 27 2018	Re-appointed as the Chief Financial Officer
Sourabh Kumar	Company Secretary	July 27, 2018	Re-appointed as the Company Secretary and Compliance Officer of our Company
Ramakrishnan S.	Group Chief Financial Officer	April 4, 2016	Appointed as the Group Chief Financial Officer
Sourabh Kumar	Company Secretary	February 12, 2016	Appointed as Company Secretary of our Company
Ramakrishnan S.	Group Chief Financial Officer and Company Secretary	September 3, 2015	Resigned from the post of Group Chief Financial Officer and Company Secretary

Payment or Benefit to employees of our Company

Except as disclosed in this Draft Red Herring Prospectus, no amount or benefit has been paid or given within the two preceding years or is intended to be paid or given to any of our employees except the normal remuneration for services rendered as an officer of our Company.

Employee Stock Option Plans

For details, see "*Capital Structure*" on page 79.

OUR PROMOTERS AND PROMOTER GROUP

S Sekhar Vasan, F R Singhvi, Unni Rajagopal K and D Devaraj are the Promoters of our Company and are in control of the day to day affairs of our Company. As of the date of this Draft Red Herring Prospectus, our Promoters hold an aggregate of 22,558,375 Equity Shares, comprising 48.06% of the pre-Offer issued, subscribed and paid-up Equity Share capital of our Company. For details on shareholding of our Promoters in our Company, details of the Equity Shares held by FR Singhvi in trust for the Singhvi Family Members, and details of the Equity Shares held by D Devaraj in the D devaraj HUF, see "*Capital Structure*" and "*History and Certain Corporate* Matters" on pages 79 and 187, respectively.

The details of our Promoters are provided below:

S Sekhar Vasan

S Sekhar Vasan, aged 65 years, is our Chairman and Managing Director. For further details in respect of his address, educational qualifications, experience, positions and posts held in the past, other directorships and special achievements, see "*Our Management*" on page 199.

Other than Vasan & Singhvi, partnership firm, S Sekhar Vasan is not involved in any other ventures.

His driving license number is KA05 19700000802. His voter identification number is LRJ3237963 and his Aadhar number is 5792 5713 7401.

F R Singhvi

F R Singhvi, aged 63 years, is the President – Strategy and is one of our Promoters. He resides at #416, Shanthi, Vishranthi Enclave, Kanakapura Road, Near Go Karting, Doddakallasandra, Bengaluru 560 062, Karnataka, India. He holds a bachelor of commerce degree from Bangalore University. He is a member of the Institute of Chartered Accountants of India since 1976. He was a partner at Singhvi, Dev & Unni, a chartered accountants' partnership firm from 1981 to 2006. He is also the member of the executive committee of Automotive Component Manufacturers Association of India.

Other than Exdion Solutions Private Limited, Cross-domain Solutions Private Limited, Accretive Wiz@work Consultants Private Limited, Accretive SDU Consulting Private Limited, Lankatiles Private Limited and Vasan & Singhvi, Partnership firm, he is not involved in any other ventures.

His driving license number is KA05 19740001160. His voter identification number is MBQ1531474 and his Aadhar number is 9640 9591 2714.

Unni Rajagopal K

Unni Rajagopal K, aged 64 years, is a Non- Executive, Director of our Company. For further details in respect of his address, educational qualifications, experience, positions and posts held in the past, other directorships and special achievements, see "*Our Management*" on page 199.

Other than Exdion Solutions Private Limited, Crossdomain Solutions Private Limited, Accretive Wiz@work Consultants Private Limited and Accretive SDU Consulting Private Limited, he is not involved in any other ventures.

His driving license number is KA04 19850000877. His voter identification number is ZBG6814834 and his Aadhar number is 6590 7507 4169.

D Devaraj

D Devaraj, aged 65 years, is one of our Promoters. He resides at 14, Ground Floor, Tpl Sepia CV Raman Road, Between Mekhri Circle Sadashivanagar Police Station, Rajamahal Vilas Extension, Sadashivanagar, Bengaluru North, Bengaluru 560 080, Karnataka, India. He is a member of the Institute of Chartered Accountant of India. He was a partner in Singhvi, Dev & Unni, a partnership firm engaged in the business of accounting from 1981 till June 6, 2018, when he retired from the partnership firm.

Other than Accretive Wiz@work Consultants Private Limited and Accretive SDU Consulting Private Limited, he is not involved in any other ventures.

His driving license number is KA05 19720001550. His voter identification number is AKB1516442 and his Aadhar number is 3655 5393 1747.

Our Company confirms that the PAN, bank account numbers and passport numbers of our Promoters mentioned above will be submitted to the Stock Exchanges at the time of filing of the Draft Red Herring Prospectus.

Business Interests

Our Promoters are interested in our Company to the extent that they are currently the Promoters of our Company, to the extent of their shareholding in the Company and the dividend payable, if any and other distributions in respect of the Equity Shares held by them and to the extent of any remuneration, or reimbursement received by them from the Company or its Subsidiaries, in the capacity of Directors of our Company and our Subsidiaries. For details on shareholding of our Promoters in our Company, see "*Capital Structure – History of the Equity Share Capital held by our Promoters*", "*History and Certain Corporate Matters*" and "*Our Management – Payment or benefit to Directors of our Company*" on pages 81, 187 and 200, respectively.

None of our Promoters are interested as a member of a firm or company (other than our Company) and no sum has been paid or agreed to be paid to any of our Promoters or to such firm or company in cash or shares or otherwise by any person for services rendered by such Promoter(s) or by such firm or company in connection with the promotion or formation of our Company.

Related Party Transactions

For details of related party transactions entered into by our Company with our Promoters and Subsidiaries during the last financial year, the nature of transactions and the cumulative value of transactions, see "*Related Party Transactions*" on page 216.

Interest of Promoter Group in Sales and Purchases

Other than as disclosed in "*Related Party Transactions*" on page 216, there are no sales/purchases between our Company, our Subsidiaries and our Promoter Group, when such sales or purchases exceed in value the aggregate of 10% of the total sales or purchases of our Company or any business interest between our Company, our Promoter Group, our Subsidiaries as on the date of the last financial statements.

Interest of Promoters in the property of our Company

Except as disclosed in this section and the sections "*Related Party Transactions*" and "*Financial Statements*" on pages 216 and 218, respectively, our Promoters have no interest in any property acquired by or leased to our Company during the two years preceding the date of this Draft Red Herring Prospectus, or proposed to be acquired, or in any transaction by our Company for acquisition of land, construction of building or supply of machinery.

Our Promoters are also interested to the extent of rights available to them under the Articles of Association of our Company. For details, see "*Main Provisions of Articles of Association*" on page 507.

Payment of benefits to our Promoter or Promoter Group

Except as stated in this section, "*Related Party Transactions*", "*Our Management*", and "*Financial Statements*" on pages 216, 197 and 218, respectively, there has been no payment of benefits to our Promoters or Promoter Group during the two years preceding the filing of this Draft Red Herring Prospectus nor is there any intention to pay or give any benefit to our Promoters or Promoter Group.

Except as disclosed in "*Related Party Transactions*" and "*Financial Statements"* on pages 216 and 218, our Company has not entered into any contract, agreements or arrangements during the preceding two years from the date of this Draft Red Herring Prospectus nor does it propose to enter into any such contract in which our Promoters are directly or indirectly interested and no payments have been made to them in respect of the contracts, agreements or arrangements which are proposed to be made with them. For details in relation to agreements, see "*History and Certain Corporate Matters*" on page 187.

Litigation involving our Promoters

Except as disclosed in "*Outstanding Litigation and Material Developments*" on page 429, there are no legal and regulatory proceedings involving our Promoters as on the date of this Draft Red Herring Prospectus.

Confirmations

As on the date of the Draft Red Herring Prospectus, our Promoters and members of our Promoter Group have not been declared as wilful defaulters in accordance with the SEBI ICDR Regulations and there are no violations of securities laws committed by our Promoters in the past and no proceedings for violation of securities laws are pending against them.

Our Promoters and members of our Promoter Group have not been prohibited from accessing or operating in capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI or any other regulatory or governmental authority.

Our Promoters are not and have never been a promoter, director or person in control of any other company which is prohibited from accessing or operating in capital markets under any order or direction passed by SEBI.

Our Promoters are not interested in any other entity which holds any intellectual property rights that are used by our Company and to any beneficiary of loans and advances provided by our Company.

Our Promoters have not taken any unsecured loans which may be recalled by the lenders at any time. Our Promoters are not related to any of the sundry debtors of our Company.

Other than our Subsidiaries, our Promoters do not have any interest in any venture that is involved in any activities similar to those conducted by our Company. Our Company will adopt necessary procedures and practices as permitted by law to address any conflict of interests as and when they arise. For details, see "*History and Certain Corporate Matters – Summary of Key Agreements"* on page 194.

Companies or firms with which our Promoter has disassociated in the last three years

Except as set out below, our Promoters have not disassociated themselves from any company or firm in the three years immediately preceding the date of this Draft Red Herring Prospectus.

Sr.No.	Name of Promoter	Name of entity	Reason for disassociation	Date of disassociation
1.	F R Singhvi	Mulder Trading Private Limited	Closure of the company owing to non-commencement of business.	September 26, 2018
2.	F R Singhvi	RAK Mulder Porcelain LLP	Resignation as partner owing to personal commitments	July 3, 2018
3.	F R Singhvi	Gearock Forge	Amalgamation with our Company	June 29, 2018
4.	D Devaraj	Singhvi, Dev & Unni, partnership firm	Retirement from the firm, owing to attaining 65 years of age	June 6, 2018
5.	Unni Rajagopal K	Singhvi, Dev & Unni, partnership firm	Retirement from the firm, owing to his own volition	June 6, 2018
6.	F R Singhvi	M/s. RAK Mulder Porcelain Private Limited	Closure of the company and conversion to LLP	April 18, 2018
7.	F R Singhvi	Fitwel	Resignation from directorship owing to personal commitments	March 13, 2018

Change in the management and control of our Company

As on the date of this Draft Red Herring Prospectus, our Promoters hold an aggregate of 22,558,375 Equity Shares, comprising 48.06%, of the pre-Offer issued, subscribed and paid-up Equity Share capital of our Company. For details of the terms of acquisition and consideration paid for acquisition, see "*Capital Structure*" and "*History and Certain Corporate Matters*" on pages 79 and 187. There has been no change in control or management of our Company in the last three years prior to the date of this Draft Red Herring Prospectus.

Promoter Group

A. Natural persons who are part of the Promoter Group

Name of Promoter	Name of relative	Relationship
S Sekhar Vasan	Manjula Sekhar	Spouse
	Manjula Balakrishnan	Sister
F R Singhvi	Lalita Singhvi	Spouse
	Chandrakala Bafna	Sister
	Suraj Kala Banthiya	Sister
	Manjulata Surana	Sister
	Praveen Singhvi	Brother
	Jayaraj Singhvi	Brother
	Bela Seth	Daughter
	Swetha Singhvi	Daughter
	Meera Singhvi	Daughter
Unni Rajagopal K	Tara Rajagopal	Spouse
	Malathi Rajagopal	Mother
	Ambika Sivram	Sister
	K S Rajagopal	Brother
	Saikrishna Rajagopal	Brother
	Tarun Unni	Son
	Vikram Unni	Son
D Devaraj	Bhagyalakshmi	Spouse
	Sharadamma	Mother
	Shridevi D	Sister
	Ranganath D	Brother
	Niveditha D	Daughter
	Namitha D	Daughter

B. Entities forming part of the Promoter Group

- D Devaraj HUF
- Vasan & Singhvi, Firm
- Unni Rajagopal HUF
- S Premraj & Sons HUF
- F R Singhvi HUF
- Praveen Singhvi HUF
- Jayaraj Singhvi HUF
- Lankatiles Private Limited
- Eff n' bee hospitality Private Limited
- Mulder (India) Private Limited
- R.A.K Mulder Porcelain LLP

OUR GROUP COMPANIES

As on the date of this Draft Red Herring Prospectus, there are no companies, (excluding Subsidiaries and Client Ebene Limited and CVCIGP II Employee Ebene Limited) disclosed as related parties in the Restated Financial Statements of our Company prepared in accordance with Ind AS 24 issued by the Institute of Chartered Accountants of India. Further, our Board, at its meeting held on July 31, 2018 has approved that for the purpose of disclosure in connection with the Offer, a company shall be considered material and disclosed as a Group Company if it is included in the list of related parties under Ind AS 24 (excluding current and erstwhile subsidiaries, investors in the Company viz., Client Ebene Limited and CVCIGP II Employee Ebene Limited, trust in which a director is a trustee, viz, Sansera Foundation and partnership in which director is a partner, viz., Singhvi, Dev & Unni, Chartered Accountants), or if a material adverse change in such company, can lead to a material adverse effect on our Company, our revenues and profitability. Pursuant to the aforesaid resolution, there are no material group companies of our Company. For avoidance of doubt, it is clarified that our Subsidiaries have not been considered as 'Group Companies'.

RELATED PARTY TRANSACTIONS

For details of the related party disclosures, as per the requirements under Ind AS 24 '*Related Party Disclosures'* issued by the Institute of Chartered Accountants in India and as reported in the Restated Financial Statements, see "*Financial Statements*" on page 218.

DIVIDEND POLICY

The declaration and payment of 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 the Companies Act. The dividend, if any, will depend on a number of factors, including but not limited to the future expansion plans and capital requirements, profit earned during the Financial Year, liquidity and applicable taxes including dividend distribution tax 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 to finance our fund requirements for our business activities. For further details, see "*Financial Indebtedness*" on page 426. Our Company has not declared any dividends during the last five Fiscal years. The Company has no formal dividend policy.

SECTION V: FINANCIAL INFORMATION

FINANCIAL STATEMENTS

EXAMINATION REPORT ON RESTATED STANDALONE FINANCIAL INFORMATION

To
The Board of Directors
Sansera Engineering Limited (erstwhile Sansera Engineering Private Limited)
No. 261/C, Bommasandra Industrial Area,
Bengaluru-560099

Dear Sirs,

1) We have examined the attached Restated Standalone Financial Information (defined hereinafter) of Sansera Engineering Limited (erstwhile Sansera Engineering Private Limited) ("the Company") which comprise of the Restated Standalone Summary Statement of Assets and Liabilities as at 31 March 2018, 31 March 2017, 31 March 2016, 31 March 2015 and 31 March 2014, the Restated Standalone Summary Statement of Profit and Loss, the Restated Standalone Summary Statement of Changes in Equity and the Restated Standalone Summary Statement of Cash Flows for each of the years ended 31 March 2018, 31 March 2017, 31 March 2016, 31 March 2015 and 31 March 2014 and the summary of significant accounting policies, read together with the annexures and notes thereto and other restated financial information explained in paragraph 8 below (collectively, together with the notes and annexures thereto, the "Restated Standalone Financial Information"). The Restated Standalone Financial Information have been approved by the Board of Directors of the Company vide its meeting dated 31 July 2018 and is prepared in terms of the requirements of:

   a. Section 26 of Part I of Chapter III of the Companies Act, 2013 (the "Act"), as amended; and

   b. the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended from time to time in pursuance of provisions of Securities and Exchange Board of India Act, 1992 ("ICDR Regulations"), read along with the SEBI circular No. SEBI/HO/CFD/DIL/CIR/P/2016/47 dated 31 March 2016 on clarification regarding applicability of Indian Accounting Standards to disclosures in offer documents under the ICDR Regulations issued by the Securities and Exchange Board of India.

2) The preparation of the Restated Standalone Financial Information is the responsibility of the Management of the Company for the purpose as set out in paragraph 12 below. The Management's responsibility includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Standalone Financial Information. The Management is also responsible for identifying and ensuring that the Company complies with the Act and ICDR Regulations.

3) We have examined such Restated Standalone Financial Information taking into consideration:

   a. The terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter dated 9 May 2018 in connection with the proposed issue of the Equity Shares of the Company; and

   b. The Guidance note on Reports in Company's Prospectus (Revised 2016) issued by the Institute of Chartered Accountants of India ('ICAI') ('The Guidance Note')

4) The Restated Standalone Financial Information have been compiled by the Management as follows:

    a. As at and for the years ended 31 March 2018 and 2017: from the audited standalone financial statements of the Company as at and for the year ended 31 March 2018 (including corresponding figures as at and for the year ended 31 March 2017), prepared in accordance with Indian Accounting Standards (Ind AS) as prescribed under Section 133 of the Act, other relevant provisions of the Act and other accounting principles generally accepted in India, which have been approved by the Board of Directors on 31 July 2018. The audited standalone financial statements as at and for the year ended 31 March 2017, prepared in accordance with the Companies Accounting Standards Rules, 2006, other relevant provisions of the Act and other accounting principles generally accepted in India, had been approved by the Board of Directors on 15 September 2017. These standalone financial statements have been translated into figures as per Ind AS to align accounting policies, exemptions and disclosures as adopted by the Company on its first time adoption of Ind AS as on 1 April 2016 ('transition date') and are disclosed as the comparative figures for the year ended 31 March 2018;

    b. As at and for the years ended 31 March 2016 and 31 March 2015: from the audited standalone financial statements of the Company as at and for the year ended 31 March 2016 and 31 March 2015, prepared in accordance with the Companies (Accounting Standards) Rules, 2006, as amended, other relevant provisions of the Act and other accounting principles generally accepted in India, which have been approved by the Board of Directors on 19 September 2016 and 25 June 2015, respectively and which have been translated into figures as per Ind AS to align accounting policies, exemptions and disclosures as adopted by the Company on its first time adoption of Ind AS as on transition date; and

    c. As at and for the year ended 31 March 2014: from the audited standalone financial statements of the Company as at and for the year ended 31 March 2014, prepared in accordance with Accounting Standards prescribed under Section 211 (3C) of the Companies Act, 1956 read with the Companies (Accounting Standards) Rules, 2006, and the relevant provisions of the Companies Act 2013 (to the extent notified), which had been approved by the Board of Directors on 30 June 2014 and which have been translated into figures as per Ind AS to align accounting policies, exemptions and disclosures as adopted by the Company on its first time adoption of Ind AS as on the transition date.

    The Restated Standalone Financial Information mentioned in the 4b and 4c above, as at and for the years ended 31 March 2016, 31 March 2015 and 31 March 2014 are referred to as "the Proforma Restated Standalone Financial Information" as per the Guidance Note.

5) The audit of standalone financial statements as at and for the financial year ended 31 March 2014 was conducted by B S R and Associates, Chartered Accountants, one of the other member entities of B S R & Affiliates, a network of firms registered with the ICAI, and accordingly reliance has been placed on the financial information examined by them for the said year. The financial report included for this year is based solely on the report submitted by them.

B S R and Associates have confirmed that the restated standalone financial information:

(a) has been made after incorporating adjustments for the changes in accounting policies retrospectively in respective financial years to reflect the same accounting treatment as per changed accounting policy for all the reporting periods;

(b) has been made after incorporating adjustments for the material amounts in the respective financial years to which they relate; and

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

6) We did not audit the financial statements of Gearock Forge Private Limited (hereinafter referred as "Gearock") for the financial years ended 31 March 2017, 31 March 2016, 31 March 2015 and 31 March 2014 whose share of total assets, total income and net cash flows included in the Standalone Financial Information for the relevant years is tabulated below:-

(Amounts in INR million)

Particulars	**31 March 2017**	**31 March 2016**	**31 March 2015**	**31 March 2014**
Total Assets*	686.59	579.31	505.08	356.26
Total Revenue*	1,105.80	561.74	446.07	344.14
Net Cash Inflows*	23.01	0.93	(0.04)	(0.44)

*Gross before giving consolidation adjustments

These financial statements have been audited by another firm of Chartered Accountants, Abram, Mathew & Master, whose reports have been furnished to us and our opinion in so far as it relates to the amounts included in these Restated Standalone Financial Information are based solely on the report of the other auditor.

7) Based on our examination and in accordance with the requirements of Section 26 of Part I of Chapter III of the Act, as amended, the ICDR Regulations, the Guidance Note and terms of our engagement agreed with you, we report that:

a. The Restated standalone summary statement of assets and liabilities of the Company as at 31 March 2014 examined and reported upon by B S R and Associates, Chartered Accountants on which reliance has been placed by us, and as at 31 March 2018, 31 March 2017, 31 March 2016 and 31 March 2015 examined by us, as set out in Annexure A-I to the Restated Standalone Financial Information, have been arrived at after making adjustments and regroupings/reclassifications as in our opinion, were appropriate and more fully described in the notes appearing in Annexure A-VII to the Restated Standalone Financial Information;

b. The Restated standalone summary statement of profit and loss of the Company for the year ended 31 March 2014 examined and reported upon by B S R and Associates, Chartered Accountants on which reliance has been placed by us and for the years ended 31 March 2018, 31 March 2017, 31 March 2016 and 31 March 2015 examined by us, as set out in Annexure A-II to the Restated Standalone Financial Information have been arrived at after making adjustments and regroupings/reclassifications as in our opinion, were appropriate and more fully described in the notes appearing in Annexure A-VII to the Restated Standalone Financial Information;

c. The Restated standalone summary statement of changes in equity of the Company for the year ended 31 March 2014 examined and reported upon by B S R and Associates, Chartered Accountants on which reliance has been placed by us and for the years ended 31 March 2018, 31 March 2017, 31 March 2016 and 31 March 2015 examined by us, as set out in Annexure A-III to the Restated Standalone Financial Information have been arrived at after making adjustments and regroupings/reclassifications as in our opinion, were appropriate and more fully described in the notes appearing in Annexure A-VII to the Restated Standalone Financial Information;

d. The Restated standalone summary statement of cash flows of the Company for the year ended 31 March 2014 examined and reported upon by B S R and Associates, Chartered Accountants and on which reliance has been placed by us and for the years ended 31 March 2018, 31 March 2017, 31 March 2016 and 31 March 2015 examined by us, as set out in Annexure A-IV to the Restated Standalone Financial Information have been arrived at after making adjustments and regroupings/reclassifications as in our opinion were appropriate and more fully described in the notes appearing in Annexure A-VII to the Restated Standalone Financial Information;

e. Based on the above and according to the information and explanations given to us and also as per reliance placed on the report submitted by B S R and Associates Chartered Accountants, we further report that the Restated Standalone Financial Information:

    i. have been made after incorporating adjustments for the changes in accounting policies retrospectively in respective financial years to reflect the same accounting treatment as per changed accounting policy for all the reporting periods;

    ii. have been made after incorporating adjustments for the material amounts in the respective financial years to which they relate; and

    iii. do not contain any extra-ordinary items that need to be disclosed separately and do not contain any qualification requiring adjustments.

8) We have also examined the following Restated Standalone Financial Information of the Company as set out in the Annexures prepared by the Management and approved by the Board of Directors on 31 July 2018 for each of the years ended 31 March 2018, 31 March 2017, 31 March 2016 and 31 March 2015. In respect of the year ended 31 March 2014 this information is included based upon the report submitted by B S R and Associates, Chartered Accountants and relied upon by us:

    i. Note 1 and Note 2 of Annexure A-V - Basis of preparation and Significant accounting policies;

    ii. Annexure A-VI - Notes to the restated standalone financial information;

    iii. Note 4 and Note 9 of Annexure A-VI – Restated statement of Investments in subsidiaries and Current investments;

    iv. Note 10 of Annexure A-VI - Restated statement of Trade receivables;

    v. Note 38 of Annexure A-VI - Restated statement of Related parties disclosure and Related party transactions;

    vi. Annexure A-VII - Statement on Adjustments to Audited Standalone Financial Statements;

    vii. Annexure A-VII - Statement of reconciliation between previous GAAP and Ind AS;

viii. Annexure A-VIII – Restated statement of dividend paid;

ix. Annexure A-IX - Restated statement of secured and unsecured borrowings;

x. Note 27 of Annexure A-VI and Annexure A-X - Restated statement of other income;

xi. Annexure A-XI - Restated statement of accounting ratios;

xii. Annexure A-XII - Restated statement of capitalisation; and

xiii. Annexure A-XIII - Restated statement of tax shelter.

9) According to the information and explanations given to us, and also as per the reliance placed on the report submitted by B S R and Associates, Chartered Accountants, in our opinion, the Restated Standalone Financial Information and the above Restated Standalone Financial Information contained in Annexures A-I to A-XIII, read with summary of significant accounting policies disclosed in Annexure A-V, are prepared after making adjustments and regroupings as considered appropriate as disclosed in Annexure A-VII and have been prepared in accordance with Section 26 of Part I of Chapter III of the Act, ICDR Regulations and the Guidance Note.

   According to the information and explanations given to us, and also as per the reliance placed on the report submitted by B S R and Associates, Chartered Accountants, in our opinion the Proforma Restated Standalone Financial Information of the Company as at and for the years ended 31 March 2016, 31 March 2015 and 31 March 2014, read with summary of significant accounting policies disclosed in Annexure A-V, are prepared after making proforma adjustments and regroupings as considered appropriate as disclosed in Annexure A-VII and have been prepared in accordance with Section 26 of Part I of Chapter III of the Act, read with ICDR Regulations and the Guidance Note.

10) This report should not in any way be construed as a reissuance or re-dating of any of the previous audit report issued by us or by B S R and Associates, Chartered Accountants, nor should this report be construed as a new opinion on any of the standalone financial statements referred to herein.

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

12) Our report is intended solely for use of the Management for inclusion in the Offer Memorandum to be filed with the Securities and Exchange Board of India, stock exchanges where the equity shares are proposed to be listed and the relevant Registrar of Companies in India in connection with the proposed issue of equity shares of the Company. Our report should not be used, referred to or distributed for any other purpose except with our prior consent in writing.

for **B S R & Associates LLP**
Chartered Accountants
Firm's Registration No.: 116231W/W-100024

Aravind Maiya
Partner
Membership number: 217433

Place: Bengaluru
Date: 31 July 2018

Sansera Engineering Limited (erstwhile Sansera Engineering Private Limited)
Annexure A - I
Restated standalone summary statement of assets and liabilities **(Amount in ₹ millions)**

Particulars	Note No. of Annexure A - VI	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016 Proforma	As at 31 March 2015 Proforma	As at 31 March 2014 Proforma
ASSETS						
Non-current assets						
Property, plant and equipment	1	6,070.62	5,497.83	4,148.30	3,064.59	2,769.56
Capital work-in-progress	2	910.61	321.47	326.71	452.64	171.64
Intangible assets	3	9.58	-	2.73	7.36	9.22
Financial assets						
(i) Investments in subsidiaries	4	810.94	201.65	201.65	201.65	127.55
(ii) Loans	5	114.48	101.99	63.78	40.35	29.65
Income tax assets, net	6 (a)	52.75	97.64	107.51	110.36	33.99
Other non-current assets	7	149.67	91.19	152.54	89.27	72.35
Total non-current assets		**8,118.65**	**6,311.77**	**5,003.22**	**3,966.22**	**3,213.96**
Current assets						
Inventories	8	1,641.34	1,275.86	1,145.07	1,174.56	1,045.37
Financial assets						
(i) Current investments	9	7.09	4.81	2.97	2.96	1.58
(ii) Trade receivables	10	2,405.57	1,980.22	1,534.69	1,359.27	1,174.81
(iii) Cash and cash equivalents	11	310.25	105.43	364.42	20.96	68.34
(iv) Bank balances other than cash and cash equivalents	12	73.99	70.85	65.53	60.00	87.41
(iv) Other current financial assets	13	214.75	159.16	93.98	42.33	24.29
Other current assets	14	470.03	550.99	425.60	297.80	233.56
Total current assets		**5,123.02**	**4,147.32**	**3,632.26**	**2,957.88**	**2,635.36**
Total assets		**13,241.67**	**10,459.09**	**8,635.48**	**6,924.10**	**5,849.32**
EQUITY AND LIABILITIES						
Equity						
Equity share capital	15 (a)	6.47	6.47	6.47	6.47	6.47
Instruments entirely equity in nature	15 (b)	105.00	105.00	105.00	105.00	105.00
Other equity	16	5,887.74	4,885.28	4,222.22	3,452.84	2,844.22
Total equity		**5,999.21**	**4,996.75**	**4,333.69**	**3,564.31**	**2,955.69**
Liabilities						
Non-current liabilities						
Financial liabilities						
(i) Non-current borrowings	17	1,720.42	1,101.18	722.10	483.02	526.34
Non-current provisions	18	38.07	21.60	30.23	16.03	11.21
Deferred tax liabilities (net)	19	517.06	321.49	210.19	177.44	142.40
Other non-current liabilities	20	242.80	231.42	115.16	92.12	73.80
Total non-current liabilities		**2,518.35**	**1,675.69**	**1,077.68**	**768.61**	**753.75**
Current liabilities						
Financial liabilities						
(i) Current borrowings	21	2,633.91	2,124.29	1,840.53	1,696.95	1,198.69
(ii) Trade payables	22					
- Total outstanding dues to micro enterprises and small enterprises		-	-	-	-	-
- Total outstanding dues other than to micro enterprises and small enterprises		1,015.19	836.38	731.93	451.52	467.08
(iii) Other current financial liabilities	23	962.30	655.20	570.67	392.26	431.26
Income tax liabilities, net	6 (b)	-	51.84	-	0.94	12.16
Other current liabilities	24	79.19	81.75	49.95	30.71	20.37
Current provisions	25	33.52	37.19	31.03	18.80	10.32
Total current liabilities		**4,724.11**	**3,786.65**	**3,224.11**	**2,591.18**	**2,139.88**
Total equity and liabilities		**13,241.67**	**10,459.09**	**8,635.48**	**6,924.10**	**5,849.32**

The above statement should be read with the basis of preparation and significant accounting policies appearing in Annexure A-V, notes to the restated financial information appearing in Annexure A-VI and statement of adjustments to audited financial statements appearing in Annexure A-VII.

As per our report of even date attached.

for **B S R & Associates LLP**
Chartered Accountants
Firm registration number : 116231W/W-100024

Aravind Maiya
Partner
Membership No. 217433

Place: Bengaluru
Date: 31 July 2018

for **Sansera Engineering Limited (erstwhile Sansera Engineering Private Limited)**
CIN: U34103KA1981PTC004542

S Sekhar Vasan
Managing Director
DIN: 00361245

Unni Rajagopal K
Director
DIN: 00229915

S Ramakrishnan
Chief Financial Officer

Sourabh Kumar
Company Secretary

Place: Bengaluru
Date: 31 July 2018

Sansera Engineering Limited (erstwhile Sansera Engineering Private Limited)
Annexure A - II
Restated standalone summary statement of profit and loss (Amount in ₹ millions)

Particulars	Note No. of Annexure A - VI	For the year ended 31 March 2018	For the year ended 31 March 2017	For the year ended 31 March 2016 Proforma	For the year ended 31 March 2015 Proforma	For the year ended 31 March 2014 Proforma
Revenue						
Revenue from operations	26	11,717.76	10,392.55	9,074.23	8,109.91	6,318.10
Other income	27	126.69	63.18	55.92	14.22	73.09
Total income		**11,844.45**	**10,455.73**	**9,130.15**	**8,124.13**	**6,391.19**
Expenses						
Cost of materials consumed	28	4,785.43	4,125.17	3,482.52	3,197.25	2,496.19
Excise duty	52	243.36	725.81	638.70	504.91	431.60
Changes in inventory of finished goods and work in progress	29	(201.29)	(128.67)	(32.08)	(48.12)	(95.48)
Conversion charges		427.98	403.87	335.62	305.30	238.73
Consumption of stores and spares		1,037.52	953.81	878.84	754.89	602.44
Power and fuel		614.86	477.65	410.32	345.76	296.01
Employee benefit expenses	30	1,933.07	1,740.33	1,563.55	1,182.56	935.55
Finance costs	31	396.20	298.31	289.12	200.13	268.02
Depreciation and amortisation expense	32	538.72	444.54	349.62	316.15	338.72
Other expenses	33	520.85	451.69	337.58	493.47	321.15
Total expenses		**10,296.70**	**9,492.51**	**8,253.79**	**7,252.30**	**5,832.93**
Profit before exceptional items and tax		**1,547.75**	**963.22**	**876.36**	**871.83**	**558.26**
Exceptional items	34	-	-	-	-	11.39
Profit before tax		**1,547.75**	**963.22**	**876.36**	**871.83**	**546.87**
Tax expenses:						
Current tax/ Minimum Alternate Tax (MAT)		379.76	220.43	207.99	231.22	125.74
Deferred tax		170.39	98.69	79.73	25.78	13.72
MAT credit entitlement		-	-	(44.40)	-	-
Total tax expenses		**550.15**	**319.12**	**243.32**	**257.00**	**139.46**
Profit for the year		**997.60**	**644.10**	**633.04**	**614.83**	**407.41**
Other comprehensive income/(expense)						
Items that will not to be reclassified to profit or loss						
Re-measurement of the net defined benefit liability/asset	39	(17.67)	(1.44)	(7.45)	(9.35)	(1.00)
Income tax relating to items that will not be reclassified to proft and loss	45	6.11	0.50	2.58	3.24	0.35
Other comprehensive income for the year, net of income tax		**(11.56)**	**(0.94)**	**(4.87)**	**(6.11)**	**(0.65)**
Total comprehensive income for the year, net of tax		**986.04**	**643.16**	**628.17**	**608.72**	**406.76**
Earnings per equity share (face value of ₹ 100 each)						
Basic (in ₹)	35	15,409.33	9,949.03	9,778.19	9,496.91	6,293.02
Diluted (in ₹)	35	13,763.23	8,886.22	8,733.63	8,675.95	5,749.02

The above statement should be read with the basis of preparation and significant accounting policies appearing in Annexure A-V, notes to the restated financial information appearing in Annexure A-VI and statement of adjustments to audited financial statements appearing in Annexure A-VII.

As per our report of even date attached.

for **B S R & Associates LLP**
Chartered Accountants
Firm registration number : 116231W/W-100024

Aravind Maiya
Partner
Membership No. 217433

Place: Bengaluru
Date: 31 July 2018

for **Sansera Engineering Limited (erstwhile Sansera Engineering Private Limited)**
CIN: U34103KA1981PTC004542

S Sekhar Vasan
Managing Director
DIN: 00361245

Unni Rajagopal K
Director
DIN: 00229915

S Ramakrishnan
Chief Financial Officer

Sourabh Kumar
Company Secretary

Place: Bengaluru
Date: 31 July 2018

Sansera Engineering Limited (erstwhile Sansera Engineering Private Limited)
Annexure A - III
Restated standalone summary statement of changes in equity **(Amount in ₹ millions)**

A. Equity share capital

Equity shares		No. of shares	Amount
Equity shares of ₹100 each issued, subscribed and fully paid up		64,740	6.47
Balance as at 1 April 2013 (Proforma)		**64,740**	**6.47**
Issue of share capital		-	-
Balance as at 31 March 2014 (Proforma)		**64,740**	**6.47**
Issue of share capital		-	-
Balance as at 31 March 2015 (Proforma)		**64,740**	**6.47**
Issue of share capital		-	-
Balance as at 31 March 2016 (Proforma)		**64,740**	**6.47**
Issue of share capital		-	-
Balance as at 31 March 2017		**64,740**	**6.47**
Issue of share capital		-	-
Balance as at 31 March 2018		**64,740**	**6.47**

B. Instruments entirely equity in nature

Compulsorily Convertible Preference Share		No. of shares	Amount
A Series, 0.0001% compulsory convertible preference shares of ₹100 each		300,000	30.00
B Series, 0.0001% compulsory convertible preference shares of ₹100 each		750,000	75.00
Balance as at 1 April 2013 (Proforma)		**1,050,000**	**105.00**
Issue of preference share		-	-
Balance as at 31 March 2014 (Proforma)		**1,050,000**	**105.00**
Issue of preference share		-	-
Balance as at 31 March 2015 (Proforma)		**1,050,000**	**105.00**
Issue of preference share		-	-
Balance as at 31 March 2016 (Proforma)		**1,050,000**	**105.00**
Issue of preference share		-	-
Balance as at 31 March 2017		**1,050,000**	**105.00**
Issue of preference share		-	-
Balance as at 31 March 2018		**1,050,000**	**105.00**

C. Other equity

Particulars	Reserves and Surplus					Employee stock option outstanding account	Other comprehensive income	Total
	Capital Reserve	Securities Premium	General reserve	Capital redemption reserve	Retained earnings		Remeasuremets of Actuarial gain and losses	
Balance as at 1 April 2013 (Proforma)	**8.10**	**446.76**	**135.51**	**0.55**	**1,076.54**	-	-	**1,667.46**
Profit for the year	-	-	-	-	407.41	-	-	407.41
Remeasurement of the net defined benefit liability/asset	-	-	-	-	-	-	(0.65)	(0.65)
Transfer to retained earnings	-	-	-	-	(0.65)	-	0.65	-
Securities premium on issue of shares during the year	-	770.00	-	-	-	-	-	770.00
Balance as at 31 March 2014 (Proforma)	**8.10**	**1,216.76**	**135.51**	**0.55**	**1,483.30**	-	-	**2,844.22**

Sansera Engineering Limited (erstwhile Sansera Engineering Private Limited)
Annexure A - III
Restated standalone summary statement of changes in equity **(Amount in ₹ millions)**

Sansera Engineering Limited (erstwhile Sansera Engineering Private Limited)
Annexure A - III (continued)
Restated standalone summary statement of changes in equity (continued)

Particulars	Reserves and Surplus					Employee stock option outstanding account	Other comprehensive income	Total
	Capital Reserve	Securities Premium	General reserve	Capital redemption reserve	Retained earnings		Remeasurements of Actuarial gain and losses	
Balance as at 31 March 2014 (Proforma)	**8.10**	**1,216.76**	**135.51**	**0.55**	**1,483.30**	**-**	**-**	**2,844.22**
Profit for the year	-	-	-	-	614.83	-	-	614.83
Remeasurement of the net defined benefit liability/asset	-	-	-	-	-	-	(6.11)	(6.11)
Transfer to retained earnings	-	-	-	-	(6.11)		6.11	-
Others	(0.10)	-	-	-	-	-	-	(0.10)
Balance as at 31 March 2015 (Proforma)	**8.00**	**1,216.76**	**135.51**	**0.55**	**2,092.02**	**-**	**-**	**3,452.84**
Profit for the year	-	-	-	-	633.04	-	-	633.04
Remeasurement of the net defined benefit (liability)/asset	-	-	-	-	-	-	(4.87)	(4.87)
Transfer to retained earnings	-	-	-	-	(4.87)	-	4.87	-
Compensation expense for options granted during the year (refer to note 39 of Annexure A-VI)	-	-	-	-	-	141.21	-	141.21
Balance as at 31 March 2016 (Proforma)	**8.00**	**1,216.76**	**135.51**	**0.55**	**2,720.19**	**141.21**	**-**	**4,222.22**
Profit for the year	-	-	-	-	644.10	-	-	644.10
Remeasurement of the net defined benefit liability/asset	-	-	-	-	-	-	(0.94)	(0.94)
Transfer to retained earnings	-	-	-	-	(0.94)	-	0.94	-
Compensation expense for options granted during the year (refer to note 39 of Annexure A-VI)	-	-	-	-	-	19.90	-	19.90
Balance as at 31 March 2017	**8.00**	**1,216.76**	**135.51**	**0.55**	**3,363.35**	**161.11**	**-**	**4,885.28**
Profit for the year	-		-	-	997.60	-	-	997.60
Remeasurement of the net defined benefit (liability)/asset	-	-	-	-	-	-	(11.56)	(11.56)
Transfer to retained earnings	-	-	-	-	(11.56)	-	11.56	-
Compensation expense for options granted during the year (refer to note 39 of Annexure A-VI)	-	-	-	-	-	16.42	-	16.42
Balance as at 31 March 2018	**8.00**	**1,216.76**	**135.51**	**0.55**	**4,349.39**	**177.53**	**-**	**5,887.74**

The above statement should be read with the basis of preparation and significant accounting policies appearing in Annexure A-V, notes to the restated financial information appearing in Annexure A-VI and Statement of adjustments to audited financial statement appearing in Annexure A-VII.

As per our report of even date attached.

for **B S R & Associates LLP**
Chartered Accountants
Firm registration number : 116231W/W-100024

for **Sansera Engineering Limited (erstwhile Sansera Engineering Private Limited)**
CIN: U34103KA1981PTC004542

Aravind Maiya
Partner
Membership No. 217433

S Sekhar Vasan
Managing Director
DIN: 00361245

Unni Rajagopal K
Director
DIN: 00229915

S. Ramakrishnan
Chief Financial Officer

Sourabh Kumar
Company Secretary

Place: Bengaluru
Date: 31 July 2018

Place: Bengaluru
Date: 31 July 2018

Sansera Engineering Limited (erstwhile Sansera Engineering Private Limited)
Annexure A - IV
Restated standalone summary statement of cash flows **(Amount in ₹ millions)**

Particulars	**For the year ended 31 March 2018**	**For the year ended 31 March 2017 Proforma**	**For the year ended 31 March 2016 Proforma**	**For the year ended 31 March 2015 Proforma**	**For the year ended 31 March 2014 Proforma**
Cash flows from operating activities					
Profit before tax	1,547.75	963.22	876.36	871.83	546.87
Adjustments for:					
Depreciation and amortisation expense	538.72	444.54	349.62	316.15	338.72
Interest income	(5.51)	(6.11)	(10.90)	(6.05)	(32.00)
Fair value gain on financial instruments at fair value through statement of profit and loss	(2.28)	(1.85)	(0.01)	(1.39)	(0.56)
(Profit)/ loss on sale of property, plant and equipments, net	(0.47)	(0.35)	(2.26)	3.03	0.99
Employee stock compensation expense	16.42	19.90	141.21	-	-
Dividend income	(0.06)	(0.03)	(0.02)	-	(0.01)
Loss allowance on trade receivables	1.57	-	2.33	2.45	4.07
Income from government grants	(21.30)	(12.54)	(8.84)	(6.56)	(4.66)
Share issue expenses	-	-	-	-	89.01
(Profit)/ loss on sale of investment	-	-	-	-	(77.62)
Unrealised foreign exchange gain (net)	1.14	(45.73)	(7.99)	24.31	10.85
Finance costs	396.20	298.31	289.12	200.13	268.02
Operating cash flows before working capital changes	**2,472.18**	**1,659.36**	**1,628.62**	**1,403.90**	**1,143.68**
Working capital adjustments:					
Changes in trade receivables	(384.00)	(461.00)	(167.51)	(203.10)	(323.92)
Changes in other current and non-current assets and current financial assets	9.16	(228.30)	(202.15)	(97.33)	(112.09)
Changes in inventory	(365.48)	(130.79)	29.49	(129.19)	(246.59)
Changes in trade payables and financial liabilities	271.00	138.09	297.41	26.32	18.97
Changes in other liabilities and provisions	(31.65)	8.36	46.25	6.69	9.45
Cash generated from operations	**1,971.21**	**985.72**	**1,632.11**	**1,007.29**	**489.50**
Income taxes paid, net	(355.42)	(145.61)	(206.08)	(306.31)	(110.70)
Net cash generated from operating activities (A)	**1,615.79**	**840.11**	**1,426.03**	**700.98**	**378.80**
Cash flows from investing activities					
Purchase of property, plant and equipments	(1,708.12)	(1,564.96)	(1,333.60)	(890.01)	(687.76)
Purchase of intangible assets	(10.32)	-	-	(2.38)	-
Proceeds from sale of property, plant and equipments	0.87	0.50	11.58	7.29	9.00
Investments in subsidiaries	(609.29)	0.01	-	(74.09)	-
Proceeds from sale of investment	-	-	-	-	167.50
Interest received	5.51	6.11	10.90	6.05	32.00
Dividend income	0.06	0.03	0.02	-	0.01
Movement in other bank balances, net	(3.14)	(5.32)	(5.53)	27.41	(36.95)
Net cash used in investing activities (B)	**(2,324.43)**	**(1,563.63)**	**(1,316.63)**	**(925.73)**	**(516.20)**

Sansera Engineering Limited (erstwhile Sansera Engineering Private Limited)
Annexure A - IV (continued)
Restated standalone summary statement of cash flows (continued)

(Amount in ₹ millions)

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017 Proforma	For the year ended 31 March 2016 Proforma	For the year ended 31 March 2015 Proforma	For the year ended 31 March 2014 Proforma
Cash flows from financing activities					
Proceeds/(repayment) of long-term borrowings:					
Proceeds	1,271.80	844.86	625.00	278.90	232.03
Repayment	(424.02)	(366.29)	(249.63)	(390.83)	(496.76)
Proceeds/(repayment) of short-term borrowings:					
Proceeds	30,888.44	40,105.98	5,263.21	19,499.70	17,389.46
Repayment	(30,378.82)	(39,822.22)	(5,119.63)	(19,001.44)	(17,440.59)
Issue of preference share capital, net of issue expenses	-	-	-	-	785.99
Finance cost	(396.20)	(298.31)	(289.12)	(200.13)	(268.02)
Net cash flow from financing activities (C)	**961.20**	**464.02**	**229.83**	**186.20**	**202.11**
Net increase / (decrease) in cash and cash equivalents (A+B+C)	252.56	(259.50)	339.23	(38.55)	64.71
Cash and cash equivalents at the beginning of the year	105.43	364.42	20.96	68.34	7.55
Effects of exchange gain on restatement of foreign currency cash and cash equivalent	(47.74)	0.51	4.23	(8.83)	(3.92)
Cash and cash equivalents at the end of the year (refer below)	**310.25**	**105.43**	**364.42**	**20.96**	**68.34**

For the purpose of statement of cash flows, cash and cash equivalents comprise the following:

Particulars	31 March 2018	31 March 2017	31 March 2016	31 March 2015	31 March 2014
Cash on hand	0.83	0.68	0.95	1.87	1.15
Balance with banks					
- in current accounts	309.42	104.75	363.47	19.09	67.19
Total cash and cash equivalents (refer note 11 of Annexure A-VI)	**310.25**	**105.43**	**364.42**	**20.96**	**68.34**

1. The above cash flow statement has been prepared under the indirect method as set out in Indian Accounting standard 7 Statement of Cash Flows notified u/s 133 of Companies Act, 2013 ('Act') read with Rule 4 of the Companies (Indian Accounting Standards) Rules 2015 and the relevant provisions of the Act.

2. Figures in bracket indicate cash outflow.

3.For disclosure about changes in liabilities arising from financing activities refer note 49 of Annexure A-VI

The above statement should be read with the basis of preparation and significant accounting policies appearing in Annexure A-V, notes to the restated financial information appearing in Annexure A-VI and statement of adjustments to audited financial statements appearing in Annexure A-VII.

As per our report of even date attached.

for **B S R & Associates LLP**
Chartered Accountants
Firm registration number : 116231W/W-100024

Aravind Maiya
Partner
Membership No. 217433

Place: Bengaluru
Date: 31 July 2018

for **Sansera Engineering Limited (erstwhile Sansera Engineering Private Limited)**
CIN: U34103KA1981PTC004542

S Sekhar Vasan
Managing Director
DIN: 00361245

Unni Rajagopal K
Director
DIN: 00229915

S. Ramakrishnan
Chief Financial Officer

Sourabh Kumar
Company Secretary

Place: Bengaluru
Date: 31 July 2018

Company Overview

Sansera Engineering Limited (erstwhile Sansera Engineering Private Limited) (“the Company”) was incorporated on 15 December 1981 under the provisions of the Companies Act, 1956 with its registered office in Bangalore, Karnataka. The Company is involved in the business of manufacture of auto components such as rocker arms, connecting rods, gear shifters, crank shafts, and aerospace components. It is also involved in providing services such as forging and other related services.

1. Basis of preparation

a. Statement of compliance

The Restated Standalone Financial Information relates to the Company and have been specifically prepared for inclusion in the document to be filed by the Company with the Securities and Exchange Board of India (“SEBI”), Registrar of Companies (“RoC”) and Stock Exchanges in connection with the proposed Initial Public Offering ('IPO') of equity shares of the Company (referred to as the "Issue"). The Restated Standalone Financial Information comprise of the restated standalone summary statement of assets and liabilities as at 31 March 2018, 31 March 2017, 31 March 2016, 31 March 2015 and 31 March 2014, the restated standalone summary statement of profit and loss, the restated standalone summary statement of changes in equity and restated standalone summary statement of cash flows for the years ended 31 March 2018, 31 March 2017, 31 March 2016, 31 March 2015 and 31 March 2014 and Annexures A VI to A XIII thereto (hereinafter collectively referred to as “the Restated Standalone Financial Information”).

The Restated Standalone Financial Information has been prepared to comply in all material respects with the requirements of Section 26 of Part I of Chapter III of the Companies Act, 2013 (“the Act”) and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended from time to time in pursuance of provisions of Securities and Exchange Board of India Act, 1992 (“ICDR Regulations”).

These Restated Standalone Financial Information were approved by the Board of Directors of the Company in their meeting held on 31 July 2018.

The Restated Standalone Financial Information has been prepared in accordance with Indian Accounting Standards (Ind AS) as prescribed under Section 133 of Companies Act, 2013 (to the extent applicable) read with Companies (Indian Accounting Standards) Rules, 2015. The Restated Standalone Financial Information have been compiled by the Company from:

i. The Audited Standalone Financial Statements of the Company as at and for the years ended 31 March 2016, 2015 and 2014 (Audited Standalone Financial Statements) were prepared under previous generally accepted accounting principles followed in India (“Previous GAAP” or “Indian GAAP”), and have been translated into figures as per Ind AS to align with accounting policies, exemptions and disclosures adopted by the Company on its first time adoption of Ind AS on 1 April 2016 (‘transition date’). The Restated Standalone Financial Information for these years along with the respective underlying schedules and notes are “Proforma Ind AS Restated Standalone Financial Information”, as per the Guidance note on Reports in Company Prospectus, issued by the Institute of Chartered Accountants of India.

ii. The Audited Standalone Financial Statements of the Company for the years ended 31 March 2018 (including comparative of 31 March 2017) have been prepared under Ind AS.

For the preparation of proforma Ind AS Restated Standalone Financial Information as at and for the years ended 31 March 2016, 2015 and 2014 and based on the SEBI circular SEBI/HO/ CFD/DIL/CIR/P/2016/47 dated 31 March 2016, following accounting policies/ restatements were made:

i. Ind AS transition adjustments and accounting policy choices as initially adopted on 1 April 2016 were effected from 1 April 2013 for the preparation of Proforma Ind AS Restated Standalone Financial Information;

ii. Opening balance sheet was restated to recognize all assets and liabilities whose recognition is required by Ind AS;

iii. All mandatory exceptions and optional exemptions available under Ind AS 101 was analyzed on case to case basis for the first-time adoption and restatement adjustments were made accordingly; and

iv. In accordance with Ind AS 101, the Company has opted for optional exemption for not applying retrospectively accounting principles of Ind AS 103 for business combinations that occurred before the transition date (i.e. 1 April 2016).

The Restated Standalone Financial Information have been prepared so as to contain information/ disclosures and incorporating adjustments set out below in accordance with the SEBI Regulations:

i. Adjustments for audit qualification requiring corrective adjustment in the financial statements, if any;

ii. Adjustments for the material amounts in respective years to which they relate, if any;

iii. Adjustments for previous years identified and adjusted in arriving at the profits of the years to which they relate irrespective of the year in which the event triggering the profit or loss occurred, if any;

iv. Adjustments to the profits or losses of the earlier years and of the year in which the change in the accounting policy has taken place is recomputed to reflect what the profits or losses of those years would have been if a uniform accounting policy was followed in each of these years, if any;

v. Adjustments for reclassification of the corresponding items of income, expenses, assets and liabilities, in order to bring them in line with the groupings as per the audited financial statements of the Company for the year ended 31 March 2018 and the requirements of the SEBI Regulations, if any;

vi. The resultant impact of tax due to the aforesaid adjustments, if any.

b. Functional and presentation currency

Items included in the Restated Standalone Financial Information of the Company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). These standalone Ind AS financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency. All amounts have been rounded-off to the nearest millions, unless otherwise indicated.

c. Basis of measurement

The Restated Standalone Financial Information have been prepared on the historical cost basis except for the following items:

- Derivative instruments at fair value;
- Net defined benefit (asset)/liability at fair value of plan assets less present value of defined benefit obligations.

d. Use of estimates and judgements

The preparation of the Restated Standalone Financial Information in conformity with Ind ASs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the Restated Standalone Financial Information is included in lease classification.

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending ended 31 March 2018 is included in the following notes:

- Note No. 2.2.ii of Annexure A-V - Depreciation and amortisation method and useful life of items of property, plant and equipment and intangibles assets;
- Note 45 D, E and F of Annexure A-VI – recognition of deferred tax assets;
- Note 18, 25 and 39 of Annexure A-VI– measurement of defined benefit obligations: key actuarial assumptions; and
- Note 43 of Annexure A-VI – impairment of financial assets.

e. Measurement of fair values

Certain accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above. This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

- Note 40 of Annexure A-VI - Employee stock options;
- Note 42 of Annexure A- VI - financial instruments; and

2. Significant accounting policies

2.1 Business combinations

Merger of Gearock Forge Private Limited

Pursuant to section 233 of the Companies Act, 2013, the Company has received an order dated 13 March 2018 from Regional Director for the merger of Gearock Forge Private Limited ("Gearock") with Sansera Engineering Limited (erstwhile Sansera Engineering Private Limited) with effect from 1 April 2017 (“Effective date of merger).

The above mentioned amalgamation has been accounted under the Pooling of Interest Method as per Appendix C to Ind AS 103 on Business combinations of entities under common control. As per the guidance under Appendix C to Ind AS 103 the financial statements in respect of prior periods are restated as if the merger had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination. All the assets and liabilities including reserves of Gearock have been recorded at their existing carrying amounts.

2.2 Property, plant and equipment

i. Recognition and measurement

Property, plant and equipment are measured at cost, less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

All items of property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in statement of profit or loss.

Borrowing costs directly attributable to the acquisition/construction of the qualifying asset are capitalized as part of the cost of that asset. Other borrowing costs are recognized as expense in the restated standalone summary statement of profit and loss in the period in which they incurred.

On transition to Ind AS, the Company has elected to recognise the carrying value of all of its property, plant and equipment as at 1 April 2016, measured as per the previous GAAP, and use that carrying value as the deemed cost of such property, plant and equipment. See note 1.1 of Annexure A-VI- Notes to the restated standalone financial information.

ii. Depreciation methods, estimated useful lives and residual value

Depreciation is provided on a Straight Line Method ("SLM") over the useful life of property, plant and equipment as prescribed under Part C of Schedule II of the Companies Act, 2013. Depreciation for assets purchased/sold during a period is proportionately charged. The useful lives for property, plant and equipment is as follows:

Asset category	Estimated useful life
Plant & Machinery	15
Buildings	30
Furniture & Fixtures	10
Electrical Installations	10
Office equipment	5
Vehicles	10
Computers (including Computer software)	3-6
Asset taken on lease (Plant and machinery)	Over the lease period or estimated useful life whichever is lower

Freehold land is not depreciated. Leasehold land is depreciated over the period of lease. Depreciation method, useful lives and residual values are reviewed at each financial year end and adjusted if appropriate.

2.3 Intangible assets

Intangible assets purchased are measured at cost less accumulated amortisation and accumulated impairment, if any. Intangible assets are amortised in the restated standalone summary statement of profit and loss over their estimated useful lives on a straight-line basis. Amortisation method, useful lives and residual values are reviewed at the end of each financial year and adjusted if appropriate.

On transition to Ind AS, the Company has elected to recognise the carrying value of all of its intangible assets as at 1 April 2016, measured as per the previous GAAP, and use that carrying value as the deemed cost of such property, plant and equipment. See note 3.1 of Annexure A-VI-Notes to the restated standalone financial information.

2.4 Inventories

i. Inventories are measured at the lower of cost and net realisable value (NRV). Cost comprises purchase price and all expenses incurred in bringing the inventory to its present location and condition. Cost has been determined as follows:

Raw material, stores and spares	:	on weighted average basis
Work in progress	:	includes cost of conversion
Finished goods	:	includes cost of conversion

ii. Fixed production overheads are allocated on the basis of normal capacity of production facilities. The comparison of cost and NRV is made on an item-by-item basis. Spare parts that meets the definition of asset are capitalised at their respective carrying amounts. The NRV of work-in-progress is determined with reference to NRV of related finished goods.

iii. Raw materials and other supplies held for use in production of inventories are not written down below cost except in cases where material prices have declined, and it is estimated that the cost of the finished products will exceed their NRV.

iv. Provision for inventory obsolescence is assessed periodically and is provided as considered necessary.

2.5 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at fair value of consideration received or receivable.

Revenue from sale of products (including sale of scrap) is recognised when the significant risk and rewards of ownership have been transferred to the buyer.

Sale of products is disclosed net of Goods and Service tax, returns, trade discounts, and volume rebates. Sale of products is presented gross of excise duties to the extent applicable.

Service income is recognized when the related services are rendered unless significant future contingencies exist

Export incentives are recognised in the restated standalone summary statement of profit and loss account when the right to receive credit as per the terms of the entitlement is established in respect of export made.

Dividend income is recognised in the restated standalone summary statement of profit and loss on the date on which the right to receive payment is established.

Interest on the deployment of funds is recognised using the time-proportion method, based on underlying interest rates.

2.6 Foreign currency transactions

a) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in the restated standalone summary statement of profit and loss.

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the restated standalone summary statement of profit and loss, within finance costs. All other foreign exchange gains and losses are presented in the restated standalone summary statement of profit and loss on a net basis within other gains/ (losses).

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

2.7 Government Grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

2.8 Leases

Lease under which the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. The leased assets are measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the assets are accounted for in accordance with the accounting policy applicable to similar owned assets.

Lease in which a significant portion of risks and rewards of ownership is retained by the lessor is classified as operating lease.

Payments made under operating lease are charged to the restated standalone summary statement of profit and loss on a straight line basis over the term of the lease unless such payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

2.9 Financial instruments

i. Recognition and initial measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument. A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

ii. Classification and subsequent measurement

Financial assets

Financial assets carried at amortised cost.
A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through other comprehensive income
A financial asset is subsequently measured at fair value through other comprehensive income (FVOCI) if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through profit or loss
A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss (FVTPL). This includes all derivative assets.

Financial liabilities
Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in restated standalone summary statement of profit and loss. Other financial liabilities are subsequently carried at amortised cost using the effective interest method.

Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

Derivative Instruments

The Company holds derivative financial instruments such as foreign exchange forward to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts is generally a bank. These derivative instruments are recorded at fair value on every reporting date with changes being accounted in restated standalone summary statement of profit and loss.

iii. Derecognition

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in statement profit or loss.

2.10 Impairment

i. Impairment of financial instruments

The Company recognises loss allowances for expected credit losses (ECL) on financial assets measured at amortised cost.

At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit impaired. A financial assets is ‘credit-impaired’ when one or more event that have a detrimental impact on the estimated future cash flows of the financial assets have occurred.

The Company follows ‘simplified approach’ for recognition of impairment loss allowance on trade receivables. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If in subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12 month ECL.

ii. Impairment of non - financial assets

The Company’s non-financial assets, other than inventories and deferred tax assets, are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the CGU to which the asset belongs.

If such assets are considered to be impaired, the impairment to be recognised in the restated standalone summary statement of profit and loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the restated standalone summary statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount.

The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

2.11 Employee benefits

i. Defined benefit plan

Gratuity

The Company’s gratuity plan is a defined benefit plan. The present value of obligation under such defined benefit plan is determined based on actuarial valuation carried out by an independent actuary using the Projected Unit Credit Method. The obligation is measured at the present value of estimated future cash flows. The discount rates used for determining the present value of obligation under defined benefit plan is based on the market yields on Government securities as at the balance sheet date, having maturity periods approximating to the terms of related obligations. Actuarial gains and losses are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur.

Compensated absences

The employees of the Company are entitled to compensated absences. The employees can carry forward a portion of the unutilised accumulating compensated absence and utilise it in future periods or receive cash compensation at retirement or termination of employment. The Company records an obligation for compensated absences in the period in which the employee renders the services that increases this entitlement. The Company measures the expected cost of compensated absence as the additional amount that the Company expects to pay as a result of the unused entitlement that has accumulated at the balance sheet date. The calculation of the Company's obligation is performed annually by an independent actuary using the projected unit credit method as at the reporting date. Non-accumulating compensated absences are recognised in the period in which the absences occur. The Company recognizes actuarial gains and losses immediately in the restated standalone summary statement of profit and loss.

ii. Defined contribution plan

Provident fund

Provident fund is a post-employment benefit plan under which an entity makes specified monthly contribution towards Government administered provident fund scheme. Obligations for contributions to defined contribution plan are recognised as an employee benefit expense in the restated standalone summary statement of profit and loss during the period in which the related services are rendered by the employees.

iii. Share-based payment transactions

Employees of the Company receive remuneration in the form of equity settled instruments, for rendering services over a defined vesting period. Equity instruments granted are measured by reference to the fair value of the instrument at the date of grant. The expense is recognised in the restated standalone summary statement of profit and loss with a corresponding increase in equity over the period that the employees unconditionally becomes entitled to the award. The equity instruments generally vest in a graded manner over the vesting period. The fair value determined at the grant date is expensed over the vesting period of the respective tranches of such grants (accelerated amortisation). The stock compensation expense is determined based on the Company's estimate of equity instruments that will eventually vest.

2.12 Taxes

Current income tax

Current income tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current income tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted at the reporting date.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted at the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets and they relate to taxes levied by the same tax authority on the same taxable entity. A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

2.13 Earnings per share

The basic earning per share is calculated by dividing the net profit for the year attributable to the owner's of the Company by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is calculated by dividing the profit for the year for the year attributable to the owner's of the Company by the weighted average number of equity shares outstanding during the year, after adjustment for the effects of all dilutive potential equity shares.

The number of shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for any share splits and bonus shares issues, including for changes effected prior to the approval of the financial statements by the Board of Directors. In computing diluted earnings per share, only potential equity shares that are dilutive and which either reduces earnings per share or increase loss per share are included.

2.14 Provisions and contingencies

A provision is recognised when an enterprise has a present obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are determined by discounting the expected future cash flows to their present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Provisions for onerous contracts, i.e. contracts where the expected unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it, are recognised when it is probable that an outflow of resources embodying economic benefits will be required to settle a present obligation as a result of an obligating event, based on a best estimate of such obligation.

Where no reliable estimate can be made, a disclosure is made as contingent liability. A disclosure for a contingent liability is also made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. A contingent asset is not recognised however in case where the inflow of economic benefits are probable, the description of the contingent asset is disclosed.

2.15 Cash and cash equivalents

Cash and cash equivalents includes cash on hand, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

2.16 Cash flow statement

Cash flows are reported using the indirect method, whereby net profit/(loss) before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

2.17 Segment reporting

Based on the "management approach" as defined in Ind AS 108 - Operating Segments, Managing Director of the Company have been identified as the Chief Operating Decision Maker (CODM). The CODM evaluates the Company's performance and allocates resources based on single segment approach and accordingly information has been presented.

2.18 Recent accounting pronouncements

Standards issued but not yet effective

On March 28, 2018, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2018, notifying amendments to Ind AS 40, 'Investment Property', Ind AS 21, 'The Effects of Changes in Foreign Exchange Rates, Ind AS 12, 'Income Taxes', Ind AS 28, 'Investments in Associates and Joint Ventures', 'Ind AS 112, ' Disclosure of Interests in Other Entities' and Ind AS 115, 'Revenue from contracts with customers'. These amendments maintain convergence with IFRS by incorporating amendments issued by the International Accounting Standards Board (IASB) into Ind AS. The amendments are applicable to the company from 1 April 2018.

Amendment to Ind AS 40, Investment Property

The amendment to Ind AS 40 lays down the principle regarding when a Company should transfer to, or from, investment property. Accordingly, a transfer is made only when:

i. There is an actual change of use i.e. an asset meets or ceases to meet the definition of investment property.

ii. There is evidence of the change in use.

The impact of the above stated amendment to the Company is Nil as the same is not applicable to the Company.

Amendment to Ind AS 21, The Effects of Changes in Foreign Exchange Rates

Appendix B to Ind AS 21, Foreign currency transactions and advance consideration clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency.

The Company is in process of evaluating the effect of this on the Restated Standalone Financial Information and expects the impact to be not material.

Amendment to Ind AS 12, Income Taxes

The amendment to Ind AS 12 considers that:
i. Tax law determines which deductions are offset against taxable income in determining taxable income in determining taxable profits.
ii. No deferred tax asset is recognised if the reversal of the deductible temporary difference will not lead to tax deductions.

The Company is evaluating the effect of this on the Restated Standalone Financial Information and expects the impact to be not material.

Amendment to Ind AS 28, Investments in Associates and Joint Ventures

The amendment to Ind AS 28 clarifies that a venture capital organisation, or a mutual fund, unit trust and similar entities may elect, at initial recognition, to measure investments in an associate or joint venture at fair value through profit or loss separately for each associate or joint venture.

The impact of the above stated amendment to the Company is NIL as the same is not applicable to the Company.

Amendment to Ind AS 112, Disclosure of Interests in Other Entities

The amendment to Ind AS 112 provide that the disclosure requirements for interests in other entities also apply to interests that are classified (or included in a disposal group that is classified) as held for sale or as discontinued operations in accordance with Ind AS 105, Non-current Assets Held for Sale and Discontinued Operations.

The impact of the above stated amendment to the Company is NIL as the same is not applicable to the Company.

Ind AS 115, Revenue from Contracts with Customers

Ind AS 115, establishes a comprehensive framework for determining whether, how much and when revenue should be recognised. It replaces existing revenue recognition guidance, including Ind AS 18 Revenue, Ind AS 11 Construction Contracts and Guidance Note on Accounting for Real Estate Transactions. Ind AS 115 is effective for annual periods beginning on or after 1 April 2018 and will be applied accordingly.

The standard permits two possible methods of transition:

• Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors
• Retrospectively with cumulative effect of initially applying the standard recognised at the date of initial application (Cumulative catch - up approach)

The Company has completed an initial assessment of the potential impact of the adoption of Ind AS 115 on accounting policies followed in its Restated Standalone Financial Information. The quantitative impact of adoption of Ind AS 115 on the Restated Standalone Financial Information in the period of initial application is not reasonably estimable as at present.

i. Sale of goods

For the sale of products, revenue is currently recognised when the goods are delivered to the customers' premises, which is taken to be the point in time at which the customer accepts the goods and the related risks and rewards of ownership are transferred. Revenue is recognised at this point provided that the revenue and costs can be measured reliably, the recovery of the consideration is probable and there is no continuing management involvement with the goods.

Under Ind AS 115, revenue will be recognised when a customer obtains control of the goods. For some made-to-order paper product contracts, the customer controls all of the work in progress as the products are being manufactured. The revenue from these contracts will be recognised as the products are being manufactured. The Company's initial assessment indicates that this will result in revenue, and some associated costs, for these contracts being recognised earlier than at present – i.e. before the goods are delivered to the customers' premises.

For certain contracts that permit the customer to return an item, revenue is currently recognised when a reasonable estimate of the returns can be made, provided that all other criteria for revenue recognition are met. If a reasonable estimate cannot be made, then revenue recognition is deferred until the return period lapses or a reasonable estimate of returns can be made.

Under Ind AS 115, revenue will be recognised for these contracts to the extent that it is probable that a significant reversal in the amount of cumulative revenue recognised will not occur. As a consequence, for those contracts for which the Company is unable to make a reasonable estimate of return, revenue is expected to be recognised sooner than when the return period lapses or a reasonable estimate can be made. A refund liability and an asset for recovery will be recognised for these contracts and presented separately in the balance sheet.

ii. Rendering of services

The Company is involved in providing forging and other related services. Revenue from sale of services is recognised in statement of profit and loss in proportion to the stages of completion of the transaction at the reporting date.

If the services under a single arrangement are rendered in different reporting periods, then the consideration is allocated on a relative fair value basis between the different services. Under Ind AS 115, the total consideration in the service contracts will be allocated to all services based on their stand-alone selling prices. The stand-alone selling prices will be determined based on the list prices at which the Company sells the services in separate transactions.

Based on the Company's initial assessment, the fair value and the stand-alone selling prices of the services are broadly similar.

iii. Transition

The Company plans to apply Ind AS 115 using the cumulative catch-up transition method, with the effect of initially applying this standard recognised at the date of initial application (i.e. 1 April 2018) in retained earnings. Accordingly comparatives for the year ending or ended March 31, 2018 will not be retrospectively adjusted.

Sansera Engineering Limited (erstwhile Sansera Engineering Private Limited)
Annexure A - VI
Notes to the restated standalone financial information **(Amount in ₹ millions)**

1 Property, plant and equipments

Particulars	Freehold Land (Refer note A)	Buildings	Plant & Machinery	Furniture & Fixtures	Electrical Installations	Office Equipment	Vehicles	Computers	Leased property plant and equipment (Refer note B)		Total
									Leasehold land (Refer note A)	Plant and machinery	
Deemed Cost											
Balance as at 1 April 2013 (refer note 1.1 below)	33.38	428.74	1,650.09	18.21	121.17	19.26	43.74	10.74	151.43	-	2,476.76
Additions	-	6.14	579.16	5.08	12.05	1.51	21.90	13.56	-	-	639.40
Disposals	-	-	11.51	-	-	-	2.32	-	-	-	13.83
Balance as at 31 March 2014	**33.38**	**434.88**	**2,217.74**	**23.29**	**133.22**	**20.77**	**63.32**	**24.30**	**151.43**	**-**	**3,102.33**
Accumulated Depreciation											
Accumulated Depreciation as at 1 April 2013	-	-	-	-	-	-	-	-	-	-	-
Depreciation	-	17.18	293.35	1.74	9.17	1.15	6.72	6.86	0.44	-	336.61
Disposals	-	-	2.65	-	-	-	1.19	-	-	-	3.84
Accumulated Depreciation as at 31 March 2014	**-**	**17.18**	**290.70**	**1.74**	**9.17**	**1.15**	**5.53**	**6.86**	**0.44**	**-**	**332.77**
Net carrying value as at 31 March 2014	**33.38**	**417.70**	**1,927.04**	**21.55**	**124.05**	**19.62**	**57.79**	**17.44**	**150.99**	**-**	**2,769.56**
Gross Carrying Value											
Balance as at 1 April 2014	33.38	434.88	2,217.74	23.29	133.22	20.77	63.32	24.30	151.43	-	3,102.33
Additions	-	7.41	477.75	2.18	22.38	7.00	11.49	9.99	0.16	78.90	617.26
Disposals	-	-	25.30	0.03	-	0.07	2.31	-	-	-	27.71
Balance as at 31 March 2015	**33.38**	**442.29**	**2,670.19**	**25.44**	**155.60**	**27.70**	**72.50**	**34.29**	**151.59**	**78.90**	**3,691.88**
Accumulated Depreciation											
Accumulated Depreciation as at 1 April 2014	-	17.18	290.70	1.74	9.17	1.15	5.53	6.86	0.44	-	332.77
Depreciation	-	16.96	221.64	3.86	29.32	13.52	13.30	8.06	-	5.25	311.91
Disposals	-	-	16.04	0.02	-	-	1.33	-	-	-	17.39
Accumulated Depreciation as at 31 March 2015	**-**	**34.14**	**496.30**	**5.58**	**38.49**	**14.67**	**17.50**	**14.92**	**0.44**	**5.25**	**627.29**
Net carrying value as at 31 March 2015	**33.38**	**408.15**	**2,173.89**	**19.86**	**117.11**	**13.03**	**55.00**	**19.37**	**151.15**	**73.65**	**3,064.59**
Gross Carrying Value											
Balance as at 1 April 2015	33.38	442.29	2,670.19	25.44	155.60	27.70	72.50	34.29	151.59	78.90	3,691.88
Additions	-	174.31	1,122.36	15.01	76.28	17.36	12.99	16.30	-	3.41	1,438.02
Disposals	-	-	8.91	-	-	-	2.76	-	-	-	11.67
Balance as at 31 March 2016	**33.38**	**616.60**	**3,783.64**	**40.45**	**231.88**	**45.06**	**82.73**	**50.59**	**151.59**	**82.31**	**5,118.23**
Accumulated Depreciation											
Accumulated Depreciation as at 1 April 2015	-	34.14	496.30	5.58	38.49	14.67	17.50	14.92	0.44	5.25	627.29
Depreciation	-	18.82	254.38	5.07	37.01	4.18	12.51	6.66	0.88	5.48	344.99
Disposals	-	-	-	-	-	-	2.35	-	-	-	2.35
Accumulated Depreciation as at 31 March 2016	**-**	**52.96**	**750.68**	**10.65**	**75.50**	**18.85**	**27.66**	**21.58**	**1.32**	**10.73**	**969.93**
Net carrying value as at 31 March 2016	**33.38**	**563.64**	**3,032.96**	**29.80**	**156.38**	**26.21**	**55.07**	**29.01**	**150.27**	**71.58**	**4,148.30**

(Amount in ₹ millions)

Particulars	Freehold Land (Refer note A)	Buildings	Plant & Machinery	Furniture & Fixtures	Electrical Installations	Office Equipment	Vehicles	Computers	Leased Property Plant and Equipment (Refer note B)		Total
									Leasehold land (Refer note A)	Plant and machinery	
Gross Carrying Value											
Balance as at 1 April 2016	33.38	616.60	3,783.64	40.45	231.88	45.06	82.73	50.59	151.59	82.31	5,118.23
Additions	168.48	89.53	1,122.00	1.12	42.65	4.24	24.86	21.12	-	317.49	1,791.49
Reclassification	61.41	-	-	-	-	-	-	-	(61.41)	-	-
Disposal	-	-	(0.15)	-	-	-	-	-	-	-	(0.15)
At 31 March 2017	**263.27**	**706.13**	**4,905.49**	**41.57**	**274.53**	**49.30**	**107.59**	**71.71**	**90.18**	**399.80**	**6,909.57**
Accumulated depreciation											
Accumulated Depreciation as at 1 April 2016	-	52.96	750.68	10.65	75.50	18.85	27.66	21.58	1.32	10.73	969.93
Depreciation	-	24.34	302.54	5.59	46.14	6.09	12.27	12.10	0.44	32.30	441.81
Disposals	-	-	-	-	-	-	-	-	-	-	-
Accumulated Depreciation as at 31 March 2017	**-**	**77.30**	**1,053.22**	**16.24**	**121.64**	**24.94**	**39.93**	**33.68**	**1.76**	**43.03**	**1,411.74**
Net carrying value as at 31 March 2017	**263.27**	**628.83**	**3,852.27**	**25.33**	**152.89**	**24.36**	**67.66**	**38.03**	**88.42**	**356.77**	**5,497.83**
Gross Carrying Value											
Balance as at 1 April 2017	263.27	706.13	4,905.49	41.57	274.53	49.30	107.59	71.71	90.18	399.80	6,909.57
Additions	-	11.76	1,034.46	2.73	30.28	2.17	16.81	12.96	-	-	1,111.17
Disposals	-	-	(0.33)	-	-	-	(0.49)	-	-	-	(0.82)
Balance as at 31 March 2018	**263.27**	**717.89**	**5,939.62**	**44.30**	**304.81**	**51.47**	**123.91**	**84.67**	**90.18**	**399.80**	**8,019.92**
Accumulated Depreciation											
Accumulated Depreciation as at 1 April 2017	-	77.30	1,053.22	16.24	121.64	24.94	39.93	33.68	1.76	43.03	1,411.74
Depreciation	-	26.21	410.08	3.71	32.09	5.74	14.32	16.46	0.44	28.93	537.98
Disposals	-	-	(0.32)	-	-	-	(0.10)	-	-	-	(0.42)
Accumulated Depreciation as at 31 March 2018	**-**	**103.51**	**1,462.98**	**19.95**	**153.73**	**30.68**	**54.15**	**50.14**	**2.20**	**71.96**	**1,949.30**
Net carrying value as at 31 March 2018	**263.27**	**614.38**	**4,476.64**	**24.35**	**151.08**	**20.79**	**69.76**	**34.53**	**87.98**	**327.84**	**6,070.62**

Note 1.1

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment (PPE) recognised as at 1 April 2016 measured as per the previous Indian GAAP and used that carrying value as the deemed cost of the PPE. While preparing Proforma Ind AS restated financial information for each of the years ended 31 March 2016, 31 March 2015, and 31 March 2014, the Company has opted the same accounting policy choice as adopted on transition date and accordingly the carrying value of its PPE as at 31 March 2013 has been used as deemed cost of PPE as at 1 April 2013.

Deemed cost as at 1 April 2013 - Proforma

Particulars	Freehold Land (Refer note A and B below)	Buildings	Plant & Machinery	Furniture & Fixtures	Electrical Installations	Office Equipment	Vehicles	Computers	Leasehold land (Refer note B below)
Gross block as at 1 April 2013	33.38	514.70	2,857.40	28.10	163.03	24.91	63.96	46.25	154.68
Accumulated depreciation till 1 April 2013	-	85.96	1,207.31	9.89	41.86	5.65	20.22	35.51	3.25
Net block treated as deemed cost upon transition	**33.38**	**428.74**	**1,650.09**	**18.21**	**121.17**	**19.26**	**43.74**	**10.74**	**151.43**

Note A

During year 2016-17, the Company has capitalised 3,650.624 sq. mts of land at Plot No. 143-C2, 8th A Road, Bommasandra Industrial Area, Bangalore amounting to ₹42.04 million and 60,702.38 sq.mts of land at Plot no. 43, 2nd Phase, Bidadi Industrial Area, Sector -2 amounting to ₹126.44 million respectively.

Karnataka Industrial Area Development (KIADB) has allotted 17,293 sq. mts land at Plot No. 143-A in the Bommasandra Jigani Link Road Industrial Area (Plant 7) for a period of 10 years w.e.f 1st February 2007 to the Company on a lease cum sale basis. The aggregate cost of the land at the end of the previous year was ₹61.41 million. The agreement gives a right to the Company to acquire land at the end of the lease term at an additional consideration, if any fixed by KIADB, after reducing the amount already paid. During the year ended 31 March 2017, the same has been registered in the name of the Company and reclassified as free hold land.

Note B: Property plant and equipment under lease

The Company has acquired certain land and production equipment under finance lease agreements. The Company has an option to purchase these property, plant and equipment at end of the lease term based on certain terms and conditions. The leased property, plant and equipments are secured against related lease obligations. The gross and net carrying amounts of property, plant and equipments acquired under finance leases are included above.

Note C: Impairment loss

The Company has not recognised or reversed any impairment loss on property, plant and equipments.

Note D: Security

Property, plant and equipment amounting to ₹ 6,975.71 million (gross block) as at 31 March 2018 (31 March 2017: ₹ 5,929.82 million; 31 March 2016: ₹ 5,035.51 million; 31 March 2015: ₹ 3,880.22 million and 31 March 2014: ₹ 3,510.38 million) has been pledged as security by the Company against loans taken from banks and financial institution.

2 Capital-work-in progress

Capital work-in-progress mainly comprises:

Particulars	**As at 31 March 2018**	**As at 31 March 2017**	**As at 31 March 2016**	**As at 31 March 2015**	**As at 31 March 2014**
Freehold land	-	-	165.74	119.73	119.73
Buildings	166.70	41.48	-	52.23	-
Plant and machinery	743.91	279.99	160.97	280.68	51.91
	910.61	**321.47**	**326.71**	**452.64**	**171.64**

As at 31 March 2018, capitalised borrowing cost related to capital work in progress is ₹ 12.99 million (31 March 2017: ₹ Nil; 31 March 2016: ₹ Nil; 31 March 2015: ₹ Nil and 31 March 2014: ₹ Nil).

As at 31 March 2018 capital work in progress includes Rs. 496.05 towards manufacturing facility at Bidadi, Karnataka (31 March 2017: ₹ 12.34; 31 March 2016: ₹ 131.05; 31 March 2015: ₹ 123.11 and 31 March 2014: ₹ 123.05).

3 Intangible assets

Particulars	**Owned Intangible asset**	
	Computer Software	**Total**
Gross Carrying Value		
Balance as at 1 April 2013 (refer note 3.1 below)	11.33	11.33
Additions	-	-
Disposals	-	-
Balance as at 31 March 2014	**11.33**	**11.33**
Accumulated amortisation		
Balance as at 1 April 2013	-	-
Amortisation for the year	2.11	2.11
Disposals	-	-
Accumulated amortisation as of 31 March 2014	**2.11**	**2.11**
Net carrying value as at 31 March 2014	**9.22**	**9.22**
Gross Carrying Value		
Balance as at 1 April 2014	11.33	11.33
Additions	2.38	2.38
Disposals	-	
Balance as at 31 March 2015	**13.71**	**13.71**
Accumulated amortisation		
Balance as at 1 April 2014	2.11	2.11
Amortisation for the year	4.24	4.24
Disposals	-	
Accumulated amortisation as of 31 March 2015	**6.35**	**6.35**
Net carrying value as at 31 March 2015	**7.36**	**7.36**

3 Intangible assets (continued)

Particulars	Owned Intangible asset	
	Computer Software	Total
Gross Carrying Value		
Balance as at 1 April 2015	13.71	13.71
Additions	-	-
Disposals	-	
Balance as at 31 March 2016	**13.71**	**13.71**
Accumulated amortisation		
Balance as at 1 April 2015	6.35	6.35
Amortisation for the year	4.63	4.63
Disposals	-	
Accumulated amortisation as of 31 March 2016	**10.98**	**10.98**
Net carrying value as at 31 March 2016	**2.73**	**2.73**
Gross Carrying Value		
Balance as at 1 April 2016	13.71	13.71
Additions	-	-
Disposals	-	-
At 31 March 2017	**13.71**	**13.71**
Accumulated amortisation		
Balance as at 1 April 2016	10.98	**10.98**
Amortisation for the year	2.73	2.73
Disposals	-	-
Accumulated amortisation as of 31 March 2017	**13.71**	**13.71**
Net carrying value as at 31 March 2017	**-**	**-**
Gross Carrying Value		
Balance as at 1 April 2017	13.71	13.71
Additions	10.32	10.32
Disposals		-
Balance as at 31 March 2018	**24.03**	**24.03**
Accumulated amortisation		
Balance as at 1 April 2017	**13.71**	**13.71**
Amortisation for the year	0.74	0.74
Disposals	**-**	-
Accumulated amortisation as of 31 March 2018	**14.45**	**14.45**
Net carrying value as at 31 March 2018	**9.58**	**9.58**

Note 3.1

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its intangible assets recognised as at 1 April 2016 measured as per the previous Indian GAAP and used that carrying value as the deemed cost of the intangible assts. While preparing Proforma Ind AS restated financial information for each of the years ended 31 March 2017, 31 March 2016, 31 March 2015 and 31 March 2014, the Company has opted the same accounting policy choice as adopted on transition date and accordingly the carrying value of its intangible assets as at 31 March 2013 has been used as deemed cost of intangible assets as at 1 April 2013.

Deemed cost as at 1 April 2013 - Proforma

Particulars	Computer Software
Gross block as at 1 April 2013	26.18
Accumulated amortisation till 1 April 2013	14.85
Net block treated as deemed cost upon transition	**11.33**

The Company has not recognised or reversed any impairment loss on intangible asset.

4 Investments in subsidiaries

Particulars	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016 Proforma	As at 31 March 2015 Proforma	As at 31 March 2014 Proforma
Unquoted, trade					
Investment in subsidiaries at cost					
Investment in equity instruments					
Fitwel Tools and Forgings Private Limited (248,872 (31 March 2017: 248,872, 31 March 2016: 248,872, 31 March 2015: 248,872 and 31 March 2014: 181,316) equity shares of ₹10 each fully paid up)	201.65	201.65	201.65	201.65	127.55
Sansera Engineering Pvt. Ltd, Mauritius (10,000 (31 March 2017: Nil, 31 March 2016: Nil, 31 March 2015: Nil and 31 March 2014: Nil) equity shares of Euro 10 each fully paid up	6.88	-	-	-	-
Investment in preference shares (refer note below)					
Sansera Engineering Pvt. Ltd., Mauritius					
490,000 (31 March 2017: Nil, 31 March 2016: Nil, 31 March 2015: Nil and 31 March 2014: Nil) optionally redeemable preference shares of Euro 10 each fully paid up)	337.02	-	-	-	-
140,000 Series A (31 March 2017: Nil, 31 March 2016: Nil, 31 March 2015: Nil and 31 March 2014: Nil) optionally redeemable preference shares of Euro 10 each fully paid up	105.25	-	-	-	-
160,000 Series B (31 March 2017: Nil, 31 March 2016: Nil, 31 March 2015: Nil and 31 March 2014: Nil) optionally redeemable preference shares of Euro 10 each fully paid up	120.29	-	-	-	-
50,000 Series C (31 March 2017: Nil, 31 March 2016: Nil, 31 March 2015: Nil and 31 March 2014: Nil) optionally redeemable preference shares of Euro 10 each fully paid up	39.85	-	-	-	-
Total	**810.94**	**201.65**	**201.65**	**201.65**	**127.55**
Aggregate amount of unquoted investments	810.94	201.65	201.65	201.65	127.55
Aggregate amount of quoted investments	-	-	-	-	-
Aggregate amount of impairment in investments	-	-	-	-	-

Note:- The Optionally Redeemable Preference Shares held by the Company can be converted into equity shares in Sansera Engineering Pvt. Ltd., Mauritius at a fixed ratio of 1:1 at the option of Sansera Engineering Pvt. Ltd., Mauritius.

5 Loans

Particulars	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016 Proforma	As at 31 March 2015 Proforma	As at 31 March 2014 Proforma
Unsecured, considered good					
Security deposits	114.48	101.99	63.78	40.35	29.65
Total	**114.48**	**101.99**	**63.78**	**40.35**	**29.65**

6 (a) Income tax assets, net

Particulars	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016 Proforma	As at 31 March 2015 Proforma	As at 31 March 2014 Proforma
Advance tax including tax deducted at source, net of provision for tax	52.75	97.64	107.51	110.36	33.99
Total	**52.75**	**97.64**	**107.51**	**110.36**	**33.99**

6 (b) Income tax liabilities, net

Particulars	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016 Proforma	As at 31 March 2015 Proforma	As at 31 March 2014 Proforma
Provision for tax, net of advance tax including tax deducted at source	-	51.84	-	0.94	12.16
Total	**-**	**51.84**	**-**	**0.94**	**12.16**

7 Other non-current assets

Particulars	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016 Proforma	As at 31 March 2015 Proforma	As at 31 March 2014 Proforma
Capital advances	141.57	86.81	147.68	83.68	71.11
Prepayments	8.10	4.38	4.86	5.59	1.24
Total	**149.67**	**91.19**	**152.54**	**89.27**	**72.35**

8 Inventories (valued at lower of cost and net realisable value)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016 Proforma	As at 31 March 2015 Proforma	As at 31 March 2014 Proforma
Raw materials *	458.58	332.42	214.41	202.73	202.82
Work in progress	726.51	526.18	434.24	408.23	384.97
Finished goods, including stock in transit	203.00	202.04	165.31	159.24	134.38
Stores and spares	253.25	215.22	331.11	404.36	323.20
Total	**1,641.34**	**1,275.86**	**1,145.07**	**1,174.56**	**1,045.37**

* Includes stock of assembled components.

9 Current investments

Particulars	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016 Proforma	As at 31 March 2015 Proforma	As at 31 March 2014 Proforma
Quoted equity shares, non trade					
Equity shares at fair value through statement of profit and loss					
800 (31 March 2017: 800, 31 March 2016: 800; 31 March 2015: 800 and 31 March 2014: 800) equity shares of ₹10 each fully paid up of Maruti Udyog Limited	7.09	4.81	2.97	2.96	1.58
Total	**7.09**	**4.81**	**2.97**	**2.96**	**1.58**
Aggregate amount of quoted investments and market value thereof	7.09	4.81	2.97	2.96	1.58
Aggregate amount of unquoted investments	-	-	-	-	-
Aggregate amount of impairment in investments	-	-	-	-	-

10 Trade receivables

Particulars	**As at 31 March 2018**	**As at 31 March 2017**	**As at 31 March 2016 Proforma**	**As at 31 March 2015 Proforma**	**As at 31 March 2014 Proforma**
Unsecured,					
- considered good *	2,405.57	1,980.22	1,534.69	1,359.27	1,174.81
- considered doubtful	21.68	20.11	20.11	17.78	15.33
	2,427.25	**2,000.33**	**1,554.80**	**1,377.05**	**1,190.14**
Less: Allowance for credit losses	(21.68)	(20.11)	(20.11)	(17.78)	(15.33)
Total	**2,405.57**	**1,980.22**	**1,534.69**	**1,359.27**	**1,174.81**
Due date based ageing					
Debts outstanding for a period exceeding six months from the date they became due	30.60	54.35	37.73	18.89	12.27
Other debts	2,396.65	1,945.98	1,517.06	1,358.16	1,177.87
	2,427.25	**2,000.33**	**1,554.79**	**1,377.05**	**1,190.14**

* For details of trade receivables from related parties, refer note 38 of Annexure A-VI.
The Company's exposure to credit and currency risk, and loss allowances related to trade receivables are disclosed in note 43 of Annexure A-VI.

11 Cash and cash equivalents

Particulars	**As at 31 March 2018**	**As at 31 March 2017**	**As at 31 March 2016 Proforma**	**As at 31 March 2015 Proforma**	**As at 31 March 2014 Proforma**
Cash on hand	0.83	0.68	0.95	1.87	1.15
Balance with banks					
- in current accounts	309.42	104.75	363.47	19.09	67.19
Total	**310.25**	**105.43**	**364.42**	**20.96**	**68.34**

12 Bank balances other than cash and cash equivalents

Particulars	**As at 31 March 2018**	**As at 31 March 2017**	**As at 31 March 2016 Proforma**	**As at 31 March 2015 Proforma**	**As at 31 March 2014 Proforma**
In deposit accounts (due to mature within 12 months from the reporting date)*	73.99	70.85	65.53	60.00	87.41
Total	**73.99**	**70.85**	**65.53**	**60.00**	**87.41**

*The deposits are pledged against bank guarantees and letter of credits provided by the bank.

13 Other current financial assets

Particulars	**As at 31 March 2018**	**As at 31 March 2017**	**As at 31 March 2016 Proforma**	**As at 31 March 2015 Proforma**	**As at 31 March 2014 Proforma**
Duty drawback receivable	111.60	93.54	48.87	13.50	-
Other receivables	40.21	29.95	12.55	0.45	0.22
Unbilled revenue	27.89	-	-	-	-
Staff advances	35.05	31.84	32.56	27.72	24.07
Derivative asset	-	3.83	-	0.66	-
Total	**214.75**	**159.16**	**93.98**	**42.33**	**24.29**

14 Other current assets

Particulars	**As at 31 March 2018**	**As at 31 March 2017**	**As at 31 March 2016 Proforma**	**As at 31 March 2015 Proforma**	**As at 31 March 2014 Proforma**
Advance to suppliers	51.10	22.67	14.95	2.48	104.79
Balances with government authorities	394.47	505.86	396.67	284.36	119.68
Prepayments	24.46	22.46	13.98	10.96	9.09
Total	**470.03**	**550.99**	**425.60**	**297.80**	**233.56**

15 (a) Equity share capital

Particulars	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016 Proforma	As at 31 March 2015 Proforma	As at 31 March 2014 Proforma
Authorised					
Equity Shares					
1,250,000 (31 March 2017: 1,150,000; 31 March 2016: 1,150,000; 31 March 2015: 1,150,000 and 31 March 2014: 1,150,000) equity shares of ₹100 each	125.00	115.00	115.00	115.00	115.00
	125.00	**115.00**	**115.00**	**115.00**	**115.00**
Issued, subscribed and paid up					
Equity shares					
64,740 (31 March 2017: 64,740; 31 March 2016: 64,740; 31 March 2015: 64,740 and 31 March 2014: 64,740) equity shares of ₹100 each	6.47	6.47	6.47	6.47	6.47
	6.47	**6.47**	**6.47**	**6.47**	**6.47**

i. List of persons holding more than 5 percent shares in equity shares of the Company

Name of the share holder	As at 31 March 2018		As at 31 March 2017		As at 31 March 2016		As at 31 March 2015		As at 31 March 2014	
	No of shares	% holding	No of shares	% holding	No of shares	% holding	No of shares	% holding	No of shares	% holding
Client Ebene Limited	21,164	32.69	21,164	32.69	21,164	32.69	21,164	32.69	21,164	32.69
CVCIGPII Employee Ebene Limited	11,853	18.31	11,853	18.31	11,853	18.31	11,853	18.31	11,853	18.31
S Sekhar Vasan	16,976	26.22	16,976	26.22	16,976	26.22	16,976	26.22	16,976	26.22
Unni Rajagopal	4,713	7.28	4,713	7.28	4,713	7.28	4,713	7.28	4,713	7.28
D Devaraj	4,713	7.28	4,713	7.28	4,713	7.28	4,713	7.28	4,713	7.28
F R Singhvi	4,713	7.28	4,713	7.28	4,713	7.28	4,713	7.28	4,713	7.28

ii. Reconciliation of the number of equity shares outstanding at the beginning and at the end of the year **(Amounts in ₹ millions, except share data and unless otherwise stated)**

Particulars	As at 31 March 2018		As at 31 March 2017		As at 31 March 2016		As at 31 March 2015		As at 31 March 2014	
	No of shares	₹	No of shares	₹	No of shares	₹	No of shares	₹	No of shares	₹
Equity shares										
At the beginning of the year	64,740	6.47	64,740	6.47	64,740	6.47	64,740	6.47	64,740	6.47
Add: Issued during the year	-	-	-	-	-	-	-	-	-	-
At the end of the year	64,740	6.47	64,740	6.47	64,740	6.47	64,740	6.47	64,740	6.47

iii. Shares held by holding / ultimate holding company and / or their subsidiaries / associates:

Name of the shareholder	As at 31 March 2018		As at 31 March 2017		As at 31 March 2016		As at 31 March 2015		As at 31 March 2014	
	No of shares	Amount	No of shares	Amount	No of shares	Amount	No of shares	Amount	No of shares	Amount
Equity shares										
Client Ebene Limited	21,164	2.12	21,164	2.12	21,164	2.12	21,164	2.12	21,164	2.12
CVCIGPII Employee Ebene Limited	11,853	1.18	11,853	1.18	11,853	1.18	11,853	1.18	11,853	1.18
	33,017	**3.30**	**33,017**	**3.30**	**33,017**	**3.30**	**33,017**	**3.30**	**33,017**	**3.30**

iv. Rights, preferences and restrictions attached to equity shares

The Company has a single class of equity shares. Each holder of the equity share, as reflected in the records of the Company as of the date of the shareholder meeting, is entitled to one vote in respect of each share held for all matters submitted to vote in the shareholders' meeting. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company after distribution of all preferential amounts, if any. Each of the promoters undertake that until the earlier of an IPO or the holders of CCPS and / or their affiliates ceasing to hold any shares in the Company, no promoter shall directly or indirectly, transfer or grant options on any of shares held by them in the Company unless agreed to in writing by the holders of CCPS.

v. Shares bought back during 5 years immediately preceding 31 March 2018

Class of shares bought back	31 March 2017	31 March 2016	31 March 2015	31 March 2014	31 March 2013
Fully paid up equity shares	-	-	-	-	5,460

5,460 equity shares of ₹ 100 each, fully paid up for a total consideration of ₹ 422.60 million were bought back by utilising the balance in securities premium reserve during the year ended 31 March 2013.

vi. There has been no shares allotted as fully paid up by way of bonus shares or shares allotted as fully paid up pursuant to contract without payment being received in cash during five years immediately preceding 31 March 2018.

vii. The Company has issued stock options to employees. For details of shares reserved for issue under Employee Stock Option Plan (ESOP) of the Company, refer note 40 of Annexure A-VI

viii. Subsequent events
Pursuant to the approval of the shareholders granted at its extraordinary general meeting held on 28 July 2018, the Company has sub-divided the equity shares in the ratio of 1:50. As on 28 July 2018, 64,740 shares were outstanding of Rs. 100 each, which on sub division, became 3,237,000 equity shares of Rs. 2 each.

Further, as per the approval of the shareholders granted in above extraordinary general meeting the Company has issued bonus shares in the ratio of 2:27. Accordingly 43,699,500 equity shares were issued as bonus shares against 3,237,000 equity shares. Post bonus issue 46,936,500 equity shares are outstanding as of 28 July 2018.

15 (b) Instruments entirely equity in nature

Particulars	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014
Authorised					
Preference shares					
A Series 300,000 (31 March 2017: 300,000; 31 March 2016: 300,000; 31 March 2015: 300,000 and 31 March 2014: 300,000), 0.0001% compulsory convertible preference shares of ₹100 each	30.00	30.00	30.00	30.00	30.00
B Series 750,000 (31 March 2017: 750,000; 31 March 2016: 750,000; 31 March 2015: 750,000 and 31 March 2014: 750,000), 0.0001% compulsory convertible preference shares of ₹100 each	75.00	75.00	75.00	75.00	75.00
	105.00	**105.00**	**105.00**	**105.00**	**105.00**
Issued, subscribed and paid up					
Preference shares					
A Series 300,000 (31 March 2017: 300,000; 31 March 2016: 300,000; 31 March 2015: 300,000 and 31 March 2014: 300,000), 0.0001% compulsory convertible preference shares of ₹100 each	30.00	30.00	30.00	30.00	30.00
B Series 750,000 (31 March 2017: 750,000; 31 March 2016: 750,000; 31 March 2015: 750,000 and 31 March 2014: 750,000), 0.0001% compulsory convertible preference shares of ₹100 each	75.00	75.00	75.00	75.00	75.00
	105.00	**105.00**	**105.00**	**105.00**	**105.00**

i. Reconciliation of the number of preference shares outstanding at the beginning and at the end of the year

Particulars	As at 31 March 2018		As at 31 March 2017		As at 31 March 2016		As at 31 March 2015		As at 31 March 2014	
	No of shares	₹	No of shares	₹	No of shares	₹	No of shares	₹	No of shares	₹
Compulsory Convertible Preference shares(CCPS) Series: A										
At the beginning of the year	300,000	30.00	300,000	30.00	300,000	30.00	300,000	30.00	300,000	30.00
Add: Issued during the year	-	-	-	-	-	-	-	-	-	-
At the end of the year	**300,000**	**30.00**	**300,000**	**30.00**	**300,000**	**30.00**	**300,000**	**30.00**	**300,000**	**30.00**
Compulsory Convertible Preference shares(CCPS) Series: B										
At the beginning of the year	750,000	75.00	750,000	75.00	750,000	75.00	750,000	75.00	750,000	75.00
Add: Issued during the year	-	-	-	-	-	-	-	-	-	-
At the end of the year	**750,000**	**75.00**	**750,000**	**75.00**	**750,000**	**75.00**	**750,000**	**75.00**	**750,000**	**75.00**

ii. Shares held by holding / ultimate holding company and / or their subsidiaries / associates:

Name of the shareholder	As at 31 March 2018		As at 31 March 2017		As at 31 March 2016		As at 31 March 2015		As at 31 March 2014	
	No of shares	Amount	No of shares	Amount	No of shares	Amount	No of shares	Amount	No of shares	Amount
Compulsory Convertible Preference shares(CCPS) Series: A										
Client Ebene Limited	192,300	19.23	192,300	19.23	192,300	19.23	192,300	19.23	192,300	19.23
CVCIGPII Employee Ebene Limited	107,700	10.77	107,700	10.77	107,700	10.77	107,700	10.77	107,700	10.77
	300,000	**30.00**	**300,000**	**30.00**	**300,000**	**30.00**	**300,000**	**30.00**	**300,000**	**30.00**
Compulsory Convertible Preference shares(CCPS) Series: B										
Client Ebene Limited	480,750	48.08	480,750	48.08	480,750	48.08	480,750	48.08	480,750	48.08
CVCIGPII Employee Ebene Limited	269,250	26.93	269,250	26.93	269,250	26.93	269,250	26.93	269,250	26.93
	750,000	**75.01**	**750,000**	**75.01**	**750,000**	**75.01**	**750,000**	**75.01**	**750,000**	**75.01**

iii. Rights, preferences and restrictions attached to preference shares

Compulsory convertible preference shares (CCPS) - [Series A and Series B]

Dividend rights

In accordance with the share subscription agreement dividend shall be equal to 0.0001 % per annum of the face value of the CCPS [Series A and Series B]. In any given financial year, the Company may not declare any dividend or other distribution to its holders of equity shares unless it has first declared the preferential dividend for such financial year to the holders of the CCPS [Series A and Series B]. The dividends are non-cummulative.

Conversion of preference shares

In accordance with the share subscription agreement (SSA), CCPS [Series A and Series B] is convertible, on the expiry of 20 (twenty) years from the completion date respectively and into a fixed share entitlement ratio as defined in the SSA i.e., convertible into 6,126 equity shares on delivery of conversion notice.

The equity shares issued to the holders of the CCPS [Series A and Series B] pursuant to conversion shall be free of all encumbrances and shall (i) be fully-paid up, (ii) be transferable to any person in accordance with the terms of the agreement, (iii) carry full voting rights, and (iv) rank pari passu in every respect with other ordinary fully paid up equity shares.

16 Other Equity

Summary of other equity balances*

Particulars	**As at 31 March 2018**	**As at 31 March 2017**	**As at 31 March 2016 Proforma**	**As at 31 March 2015 Proforma**	**As at 31 March 2014 Proforma**
Reserves and surplus					
Capital reserve	8.00	8.00	8.00	8.00	8.10
Securities premium	1,216.76	1,216.76	1,216.76	1,216.76	1,216.76
General reserve	135.51	135.51	135.51	135.51	135.51
Capital redemption reserve	0.55	0.55	0.55	0.55	0.55
Retained earnings	4,349.39	3,363.35	2,720.19	2,092.02	1,483.30
Employee stock option outstanding account	177.53	161.11	141.21	-	-
Total	**5,887.74**	**4,885.28**	**4,222.22**	**3,452.84**	**2,844.22**

Note: Refer statement of changes in equity for movement in above other equity balances.

Nature and purpose of other equity:

Capital reserve

Capital reserve of ₹ 2.39 million refers to the subsidy received from the Government of Karnataka, Department of Industries and Commerce in the year 1999. This subsidy was received as the Company was a small scale industry in that particular year. It further includes ₹ 5.61 million as share of pre-acquisition profit of subsidiary at the time of acquisition by the Company accounted as capital reserve.

Securities premium

Securities premium account comprises of premium on issue of shares. The reserve is utilised in accordance with specific provision of the Companies Act, 2013.

General reserve

The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in general reserve will not be reclassified subsequently to statement of profit and loss.

Capital redemption reserve

The capital redemption reserve is created out of undistributed profits for purchase of its own shares.

Retained earnings

Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to investors.

Employee stock option outstanding account

The fair value of the equity-settled share based payment transactions with employees is recognised in statement of profit and loss with corresponding credit to employee stock options outstanding account.

17 Non-current borrowings

Particulars	**As at 31 March 2018**	**As at 31 March 2017**	**As at 31 March 2016 Proforma**	**As at 31 March 2015 Proforma**	**As at 31 March 2014 Proforma**
Secured					
Term loans from banks	1,433.85	612.47	460.76	16.85	159.87
Term loans from financial institution	134.13	257.40	217.26	403.05	366.47
Long term maturities of finance lease obligations	152.44	231.31	44.08	63.12	-
Total	**1,720.42**	**1,101.18**	**722.10**	**483.02**	**526.34**

For details of security, repayment terms and interest rate for long term and short term borrowings refer Annexure A-IX

18 Non current provisions

Particulars	**As at 31 March 2018**	**As at 31 March 2017**	**As at 31 March 2016 Proforma**	**As at 31 March 2015 Proforma**	**As at 31 March 2014 Proforma**
Provision for employee benefits					
Provision for gratuity (refer note 39 of Annexure A-VI)	38.07	21.60	30.23	16.03	11.21
Total	**38.07**	**21.60**	**30.23**	**16.03**	**11.21**

19 Deferred tax liabilities (net)

Particulars	**As at 31 March 2018**	**As at 31 March 2017**	**As at 31 March 2016 Proforma**	**As at 31 March 2015 Proforma**	**As at 31 March 2014 Proforma**
Deferred tax asset					
Provision for employee benefits	24.77	20.44	21.20	11.71	7.04
Fair valuation of security deposit	0.28	0.21	0.16	0.09	0.07
Minimum alternate tax credit entitlement	-	31.29	44.40	-	12.50
Brought forward losses	-	38.59	41.62	27.31	19.23
Finance lease	-	-	-	0.02	-
Provision for doubtful debts	7.50	6.97	6.97	6.05	4.97
	32.55	**97.50**	**114.35**	**45.18**	**43.81**
Deferred tax liability					
Finance lease	33.66	16.37	3.82	-	-
Excess of depreciation on property, plant and equipment under Income Tax Act, 1961 over depreciation under Companies Act.	515.95	402.62	320.72	222.62	186.21
	549.61	**418.99**	**324.54**	**222.62**	**186.21**
Deferred tax liabilities (net)	**517.06**	**321.49**	**210.19**	**177.44**	**142.40**

20 Other non-current liabilities

Particulars	**As at 31 March 2018**	**As at 31 March 2017**	**As at 31 March 2016 Proforma**	**As at 31 March 2015 Proforma**	**As at 31 March 2014 Proforma**
Deferred government grant	242.80	231.42	115.16	92.12	73.80
Total	**242.80**	**231.42**	**115.16**	**92.12**	**73.80**

Movement in deferred government grant (Current and Non-current)

Particulars	**As at 31 March 2018**	**As at 31 March 2017**	**As at 31 March 2016 Proforma**	**As at 31 March 2015 Proforma**	**As at 31 March 2014 Proforma**
Opening balance	260.76	124.90	109.64	83.19	50.76
Add: Grants during the year	56.10	148.40	24.10	33.01	37.09
Less: Released to profit or loss	(21.30)	(12.54)	(8.84)	(6.56)	(4.66)
Closing balance	**295.56**	**260.76**	**124.90**	**109.64**	**83.19**

The government grant related to property, plant and equipment is recognized as deferred income and is being amortized over the useful life of the asset in proportion in which the related depreciation expense is recognized.

21 Current borrowings

Particulars	**As at 31 March 2018**	**As at 31 March 2017**	**As at 31 March 2016 Proforma**	**As at 31 March 2015 Proforma**	**As at 31 March 2014 Proforma**
Secured, from banks					
Cash credit	139.85	402.97	6.88	63.05	497.81
Working capital loan	300.00	100.00	-	300.00	100.00
Foreign currency loan	495.62	460.05	-	300.00	-
Packing credit	736.03	535.71	1,075.13	657.42	110.53
Bill discounting facility	411.18	324.75	507.45	225.08	331.91
Unsecured					
From bank	100.00	100.00	100.00	-	-
From financial institution	451.23	200.81	151.07	151.40	152.14
From directors and shareholders	-	-	-	-	6.30
Total	**2,633.91**	**2,124.29**	**1,840.53**	**1,696.95**	**1,198.69**

For details of security, repayment terms and interest rate for long term and short term borrowings refer Annexure A-IX.

 (Amount in ₹ millions)

22 Trade payables

Particulars	**As at 31 March 2018**	**As at 31 March 2017**	**As at 31 March 2016 Proforma**	**As at 31 March 2015 Proforma**	**As at 31 March 2014 Proforma**
Total outstanding dues to micro enterprises and small enterprises (refer note 47 of Annexure A-VI)	-	-	-	-	-
Total outstanding dues other than to micro enterprises and small enterprises	1,015.19	836.38	731.93	451.52	467.08
Total	**1,015.19**	**836.38**	**731.93**	**451.52**	**467.08**

*For details of trade payable to related parties, refer note 38 of Annexure A-VI.
The Company's exposure to currency and liquidity risk related to trade payables are disclosed in note 43 of Annexure A-VI.

23 Other current financial liabilities

Particulars	**As at 31 March 2018**	**As at 31 March 2017**	**As at 31 March 2016 Proforma**	**As at 31 March 2015 Proforma**	**As at 31 March 2014 Proforma**
Current maturities of long term borrowings	548.25	319.71	335.81	205.45	284.93
Current maturities of finance lease obligations	76.19	76.19	16.46	10.60	-
Capital creditors	37.63	48.78	35.49	17.62	28.06
Other payables					
Accrued salaries and benefits	253.12	184.27	156.59	134.71	93.03
Accrued expenses	44.69	26.25	26.22	23.88	24.35
Forward contract payable	2.42	-	0.10	-	0.89
Total	**962.30**	**655.20**	**570.67**	**392.26**	**431.26**

* For details with respect to terms and conditions of long term loans and long term maturities of finance lease obligations refer Annexure A- IX.

24 Other current liabilities

Particulars	**As at 31 March 2018**	**As at 31 March 2017**	**As at 31 March 2016 Proforma**	**As at 31 March 2015 Proforma**	**As at 31 March 2014 Proforma**
Advance from customers	12.43	10.59	-	-	2.95
Withholding and other taxes	14.01	41.82	40.21	13.19	8.03
Deferred government grant	52.75	29.34	9.74	17.52	9.39
Total	**79.19**	**81.75**	**49.95**	**30.71**	**20.37**

The Company's exposure to currency and liquidity risk related to other current financial liabilities are disclosed in note 44 of Annexure A-VI.

25 Current provisions

Particulars	**As at 31 March 2018**	**As at 31 March 2017**	**As at 31 March 2016 Proforma**	**As at 31 March 2015 Proforma**	**As at 31 March 2014 Proforma**
Provision for employee benefits					
Provision for gratuity (refer note 39)	12.70	8.99	13.53	8.36	2.77
Provision for compensated absences	20.82	28.20	17.50	10.04	7.13
Provision for wealth tax	-	-	-	0.40	0.42
Total	**33.52**	**37.19**	**31.03**	**18.80**	**10.32**

(Amount in ₹ millions)

26 Revenue from operations

Particulars	**For the year ended 31 March 2018**	**For the year ended 31 March 2017**	**For the year ended 31 March 2016 Proforma**	**For the year ended 31 March 2015 Proforma**	**For the year ended 31 March 2014 Proforma**
Sale of products (excluding excise duty)	10,857.36	9,124.92	7,968.24	7,296.37	5,652.36
Add: Excise duty	238.72	704.19	619.78	480.78	412.51
Sale of products-total	**11,096.08**	**9,829.11**	**8,588.02**	**7,777.15**	**6,064.87**
Sale of services	110.15	148.08	122.02	22.98	4.41
Other operating revenue					
Scrap sales	346.61	271.68	226.66	272.93	209.93
Tooling income	43.15	41.75	66.64	14.55	26.32
Export incentive benefit	121.77	101.93	70.89	22.30	12.57
Total	**11,717.76**	**10,392.55**	**9,074.23**	**8,109.91**	**6,318.10**

27 Other income

Particulars	**For the year ended 31 March 2018**	**For the year ended 31 March 2017**	**For the year ended 31 March 2016 Proforma**	**For the year ended 31 March 2015 Proforma**	**For the year ended 31 March 2014 Proforma**
Interest income on deposit with banks	5.51	6.11	10.39	5.81	31.83
Interest income on deposit with others	-	-	0.51	0.24	0.17
Interest on tax refunds	3.26	-	-	-	-
Fair value gain on financial instruments at fair value through statement of profit and loss	2.28	1.85	0.01	1.39	0.56
Dividend income	0.06	0.03	0.02	-	0.01
Profit on sale of property, plant and equipments, net	0.47	0.35	2.26	0.04	(0.10)
Gain on foreign currency transactions, net	93.81	42.28	33.89	-	27.59
Income from government grants	21.30	12.54	8.84	6.56	4.66
Other non-operating income	-	0.02	-	0.18	8.37
Total	**126.69**	**63.18**	**55.92**	**14.22**	**73.09**

28 Cost of materials consumed

Particulars	**For the year ended 31 March 2018**	**For the year ended 31 March 2017**	**For the year ended 31 March 2016 Proforma**	**For the year ended 31 March 2015 Proforma**	**For the year ended 31 March 2014 Proforma**
Raw materials at the beginning of the year	332.42	214.41	202.73	202.82	242.84
Add:- Purchases	4,911.59	4,243.18	3,494.20	3,197.16	2,456.17
Less: Raw materials at the end of the year	458.58	332.42	214.41	202.73	202.82
Total	**4,785.43**	**4,125.17**	**3,482.52**	**3,197.25**	**2,496.19**

29 Changes in inventories of work-in-progress and finished goods

Particulars	**For the year ended 31 March 2018**	**For the year ended 31 March 2017**	**For the year ended 31 March 2016 Proforma**	**For the year ended 31 March 2015 Proforma**	**For the year ended 31 March 2014 Proforma**
Opening balance					
Finished goods (including stock in transit)	202.04	165.31	159.24	134.38	110.63
Work-in-progress	526.18	434.24	408.23	384.97	313.24
	728.22	**599.55**	**567.47**	**519.35**	**423.87**
Closing balance					
Finished goods (including stock in transit)	203.00	202.04	165.31	159.24	134.38
Work-in-progress	726.51	526.18	434.24	408.23	384.97
	929.51	**728.22**	**599.55**	**567.47**	**519.35**
Changes in inventories of work-in-progress and finished goods	**(201.29)**	**(128.67)**	**(32.08)**	**(48.12)**	**(95.48)**

30 Employee benefit expenses

Particulars	**For the year ended 31 March 2018**	**For the year ended 31 March 2017**	**For the year ended 31 March 2016 Proforma**	**For the year ended 31 March 2015 Proforma**	**For the year ended 31 March 2014 Proforma**
Salaries and wages	1,657.94	1,477.97	1,218.19	1,017.57	789.93
Contribution to provident fund	92.35	98.35	85.50	62.72	57.14
Employee stock compensation expense*	16.42	19.90	141.21	-	-
Staff welfare expenses	166.36	144.11	118.65	102.27	88.48
Total	**1,933.07**	**1,740.33**	**1,563.55**	**1,182.56**	**935.55**

*Employee stock compensation expense includes an expense of ₹ Nil (31 March 2017: ₹ 9.31; 31 March 2016: ₹ 112.05; 31 March 2015: ₹ Nil and 31 March 2014: ₹ Nil) incurred towards stock options issued at par and an expense of Rs. 16.42 (31 March 2017: ₹ 10.59; 31 March 2016: ₹ 29.16; 31 March 2015: ₹ Nil and 31 March 2014: ₹ Nil) towards stock options issued at intrinsic value.

31 Finance costs

Particulars	**For the year ended 31 March 2018**	**For the year ended 31 March 2017**	**For the year ended 31 March 2016 Proforma**	**For the year ended 31 March 2015 Proforma**	**For the year ended 31 March 2014 Proforma**
Interest expense	288.00	256.59	168.90	168.68	244.92
Other borrowing cost	36.29	34.07	17.81	17.42	13.30
Foreign exchange loss to the extent considered as interest	71.91	7.65	102.41	14.03	9.80
Total	**396.20**	**298.31**	**289.12**	**200.13**	**268.02**

(Amount in ₹ millions)

32 Depreciation and amortisation expense

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017	For the year ended 31 March 2016 Proforma	For the year ended 31 March 2015 Proforma	For the year ended 31 March 2014 Proforma
Depreciation of property plant and equipment	537.98	441.81	344.99	311.91	336.61
Amortisation of intangible assets	0.74	2.73	4.63	4.24	2.11
Total	**538.72**	**444.54**	**349.62**	**316.15**	**338.72**

33 Other expenses

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017	For the year ended 31 March 2016 Proforma	For the year ended 31 March 2015 Proforma	For the year ended 31 March 2014 Proforma
Traveling and conveyance	52.69	40.52	34.73	28.45	23.94
Freight outward	102.25	90.33	74.11	209.72	107.94
Legal and professional	41.45	35.87	19.88	16.97	12.65
Rates and taxes	13.97	13.10	7.76	5.27	12.50
Repairs and maintenance					
-Building	72.68	67.58	54.42	50.53	34.85
-Computers	30.05	24.43	16.25	17.16	13.09
-Vehicles	17.77	14.67	13.10	13.49	12.10
Rent	21.84	16.62	14.69	4.91	4.22
Insurance	17.31	14.62	12.79	14.67	15.77
Printing and stationery	10.73	6.73	5.06	4.35	5.56
Communication	6.52	7.30	6.23	6.51	5.56
Impairment loss on financial assets	1.57	-	2.33	2.45	4.07
Security	33.50	31.51	23.70	19.42	17.48
Selling and advertisement	52.88	56.40	39.75	36.06	37.31
Foreign exchange loss, net	-	0.11	-	44.69	-
Loss on sale of property, plant and equipments	-	-	-	3.07	0.89
Corporate social responsibility (refer note 48 of Annexure A-VI)	27.15	14.30	6.08	4.02	2.78
Miscellaneous	18.49	17.60	6.70	11.73	10.44
Total	**520.85**	**451.69**	**337.58**	**493.47**	**321.15**

34 Exceptional items

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017	For the year ended 31 March 2016 Proforma	For the year ended 31 March 2015 Proforma	For the year ended 31 March 2014 Proforma
Legal and professional charges on restructuring (1)	-	-	-	-	89.01
Net gain on sale of long term investments (2)	-	-	-	-	(77.62)
	-	**-**	**-**	**-**	**11.39**

(1) Legal and professional charges represents amount incurred towards additional issue of share capital.

(2) During the year, the Company has sold its investment held in its joint venture Sansera+ Streparava Engineering Private Limited to the joint venturer Streparava Spa for an agreegate consideration of 167.5 million resulting in a net gain of 77.62 million.

35 Earnings per share **(Amount in ₹ millions except no. of shares)**

Basic earnings per share is calculated by dividing the profit for the year by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is calculated by dividing the profit for the year by the weighted average number of equity shares outstanding during the year, after adjustment for the effects of all dilutive potential equity shares.

Particulars	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016 Proforma	As at 31 March 2015 Proforma	As at 31 March 2014 Proforma
Nominal value of equity shares (₹ per share)	100.00	100.00	100.00	100.00	100.00
Profit/(loss) available to shareholders for calculation of basic and diluted earnings per share	997.60	644.10	633.04	614.83	407.41
Weighted average number of equity shares for calculation of basic earnings per share	64,740	64,740	64,740	64,740	64,740
Basic earnings per share (in ₹)	**15,409.33**	**9,949.03**	**9,778.19**	**9,496.91**	**6,293.02**
Weighted average number of equity shares for calculation of diluted earnings per share	72,483	72,483	72,483	70,866	70,866
Diluted earnings per share (in ₹)	**13,763.23**	**8,886.22**	**8,733.63**	**8,675.95**	**5,749.02**

Computation of weighted average number of shares

Particulars	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016 Proforma	As at 31 March 2015 Proforma	As at 31 March 2014 Proforma
Weighted average number of equity shares for calculation of basic earnings per share	64,740	64,740	64,740	64,740	64,740
Add: Impact of potentially dilutive equity shares:-					
Compulsory Convertible Preference Shares (CCPS) Series:A	6,124	6,124	6,124	6,124	6,124
Compulsory Convertible Preference Shares (CCPS) Series:B	2	2	2	2	2
Employee Stock Option Plan	1,617	1,617	1,617	-	-
Weighted average number of equity shares for calculation of diluted earnings per share	72,483	72,483	72,483	70,866	70,866

36 Contingent liabilities and commitments *(to the extent not provided for)* **(Amount in ₹ millions)**

Particulars	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016 Proforma	As at 31 March 2015 Proforma	As at 31 March 2014 Proforma
Contingent liabilities					
Claims against the Company not acknowledged as debts:-					
Customer claims (refer note A)	159.37	-	-	-	-
Employee state insurance matters	-	-	-	1.35	1.35
Excise duty and service tax matters (refer note B)	46.08	29.88	37.30	38.36	28.58
	-	-	-	2.73	4.55
Commitments					
Estimated amount of contracts remaining to be executed on capital account and not provided for (refer note C)	454.55	260.99	497.17	129.09	44.21

Note A: These are claims raised by the customers against the Company in respect of products supplied. While liability is not admitted, the claim from the customer is ₹ 159.37 million (31 March 2017: ₹ Nil, 31 March 2016: ₹ Nil million, 31 March 2015: ₹ Nil, 31 March 2014: ₹ Nil). The management does not expect the outcome of the action to have a material effect on Company's financial statements.

Note B: Pending resolution of the respective proceedings, it is not practicable for the Company to estimate the timings of cash flows, if any, in respect of the above as it is determinable only on receipt of judgements/decisions pending with various forums/authorities. The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its financial statements. The Company does not expect the outcomes of these proceedings to have a materially adverse effect on its financial position.

Note C: As at 31 March 2018, the Company has committed to spend ₹ 454.55 million (31 March 2017: ₹ 260.99 million, 31 March 2016: ₹ 497.17 million, 31 March 2015: ₹ 129.09 million, 31 March 2014: ₹ 44.21 million) under contract to purchase property, plant and equipment.

37 Auditors' remuneration (included in legal and professional, net of taxes) **(Amount in ₹ millions)**

Particulars	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016 Proforma	As at 31 March 2015 Proforma	As at 31 March 2014 Proforma
Statutory audit fees	2.70	1.75	1.80	1.40	1.20
Tax audit fees	0.20	0.20	0.21	0.16	0.16
Other services	6.25	-	-	-	0.39
Reimbursement of expenses	0.92	0.12	0.11	-	-
	10.07	**2.07**	**2.12**	**1.56**	**1.75**

38 Related parties disclosures

Enterprises where control exists

A. Holding companies
Client Ebene Limited
CVCIGPII Employee Ebene Limited

B. Subsidiary companies
Fitwel Tools and Forgings Private Limited
Sansera Engineering Pvt. Ltd. Mauritius
Sansera Sweden AB (w.e.f. 1 April 2017)

C. Joint venture
Sansera + Streparava Engineering Private Limited (upto 15 July 2013)

C. Trust in which the Director is a trustee
Sansera Foundation

D. Partnership firm in which the Directors are partners:
Singhvi Dev & Unni

E. Key managerial personnel
S Sekhar Vasan - Chairman and Managing Director
F R Singhvi - Joint Managing Director
B R Preetham - Chief Executive Officer
S Ramakrishnan - Chief Financial Officer
Sourabh Kumar - Company Secretary
Devappa Devaraj - Director (upto 8 July 2013)
Unni Rajagopal - Director

F. The following is the summary of related party transactions. **(Amount in ₹ millions)**

Particulars	**For the year ended 31 March 2018**	**For the year ended 31 March 2017**	**For the year ended 31 March 2016 Proforma**	**For the year ended 31 March 2015 Proforma**	**For the year ended 31 March 2014 Proforma**
Service income					
Sansera + Streparava Engineering Private Limited	-	-	-	-	0.28
Fitwel Tools and Forgings Private Limited	0.14	-	3.22	0.81	0.00
Rental income					
Fitwel Tools and Forgings Private Limited	-	-	-	-	2.40
Expenditure towards Corporate Social Responsibility (CSR)					
Sansera Foundation	26.24	14.10	6.00	4.02	0.00
Sale of assets					
Fitwel Tools and Forgings Private Limited	-	-	2.50	-	0.30
Purchase of raw materials, net of sale of raw materials					
Fitwel Tools and Forgings Private Limited	225.08	5.30	3.73	0.44	-
Sale of products					
Fitwel Tools and Forgings Private Limited	24.96	0.19	-	-	-
Purchase of services					
Fitwel Tools and Forgings Private Limited	108.90	166.25	144.62	133.01	107.56
Purchase of asset					
Fitwel Tools and Forgings Private Limited	2.5	-	-	-	-
Legal and professional charges					
Singhvi Dev & Unni	5.71	3.94	2.15	3.61	1.20
Key managerial person remuneration*					
Short term employee benefits	29.78	19.78	19.78	19.78	19.92

*Excludes contribution to employee retirement/post retirement and other employee benefits which are based on actuarial valuation done on an overall Company basis.

G. The balances receivable from and payable to related parties are:

Particulars	**As at 31 March 2018**	**As at 31 March 2017**	**As at 31 March 2016 Proforma**	**As at 31 March 2015 Proforma**	**As at 31 March 2014 Proforma**
Trade payables					
Fitwel Tools and Forgings Private Limited	86.64	25.69	24.01	16.68	15.81
Advances for supply of goods and rendering if services					
Fitwel Tools and Forgings Private Limited	-	-	-	-	30.00
Trade receivable					
Fitwel Tools and Forgings Private Limited	1.56	-	-	-	0.23

39 Gratuity

Defined benefit plan

The following table sets out the status of the gratuity plan as required under Ind AS 19 "Employee benefits".

a) Reconciliation of present value of defined benefit obligation

Particulars	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016 Proforma	As at 31 March 2015 Proforma	As at 31 March 2014 Proforma
Defined benefit obligation at the beginning of the year	137.63	116.16	92.06	71.63	59.81
Current service cost	13.08	14.69	11.40	9.37	6.90
Current interest cost	10.41	8.72	7.17	5.43	5.29
Benefits paid	(2.60)	(3.91)	0.03	(3.64)	-
Past service cost	7.19	-	-	-	(1.83)
Actuarial (gains) losses recognised in other comprehensive income					
Changes in demographic assumptions	1.56	-	(1.85)	-	54.04
Changes in financial assumptions	3.43	3.09	(27.60)	8.07	(13.61)
Experience adjustments	13.22	(1.12)	34.95	1.20	(38.97)
Defined benefit obligation at end of the year	**183.92**	**137.63**	**116.16**	**92.06**	**71.63**

b) Reconciliation of present value of plan assets

Particulars	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016 Proforma	As at 31 March 2015 Proforma	As at 31 March 2014 Proforma
Plan assets at the beginning of the year	107.03	72.40	67.67	57.65	46.68
Contribution paid into the plan	20.00	30.00	-	8.37	8.27
Benefits paid	(2.52)	(2.49)	(0.96)	(3.41)	(1.83)
Interest income	8.11	6.59	7.64	5.14	4.07
Return on plan assets recognised in other comprehensive income	0.54	0.53	(1.95)	(0.08)	0.46
Plan assets at the end of the year	**133.16**	**107.03**	**72.40**	**67.67**	**57.65**
Net defined benefit liability / (asset) (a-b)	**50.76**	**30.60**	**43.76**	**24.39**	**13.98**
Non-current	38.07	21.60	30.23	16.03	11.21
Current	12.70	8.99	13.53	8.36	2.77
	50.77	**30.59**	**43.76**	**24.39**	**13.98**

c) Expenses recognised in statement of profit and loss

Particulars	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016 Proforma	As at 31 March 2015 Proforma	As at 31 March 2014 Proforma
Current service cost	13.08	14.69	11.40	9.37	6.90
Interest cost	10.41	8.72	7.17	5.43	5.29
Interest income	(8.11)	(6.59)	(7.64)	(5.14)	(4.07)
Past service cost	7.19	-	-	-	(1.83)
Net gratuity cost	**22.57**	**16.82**	**10.93**	**9.66**	**6.29**

d) Remeasurements recognised in Other Comprehensive Income (OCI)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016 Proforma	As at 31 March 2015 Proforma	As at 31 March 2014 Proforma
Actuarial (gain)/loss on account of experience adjustments	13.22	(1.12)	34.95	1.20	(38.97)
Actuarial (gain)/loss arising from change in demographic assumptions	1.56	-	(1.85)	-	54.04
Actuarial (gain)/loss arising from change in financial assumptions	3.43	3.09	(27.60)	8.07	(13.61)
Return on plan assets recognised in other comprehensive income	(0.54)	(0.53)	1.95	0.08	(0.46)
	17.67	**1.44**	**7.45**	**9.35**	**1.00**
Total cost recognised in statement of profit and loss including other comprehensive income (c+d)	**40.24**	**18.26**	**18.38**	**19.01**	**7.29**

e) Plan assets comprise of the funds maintained by State Bank of India cash accumulation plan amounting to ₹ 133.14 million (31 March 2017: ₹ 107.02 million, 31 March 2016: ₹ 72.39 million, 31 March 2015: ₹ 67.67 million, 31 March 2014: ₹ 57.65 million).

f) Actuarial assumptions

Particulars	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016 Proforma	As at 31 March 2015 Proforma	As at 31 March 2014 Proforma
Discount rate	7.70%	7.64%	7.82%	7.79%	9.10%
Salary increase	6.00%	6.00%	10.00%	8.00%	9.00%
Mortality rate	IALM (2006-08)	IALM (2006-08)	IALM (2006-08)	IALM (2006-08)	IALM (2006-08)
Retirement age	58 years	58 years	58 years	58 years	58 years
Withdrawal rate	5.00%	5.00%	5.00%	3.00%	3.00%

g) Sensitivity Analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

Particulars	Movement	For the year ended 31 March 2018	For the year ended 31 March 2017	For the year ended 31 March 2016 Proforma	For the year ended 31 March 2015 Proforma	For the year ended 31 March 2014 Proforma
Discount rate (1% movement)	Increase	167.12	123.65	105.71	81.16	63.20
	Decrease	(203.37)	(151.92)	(129.69)	(104.92)	(81.52)
Future salary growth (1% movement)	Increase	202.86	150.08	128.45	101.79	77.86
	Decrease	(167.11)	(124.47)	(106.31)	(82.38)	(64.94)
Withdrawal rate (1% movement)	Increase	186.18	138.68	118.72	91.72	71.90
	Decrease	(181.30)	(134.48)	(114.56)	(92.29)	(71.15)

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

40 Employee stock options

On 12 March 2015, the Board of Directors of the Company approved "Sansera Employee Stock Option Plan 2015" ("the Plan") for grant of stock options to the employees of the Company which is further ratified by the shareholders on 13 April 2015. The vested options can be exercised by the option holder and the shares can be allotted by the board only in the event of "Change in Capital Structure" or "Corporate Action" as defined under the plan. The plans are:

Program 1: Key management group

Options under this program are granted to three key employees, part of the management group at an exercise price of ₹ 100 per option. All stock options shall vest 100 % at the end of year 1 from the grant date.

The following reconciles the outstanding share options granted under the employee share option plan at the beginning and at the end of the financial year:

					Proforma					
	As at 31 March 2018		As at 31 March 2017		As at 31 March 2016		As at 31 March 2015		As at 31 March 2014	
Particulars	Number of Shares	Weighted average exercise price	Number of Shares	Weighted average exercise price	Number of Shares	Weighted average exercise price	Number of Shares	Weighted average exercise price	Number of Shares	Weighted average exercise price
Outstanding at the beginning of the year	1,619	100	1,619	100	-	-	-	-	-	-
Granted during the year	-	-	-	-	1,619	100	-	-	-	-
Exercised during the year	-	-	-	-	-	-	-	-	-	-
Forfeited during the year	-	-	-	-	-	-	-	-	-	-
Lapsed during the year	-	-	-	-	-	-	-	-	-	-
Outstanding at the end of the year	**1,619**	**100**	**1,619**	**100**	**1,619**	**100**	**-**	**-**	**-**	**-**
Exercisable at the end of the year	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

Program 2: Certain identified employees

Options under this program are granted to certain employees at an exercise price of ₹ 98,017 per option. Stock options issued carries different vesting periods, it ranges from 25 to 100 percent vesting of total options granted by the end of every one year from the grant date. All stock options shall be fully vested by the end of 4 years form the grant date.

The following reconciles the outstanding share options granted under the employee share option plan at the beginning and at the end of the financial year:

					Proforma					
Particulars	As at 31 March 2018		As at 1 April 2017		As at 31 March 2016		As at 31 March 2015		As at 31 March 2014	
	Number of Options	Weighted average exercise price	Number of Options	Weighted average exercise price	Number of Options	Weighted average exercise price	Number of Options	Weighted average exercise price	Number of Options	Weighted average exercise price
Outstanding at the beginning of the year	1,844	98,017	1,394	98,017	-	-	-	-	-	-
Granted during the year	-	-	450	98,017	1,394	98,017	-	-	-	-
Exercised during the year	-	-	-	-	-	-	-	-	-	-
Forfeited during the year	-	-	-	-	-	-	-	-	-	-
Lapsed during the year	-	-	-	-	-	-	-	-	-	-
Outstanding at the end of the year	**1,844**	**98,017**	**1,844**	**98,017**	**1,394**	**98,017**	**-**	**-**	**-**	**-**
Exercisable at the end of the year	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

Measurement of fair values

Black-Scholes Option Pricing Model is used to value the fair value of the stock options. The fair value of the options and the inputs used in the measurement of the grant-date fair values of the equity-settled share based payment plans are as follows:

Particulars	**Share option plans**	
	Program 1: Key Management Group	**Program 2: Certain Identified Employees**
Grant date	29-Apr-15	29-Apr-15
Fair value of the option at grant date	74,959.58	40,053.15
Share price at grant date	75,019.53	75,019.53
Exercise price	100	98,017.00
Expected volatility (weighted average volatility)	49.20%	49.20%
Expected term (in years)	6.50	6.50
Risk free interest rate	7.90%	7.90%

For details on the employee benefits expense recognised in statement of profit and loss, refer note 30 of of Annexure A-VI.

41 Leases

(i) Operating lease

The Company is obligated under cancellable lease for office space and factories that is renewable on a periodic basis at the option of both the lessor and lessee. The total rental expenses under cancellable operating leases amounted to ₹ 21.84 million (31 March 2017: ₹ 16.62 million, 31 March 2016: ₹ 14.69 million, 31 March 2015: ₹ 4.91 million, 31 March 2014: ₹ 4.22 million).

(ii) Finance lease

The Company has taken machines on finance lease. The lease arrangement ranges for a period between 2 to 6 years. The minimum lease payments and present value of minimum lease payments are as under:

					Proforma					
Particulars	**As at 31 March 2018**		**As at 31 March 2017**		**As at 31 March 2016**		**As at 31 March 2015**		**As at 31 March 2014**	
	Minimum lease payments	**Present value of minimum lease payments**	**Minimum lease payments**	**Present value of minimum lease payments**	**Minimum lease payments**	**Present value of minimum lease payments**	**Minimum lease payments**	**Present value of minimum lease payments**	**Minimum lease payments**	**Present value of minimum lease payments**
Not later than 1 year	92.77	76.19	92.96	76.19	19.95	16.46	13.10	10.60	-	-
Later than 1 year and not later than 5 years	186.41	152.44	282.56	231.31	53.74	44.09	76.44	63.12	-	-
	279.18	**228.63**	**375.52**	**307.50**	**73.69**	**60.55**	**89.54**	**73.72**	**-**	**-**

42 Financial instruments

Accounting classification and fair value

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

The carrying value and fair value of financial instruments, including their levels in the fair value hierarchy as at 31 March 2018 were as follows:

Particulars	**Carrying amount**	**Fair value**		
	31-Mar-18	**Level 1**	**Level 2**	**Level 3**
Financial assets measured at fair value				
Investment in equity shares	7.09	7.09	-	-
Forward contract receivable	-	-	-	-
	7.09	**7.09**	**-**	**-**
Financial assets measured at amortised cost				
Other non-current financial assets	114.48	-	-	-
Trade receivables	2,405.57	-	-	-
Cash and cash equivalents	310.25	-	-	-
Bank balances other than cash and cash equivalents above	73.99	-	-	-
Other current financial assets	214.75	-	-	-
	3,119.04	**-**	**-**	**-**
Financial liabilities measured at fair value				
Forward exchange contracts used for hedging	2.42	-	2.42	-
	2.42	**-**	**2.42**	**-**
Financial liabilities measured at amortised cost				
Non-current borrowings	1,720.42	-	-	-
Current borrowings	2,633.91	-	-	-
Trade payables	1,015.19	-	-	-
Other financial liabilities	959.88	-	-	-
	6,329.40	**-**	**-**	**-**

The carrying value and fair value of financial instruments, including their levels in the fair value hierarchy as at 31 March 2017 were as follows:

Particulars	**Carrying amount**	**Fair value**		
	31-Mar-17	**Level 1**	**Level 2**	**Level 3**
Financial assets measured at fair value				
Investment in equity shares	4.81	4.81	-	-
Forward exchange contracts used for hedging	3.83	-	3.83	-
	8.64	**4.81**	**3.83**	**-**
Financial assets measured at amortised cost				
Other non-current financial assets	101.99	-	-	-
Trade receivables	1,980.22	-	-	-
Cash and cash equivalents	105.43	-	-	-
Bank balances other than cash and cash equivalents above	70.85	-	-	-
Other current financial assets	155.33	-	-	-
	2,413.82	**-**	**-**	**-**
Financial liabilities measured at amortised cost		-	-	-
Non-current borrowings	1,101.18	-	-	-
Current borrowings	2,124.29	-	-	-
Trade payables	836.38	-	-	-
Other financial liabilities	655.20	-	-	-
	4,717.05	**-**	**-**	**-**

The carrying value and fair value of financial instruments, including their levels in the fair value hierarchy as at 31 March 2016 (Proforma) were as follows :

Particulars	**Carrying amount**	**Fair value**		
	31-Mar-16	**Level 1**	**Level 2**	**Level 3**
Financial assets measured at fair value				
Investment in equity shares	2.97	2.97	-	-
	2.97	**2.97**	**-**	**-**
Financial assets measured at amortised cost				
Other non-current financial assets	63.78	-	-	-
Trade receivables	1,534.69	-	-	-
Cash and cash equivalents	364.42	-	-	-
Bank balances other than cash and cash equivalents above	65.53	-	-	-
Other current financial assets	93.98	-	-	-
	2,122.40	**-**	**-**	**-**
Financial liabilities measured at fair value				
Forward exchange contracts used for hedging	0.10	-	0.10	-
	0.10	**-**	**0.10**	**-**
Financial liabilities measured at amortised cost				
Non-current borrowings	722.10	-	-	-
Current borrowings	1,840.53	-	-	-
Trade payables	731.93	-	-	-
Other financial liabilities	570.57	-	-	-
	3,865.13	**-**	**-**	**-**

42 Financial instruments

Accounting classification and fair value

The carrying value and fair value of financial instruments, including their levels in the fair value hierarchy as at 31 March 2015 (Proforma) were as follows :

Particulars	Carrying amount	Fair value		
	31-Mar-15	Level 1	Level 2	Level 3
Financial assets measured at fair value				
Investment in equity shares	2.96	2.96	-	-
Forward exchange contracts used for hedging	0.66	-	0.66	-
	3.62	**2.96**	**-**	**-**
Financial assets measured at amortised cost				
Other non-current financial assets	40.35	-	-	-
Trade receivables	1,359.27	-	-	-
Cash and cash equivalents	20.96	-	-	-
Bank balances other than cash and cash equivalents above	60.00	-	-	-
Other current financial assets	41.67	-	-	-
	1,522.25	**-**	**-**	**-**
Financial liabilities measured at amortised cost				
Non-current borrowings	483.02	-	-	-
Current borrowings	1,696.95	-	-	-
Trade payables	451.52	-	-	-
Other financial liabilities	392.26	-	-	-
	3,023.75	**-**	**-**	**-**

The carrying value and fair value of financial instruments, including their levels in the fair value hierarchy as at 31 March 2014 (Proforma) were as follows :

Particulars	Carrying amount	Fair value		
	31-Mar-14	Level 1	Level 2	Level 3
Financial assets measured at fair value				
Investment in equity shares	1.58	1.58	-	-
	1.58	**1.58**	**-**	**-**
Financial assets measured at amortised cost				
Other non-current financial assets	29.65	-	-	-
Trade receivables	1,174.81	-	-	-
Cash and cash equivalents	68.34	-	-	-
Bank balances other than cash and cash equivalents above	87.41	-	-	-
Other current financial assets	24.29	-	-	-
	1,384.50	**-**	**-**	**-**
Financial liabilities measured at fair value				
Forward exchange contracts used for hedging	0.89	-	0.89	-
	0.89	**-**	**0.89**	**-**
Financial liabilities measured at amortised cost				
Non-current borrowings	526.34	-	-	-
Current borrowings	1,198.69	-	-	-
Trade payables	467.08	-	-	-
Other financial liabilities	430.37	-	-	-
	2,622.48	**-**	**-**	**-**

Fair value heirarchy

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The Company has not disclosed the fair value of financial instruments such as other non current financial assets, trade receivables, cash and cash equivalents, bank balances, other current financial assets, loans, borrowings, other non current financial liabilities, trade payables and other current financial liabilities because their carrying amounts are a reasonable approximation of fair value.

Investments in subsidiaries are not appearing as financial asset in the table above, being accounted under Ind AS 27, Separate Financial Statements.

43 Financial risk management

The Company is exposed to the following risks arising from financial instruments:
- Credit risk
- Liquidity risk
- Market risk

(i) Risk management framework

The Company’s board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

(ii) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its investing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments. The carrying amount of financial assets represents the maximum credit exposure.

Trade receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate. In respect of trade receivables the Company performs credit assessment for customers on an annual basis and recognizes credit risk on the basis of lifetime expected losses.

Movement in expected credit loss allowance on trade receivables:

Particulars	**As at 31 March 2018**	**As at 31 March 2017**	**As at 31 March 2016 Proforma**	**As at 31 March 2015 Proforma**	**As at 31 March 2014 Proforma**
Balance as at the beginning of the year	20.11	20.11	17.78	15.33	11.26
Movement in the expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	1.57	-	2.33	2.45	4.07
Balance at the end of the year	**21.68**	**20.11**	**20.11**	**17.78**	**15.33**

Security deposits and duty drawback receivable:

Expected credit loss for security deposits and duty drawback receivable is as follows:

Particulars		**Period ended**	**Asset company**	**Estimated gross carrying amount at default**	**Expected probability of default**	**Expected credit losses**	**Carrying amount, net of impairment provision**
Loss allowance measured at 12 month expected credit loss	Financial assets for which credit risk has not increased significantly since initial recognition	31-Mar-18	Security deposits	114.48	0%	-	114.48
			Duty drawback receivable	111.60	0%	-	111.60
Loss allowance measured at 12 month expected credit loss	Financial assets for which credit risk has not increased significantly since initial recognition	31-Mar-17	Security deposits	101.99	0%	-	101.99
			Duty drawback receivable	93.54	0%	-	93.54
Loss allowance measured at 12 month expected credit loss	Financial assets for which credit risk has not increased significantly since initial recognition	31-Mar-16	Security deposits	63.78	0%	-	63.78
			Duty drawback receivable	48.87	0%	-	48.87
Loss allowance measured at 12 month expected credit loss	Financial assets for which credit risk has not increased significantly since initial recognition	31-Mar-15	Security deposits	40.35	0%	-	40.35
			Duty drawback receivable	13.50	0%	-	13.50
Loss allowance measured at 12 month expected credit loss	Financial assets for which credit risk has not increased significantly since initial recognition	31-Mar-14	Security deposits	29.65	0%	-	29.65
			Duty drawback receivable	-	0%	-	-

Cash and cash equivalents (including bank balances, fixed deposits and margin money with banks):

Credit risk on cash and cash equivalent is limited as the Company generally transacts with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies.

(ii) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial assets. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation .

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted.

		As at 31 March 2018			
Particulars	**Carrying amount**	**Total**	**Less than 1 year**	**1-2 years**	**Above 2 years**
Long term borrowings including current maturities	2,344.86	2,521.60	624.44	1,234.55	662.61
Short-term borrowings	2,633.91	2,633.91	2,633.91	-	-
Trade payables	1,015.19	1,015.19	1,015.19	-	-
Other financial liabilities	337.86	337.86	337.86	-	-

		As at 31 March 2017			
	Carrying amount	**Total**	**Less than 1 year**	**1-2 years**	**Above 2 years**
Long term borrowings including current maturities	1,497.08	1,470.03	395.90	751.40	322.73
Short-term borrowings	2,124.29	2,124.29	2,124.29	-	-
Trade payables	836.38	836.38	836.38	-	-
Other financial liabilities	259.30	259.30	259.30	-	-

		As at 31 March 2016 (Proforma)			
	Carrying amount	**Total**	**Less than 1 year**	**1-2 years**	**Above 2 years**
Long term borrowings including current maturities	1,074.37	1,232.69	352.27	578.18	302.24
Short-term borrowings	1,840.53	1,840.53	1,840.53	-	-
Trade payables	731.93	731.93	731.93	-	-
Other financial liabilities	218.40	218.40	218.40	-	-

		As at 31 March 2015 (Proforma)			
	Carrying amount	**Total**	**Less than 1 year**	**1-2 years**	**Above 2 years**
Long term borrowings including current maturities	699.07	749.45	216.05	372.70	160.70
Short-term borrowings	1,696.95	1,696.95	1,696.95	-	-
Trade payables	451.52	451.52	451.52	-	-
Other financial liabilities	176.21	176.21	176.21	-	-

		As at 31 March 2014 (Proforma)			
	Carrying amount	**Total**	**Less than 1 year**	**1-2 years**	**Above 2 years**
Long term borrowings including current maturities	811.27	918.10	284.93	520.04	113.13
Short-term borrowings	1,198.69	1,198.69	1,198.69	-	-
Trade payables	467.08	467.08	467.08	-	-
Other financial liabilities	146.33	146.33	146.33	-	-

(iii) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprises interest rate risk and currency rate risk. Financial instruments affected by market risk include loans, borrowings, receivables and payables. The Company's activities expose it to a variety of financial risks, including effects of changes in foreign currency exchange rates and interest rate movement.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of change in market interest rates. The Company's exposure to risk of changes in market interest rates relates primarily to Company's long term debt obligations with floating interest rates.

Exposure to interest rate risk

The exposure of the Company's borrowing to interest rate changes at the end of the reporting period are as follows :-

Particulars	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016 Proforma	As at 31 March 2015 Proforma	As at 31 March 2014 Proforma
Fixed rate instruments:					
Financial liabilities	596.79	307.50	60.54	73.72	6.30
Variable rate instruments:					
Financial liabilities	4,381.98	3,313.87	2,854.36	2,322.30	2,003.66
Total	**4,978.77**	**3,621.37**	**2,914.90**	**2,396.02**	**2,009.96**

Interest rate sensitivity:

Sensitivity analysis for fixed-rate instruments

There is no impact on the profit or loss on account of fixed rate instruments.

Cash flow sensitivity analysis for variable-rate instruments

The sensitivity analysis below have been determined based on exposure to interest rate. For floating rate liabilities, analysis is prepared assuming the amount of liability outstanding at the end of the reporting period was outstanding for the whole year. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

Particulars	Currency	Effect on profit before tax				
		31 March 2018	31 March 2017	31 March 2016 Proforma	31 March 2015 Proforma	31 March 2014 Proforma
Increase of 100 basis points	INR	43.82	33.14	28.54	23.22	20.04
Decrease in 100 basis points	INR	(43.82)	(33.14)	(28.54)	(23.22)	(20.04)

Foreign currency risk

The Company is exposed to currency risk on certain transactions that are denominated in a currency other than the entity's functional currency, hence exposures to exchange rate fluctuations arise. The risk is that the functional currency value of cash flows will vary as a result of movements in exchange rates. The Company uses forward exchange contracts to hedge its currency risk, most with a maturity of less than one year from the reporting date.

Foreign currency (FC) risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company evaluates the impact of foreign exchange rate fluctuations by assessing its exposure to exchange rate risks. It hedges a part of these risks by using derivative financial instruments. The information on derivative instruments is as follows.

						Proforma					
Particulars	**Currency Hedged**	**As at 31 March 2018**		**As at 31 March 2017**		**As at 31 March 2016**		**As at 31 March 2015**		**As at 31 March 2015**	
		Amount in FC	**Amount in ₹**	**Amount in FC**	**Amount in ₹**	**Amount in FC**	**Amount in ₹**	**Amount in FC**	**Amount in ₹**	**Amount in FC**	**Amount in ₹**
Forward contract (to hedge trade receivables)	USD	1.75	114.06	-	-	-	-	-	-	0.35	21.32
No. of Contracts		14.00	-	-	-	-	-	-	-	1.00	-
Forward contract (to hedge trade receivables)	EUR	1.63	131.31	1.25	86.59	0.25	18.75	1.50	97.23	-	-
No. of Contracts		12.00	-	8.00	-	1.00	-	6.00	-	-	-

The Company's exposure to the risk of changes in foreign exchange rates relates primarily to its operating activities when revenue and expense is denominated in a foreign currency.

The following table presents foreign currency risk from financial instruments as of:

						Proforma					
Particulars	**Currency**	**31 March 2018**		**31 March 2017**		**31 March 2016**		**31 March 2015**		**31 March 2014**	
		Foreign currency	**Amount**	**Foreign currency**	**Amount**	**Foreign currency**	**Amount**	**Foreign currency**	**Amount**	**Foreign currency**	**Amount**
Trade receivables	USD	5.73	373.66	6.31	409.44	7.03	466.24	7.12	444.99	3.34	203.48
	EUR	5.14	415.99	5.75	398.34	6.18	463.82	4.61	309.54	3.52	290.71
Cash and cash equivalents	USD	1.43	93.35	0.29	19.20	0.38	24.91	0.07	4.49	0.76	45.62
	EUR	0.65	52.89	0.30	21.12	0.37	27.69	0.07	4.78	0.12	9.7
Trade payables	USD	0.76	49.84	0.6	38.73	0.32	21.01	0.07	4.62	0.11	6.82
	EUR	0.32	25.52	1.03	71.29	0.89	66.74	0.11	7.13	0.09	7.55
	JPY	0.87	0.53	7.77	4.50	5.42	3.20	17.4	9.07	0.78	45.96
	GBP	0.01	0.09	0.03	2.45	0.01	0.66	-	-	-	-
Other liabilities	USD	9.49	618.20	5.93	384.52	7.6	504.05	-	-	1.84	110.53
	EUR	12.15	981.56	8.83	611.24	12.31	908.27	-	-	-	-
Total	**USD**	**(3.09)**	**(201.03)**	**0.07**	**5.39**	**(0.51)**	**(33.91)**	**7.12**	**444.86**	**2.15**	**131.75**
	EUR	**(6.68)**	**(538.20)**	**(3.81)**	**(263.07)**	**(6.65)**	**(483.50)**	**4.57**	**307.19**	**3.55**	**292.86**
	JPY	**(0.87)**	**(0.53)**	**(7.77)**	**(4.50)**	**(5.42)**	**(3.20)**	**(17.40)**	**(9.07)**	**(0.78)**	**(45.96)**
	GBP	**(0.01)**	**(0.09)**	**(0.03)**	**(2.45)**	**(0.01)**	**(0.66)**	**-**	**-**	**-**	**-**

Sensitivity analysis

Particulars	Percentage movement	Effect on profit before tax		Effect on equity	
		Strengthening	Weakening	Strengthening	Weakening
31 March 2018					
USD	4%	(8.04)	8.04	(5.26)	5.26
EURO	4%	(21.53)	21.53	(14.08)	14.08
JPY	6%	(0.03)	0.03	(0.02)	0.02
GBP	1%	-	-	-	-
31 March 2017					
USD	2%	0.11	(0.11)	0.07	(0.07)
EURO	1%	(2.63)	2.63	(1.72)	1.72
JPY	13%	(0.59)	0.59	(0.39)	0.39
GBP	12%	(0.29)	0.29	(0.19)	0.19
31 March 2016					
USD	7%	(2.37)	2.37	(1.55)	1.55
EURO	6%	(29.01)	29.01	(18.97)	18.97
JPY	1%	(0.03)	0.03	(0.02)	0.02
GBP	1%	(0.01)	0.01	(0.01)	0.01
31 March 2015					
USD	1%	4.45	(4.45)	2.91	(2.91)
EURO	6%	18.43	(18.43)	12.05	(12.05)
JPY	9%	(0.82)	0.82	(0.54)	0.54
GBP	1%	-	-	-	-
31 March 2014					
USD	11%	14.49	(14.49)	9.48	(9.48)
EURO	16%	46.86	(46.86)	30.64	(30.64)
JPY	8%	(3.68)	3.68	(2.41)	2.41
GBP	13%	-	-	-	-

44 Capital management

The Company’s policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors the return on capital employed.

The Company manages capital risk by maintaining sound/optimal capital structure through monitoring of financial ratios, such as debt-to-equity ratio and net borrowings-to-equity ratio and implements capital structure improvement plan when necessary.

The Company uses debt ratio as a capital management index and calculates the ratio as net debt divided by total equity. Net debt and total equity are based on the amounts stated in the financial statements.

Particulars	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016 Proforma	As at 31 March 2015 Proforma	As at 31 March 2014 Proforma
Gross debt*	4,978.77	3,621.37	2,914.90	2,396.02	2,009.96
Less : Cash and cash equivalent	310.25	105.43	364.42	20.96	68.34
Adjusted net debt (A)	**4,668.52**	**3,515.94**	**2,550.48**	**2,375.06**	**1,941.62**
Total equity (B)	**5,999.21**	**4,996.75**	**4,333.69**	**3,564.31**	**2,955.69**
Debt ratio (A / B)	**0.78**	**0.70**	**0.59**	**0.67**	**0.66**

* Gross debt includes non current borrowing, current borrowing and current maturities of non current borrowing and finance lease obligations.

45 Tax expense

A. Amounts recognised in statement of profit and loss

Particulars	**For the year ended 31 March 2018**	**For the year ended 31 March 2017**	**For the year ended 31 March 2016 Proforma**	**For the year ended 31 March 2015 Proforma**	**For the year ended 31 March 2014 Proforma**
Current tax (a)					
Current period	379.76	220.43	163.59	231.22	125.74
Deferred tax (b)					
Attributable to -					
Origination and reversal of temporary differences	170.39	98.69	79.73	25.78	13.72
	170.39	**98.69**	**79.73**	**25.78**	**13.72**
Tax expense for the year (a) + (b)	**550.15**	**319.12**	**243.32**	**257.00**	**139.46**
(ii) Amounts recognised in other comprehensive income					
Deferred taxes					
Remeasurements of the defined benefit plans	(6.11)	(0.50)	(2.58)	(3.24)	(0.35)
	544.04	**318.62**	**240.74**	**253.76**	**139.11**

B. Amounts recognised in other comprehensive income

Particulars	**31 March 2018**		
	Before tax	**Tax (expense) benefit**	**Net of tax**
Remeasurements of the defined benefit plans	(17.67)	6.11	(11.56)
	(17.67)	**6.11**	**(11.56)**
	31 March 2017		
	Before tax	**Tax (expense) benefit**	**Net of tax**
Remeasurements of the defined benefit plans	(1.44)	0.50	(0.94)
	(1.44)	**0.50**	**(0.94)**
	31 March 2016 (Proforma)		
	Before tax	**Tax (expense) benefit**	**Net of tax**
Remeasurements of the defined benefit plans	(7.45)	2.58	(4.87)
	(7.45)	**2.58**	**(4.87)**
	31 March 2015 (Proforma)		
	Before tax	**Tax (expense) benefit**	**Net of tax**
Remeasurements of the defined benefit plans	(9.35)	3.24	(6.11)
	(9.35)	**3.24**	**(6.11)**
	31 March 2014 (Proforma)		
	Before tax	**Tax (expense) benefit**	**Net of tax**
Remeasurements of the defined benefit plans	(1.00)	0.35	(0.65)
	(1.00)	**0.35**	**(0.65)**

C. Reconciliation of the income tax provision to the amount computed by applying the statutory income tax rate to the income before income taxes is summarized below:

	31 March 2018	**31 March 2017**	**31 March 2016 Proforma**	**31 March 2015 Proforma**	**31 March 2014 Proforma**
Profit before tax	**1,547.75**	**963.22**	**876.36**	**871.83**	**546.87**
Effective tax rate	34.61%	34.61%	34.61%	33.99%	32.40%
Tax using the Company’s domestic tax rate	535.68	333.37	303.31	296.34	177.19
Effect of:					
Non-deductible expenses	4.70	2.47	1.05	0.21	0.45
Tax exempt income	(0.79)	(12.81)	(62.15)	(41.75)	(28.11)
Difference in rate considered for MAT and books	-	(3.98)	-	-	-
Lower tax rate on sale of shares	-	-	-	-	(7.10)
Others	4.45	(0.43)	(1.47)	(1.04)	(3.32)
Income tax expense	**544.04**	**318.62**	**240.74**	**253.76**	**139.11**

D. Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable as follows:

Particulars	**Deferred tax assets**	**Deferred tax (liabilities)**	**Net deferred tax asset (liabilities)**
	31 March 2018	**31 March 2018**	**31 March 2018**
Excess of depreciation on property, plant and equipment under Income Tax Act, 1961 over depreciation under Companies Act.	-	(515.95)	(515.95)
Provision for employee benefits	24.77	-	24.77
Finance lease	-	(33.66)	(33.66)
On fair valuation of security deposit	0.28	-	0.28
Provision for doubtful debts	7.50	-	7.50
Net deferred tax (assets)/liabilities	**32.55**	**(549.61)**	**(517.06)**

Particulars		**Deferred tax assets**	**Deferred tax (liabilities)**	**Net deferred tax asset (liabilities)**
	Proforma	**31 March 2017**	**31 March 2017**	**31 March 2017**
Excess of depreciation on property, plant and equipment under Income Tax Act, 1961 over depreciation under Companies Act.		-	(402.62)	(402.62)
Provision for employee benefits		20.44	-	20.44
Finance lease		-	(16.37)	(16.37)
On fair valuation of security deposit		0.21	-	0.21
Brought forward losses		38.59	-	38.59
Minimum alternate tax credit entitlement		31.29	-	31.29
Provision for doubtful debts		6.97	-	6.97
Net deferred tax (assets)/liabilities		**97.50**	**(418.99)**	**(321.49)**

Particulars		**Deferred tax assets**	**Deferred tax (liabilities)**	**Net deferred tax asset (liabilities)**
	Proforma	**31 March 2016**	**31 March 2016**	**31 March 2016**
Excess of depreciation on property, plant and equipment under Income Tax Act, 1961 over depreciation under Companies Act.		-	(320.72)	(320.72)
Provision for employee benefits		21.20	-	21.20
Finance lease		-	(3.82)	(3.82)
On fair valuation of security deposit		0.16	-	0.16
Brought forward losses		41.62	-	41.62
Minimum alternate tax credit entitlement		44.40	-	44.40
Provision for doubtful debts		6.97	-	6.97
Net deferred tax (assets)/liabilities		**114.35**	**(324.54)**	**(210.19)**

Particulars		**Deferred tax assets**	**Deferred tax (liabilities)**	**Net deferred tax asset (liabilities)**
	Proforma	**31 March 2015**	**31 March 2015**	**31 March 2015**
Excess of depreciation on property, plant and equipment under Income Tax Act, 1961 over depreciation under Companies Act.		-	(222.62)	(222.62)
Provision for employee benefits		11.71	-	11.71
Finance lease		0.02	-	0.02
On fair valuation of security deposit		0.09	-	0.09
Brought forward losses		27.31	-	27.31
Provision for doubtful debts		6.05	-	6.05
Net deferred tax (assets)/liabilities		**45.18**	**(222.62)**	**(177.44)**

Particulars		**Deferred tax assets**	**Deferred tax (liabilities)**	**Net deferred tax asset (liabilities)**
	Proforma	**31 March 2014**	**31 March 2014**	**31 March 2014**
Excess of depreciation on property, plant and equipment under Income Tax Act, 1961 over depreciation under Companies Act.		-	(186.21)	(186.21)
Provision for employee benefits		7.04	-	7.04
On fair valuation of security deposit		0.07	-	0.07
Brought forward losses		19.23	-	19.23
Minimum alternate tax credit entitlement		12.50	-	12.50
Provision for doubtful debts		4.97	-	4.97
Net deferred tax (assets)/liabilities		**43.81**	**(186.21)**	**(142.40)**

E. Movement in temporary differences

Particulars	**Balance as at 1 April 2017**	**Recognised in profit or loss during 2017-18**	**Recognised in OCI during 2017-18**	**Balance as at 31 March 2018**
Excess of depreciation on property, plant and equipment under Income Tax Act, 1961 over depreciation under Companies Act.	(402.62)	(113.33)	-	(515.95)
Provision for employee benefits	20.44	(1.78)	6.11	24.77
Finance lease	(16.37)	(17.29)	-	(33.66)
On fair valuation of security deposit	0.21	0.07	-	0.28
Brought forward losses	38.59	(38.59)	-	-
Provision for doubtful debts	6.97	0.53	-	7.50
	(352.78)	**(170.39)**	**6.11**	**(517.06)**

Particulars	**Balance as at 1 April 2016**	**Recognised in profit or loss during 2016-17**	**Recognised in OCI during 2016-17**	**Balance as at 31 March 2017**
Excess of depreciation on property, plant and equipment under Income Tax Act, 1961 over depreciation under Companies Act.	(320.72)	(81.90)	-	(402.62)
Provision for employee benefits	21.20	(1.26)	0.50	20.44
Finance lease	(3.82)	(12.55)	-	(16.37)
On fair valuation of security deposit	0.16	0.05	-	0.21
Brought forward losses	41.62	(3.03)	-	38.59
Provision for doubtful debts	6.97	-	-	6.97
	(254.59)	**(98.69)**	**0.50**	**(352.78)**

 (Amount in ₹ millions)

Particulars	**Balance as at 1 April 2015**	**Recognised in profit or loss during 2015-16**	**Recognised in OCI during 2015-16**	**Balance as at 31 March 2016**
Excess of depreciation on property, plant and equipment under Income Tax Act, 1961 over depreciation under Companies Act.	(222.62)	(98.10)	-	(320.72)
Provision for employee benefits	11.71	6.91	2.58	21.20
Finance lease	0.02	(3.84)		(3.82)
On fair valuation of security deposit	0.09	0.07	-	0.16
Brought forward losses	27.31	14.31	-	41.62
Provision for doubtful debts	6.05	0.92	-	6.97
	(177.44)	**(79.73)**	**2.58**	**(254.59)**

Particulars	**Balance as at 1 April 2014**	**Recognised in profit or loss during 2014-15**	**Recognised in OCI during 2014-15**	**Balance as at 31 March 2015**
Excess of depreciation on property, plant and equipment under Income Tax Act, 1961 over depreciation under Companies Act.	(186.21)	(36.41)	-	(222.62)
Provision for employee benefits	7.04	1.43	3.24	11.71
Finance lease	-	0.02		0.02
On fair valuation of security deposit	0.07	0.02	-	0.09
Brought forward losses	19.23	8.08	-	27.31
Provision for doubtful debts	4.97	1.08	-	6.05
	(154.90)	**(25.78)**	**3.24**	**(177.44)**

Particulars	**Balance as at 1 April 2013**	**Recognised in profit or loss during 2013-14**	**Recognised in OCI during 2013-14**	**Balance as at 31 March 2014**
Excess of depreciation on property, plant and equipment under Income Tax Act, 1961 over depreciation under Companies Act.	(171.58)	(14.63)	-	(186.21)
Provision for employee benefits	6.16	0.53	0.35	7.04
On fair valuation of security deposit	0.04	0.03	-	0.07
Brought forward losses	20.20	(0.97)	-	19.23
Provision for doubtful debts	3.65	1.32	-	4.97
	(141.53)	**(13.72)**	**0.35**	**(154.90)**

F. Unrecognised deferred tax assets

The Company does not have any unrecognised deferred tax assets as at 31 March 2018, 31 March 2017, 31 March 2016, 31 March 2015 and 31 March 2014.

46 Segment information

Information reported to the chief operating decision maker (CODM) for the purposes of resource allocation and assessment of segment performance focuses on the types of goods or services delivered or provided. The Company is in the business of manufacture and sale of automobile components, which in the context of Indian Accounting Standard 108 'Segment Information' represents single reportable business segment. The entire operations are governed by the same set of risk and returns. Accordingly, these operations represent a single segment. The revenues, total expenses and net profit as per the Statement of Profit and Loss represents the revenue, total expenses and the net profit of the sole reportable segment.

(i) Geographical information

Geographic segmentation is based on business sourced from specific geographic regions. Other foreign countries comprises all other places except India, Europe and USA.

(a) Revenue from operations

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017	For the year ended 31 March 2016 Proforma	For the year ended 31 March 2015 Proforma	For the year ended 31 March 2014 Proforma
India	8,684.27	7,205.03	6,207.24	5,442.48	4,596.16
Europe	1,693.30	1,462.83	1,178.68	1,002.48	763.10
USA	954.34	908.77	893.85	916.64	360.48
Other foreign countries	142.49	90.11	155.76	243.40	166.76
	11,474.40	**9,666.74**	**8,435.53**	**7,605.00**	**5,886.50**
Reconciling items:					
- taxes	243.36	725.81	638.70	504.91	431.60
Total revenue from operations as per statement of profit and loss	**11,717.76**	**10,392.55**	**9,074.23**	**8,109.91**	**6,318.10**

(b) Non current assets

Particulars	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016 Proforma	As at 31 March 2015 Proforma	As at 31 March 2014 Proforma
India	7,193.23	6,008.13	4,737.79	3,724.22	3,056.76
Other foreign countries	-	-	-	-	-
	7,193.23	**6,008.13**	**4,737.79**	**3,724.22**	**3,056.76**
Reconciling items:					
Non-current financial assets	925.42	303.64	265.43	242.00	157.20
Total non current assets	**8,118.65**	**6,311.77**	**5,003.22**	**3,966.22**	**3,213.96**

(ii) The Company's revenue from its major products are as follows:

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017	For the year ended 31 March 2016 Proforma	For the year ended 31 March 2015 Proforma	For the year ended 31 March 2014 Proforma
Connecting rods	3,739.45	2,643.27	2,115.64	1,827.18	1,335.57
Crank shaft assembly	2,125.09	2,039.06	1,924.91	1,796.22	1,406.37
Gear shifters	1,000.53	819.57	785.82	702.88	496.01
Rocker arms	2,853.56	2,487.19	2,445.88	2,444.57	2,110.54
Others*	1,138.73	1,135.83	695.99	525.52	303.87
	10,857.36	**9,124.92**	**7,968.24**	**7,296.37**	**5,652.36**
Reconciling items:					
- taxes	238.72	704.19	619.78	480.78	412.51
Total revenue from sale of products	**11,096.08**	**9,829.11**	**8,588.02**	**7,777.15**	**6,064.87**

* Individual items of these are less than 10% of sale of products.

(iii) Revenue from sale of products from three customers of the Company is ₹ 5,906.45 (31 March 2017: two customers ₹ 4,439.37; 31 March 2016: two customers ₹ 4,212.98; 31 March 2015: two customers ₹ 3,975.00 and 31 March 2014: one customer ₹ 2,522.85) which is more than 10% of the Company's sale of products.

47 Dues to micro and small enterprises

The Ministry of Micro, Small and Medium Enterprises has issued an office memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum in accordance with the 'Micro, Small and Medium Enterprises Development Act, 2006' ('the Act'). Accordingly, the disclosure in respect of the amounts payable to such enterprises as at 31 March 2018 (31 March 2017: Nil, 31 March 2016: Nil, 31 March 2015: Nil, 31 March 2014: Nil) has been made in the financial statements based on information received and available with the Company. Further in view of the Management, the impact of interest, if any, that may be payable in accordance with the provisions of the Act is not expected to be material. The Company has not received any claim for interest from any supplier as at the balance sheet date.

Particulars	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016 Proforma	As at 31 March 2015 Proforma	As at 31 March 2014 Proforma
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year;					
– Principal	-	-	-	-	-
– Interest	-	-	-	-	-
The amount of interest paid by the buyer in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, (the Act) along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	-	-	-	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the said Act	-	-	-	-	-
The amount of interest accrued and remaining unpaid at the end of each year	-	-	-	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise.	-	-	-	-	-

48 Expenditure on Corporate Social Responsibility

As per Section 135 of the Companies Act, 2013, a Company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. A CSR committee has been formed by the Company as per the Act. The funds are allocated to the activities which are specified in Schedule VII of the Companies Act, 2013.

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017	For the year ended 31 March 2016 Proforma	For the year ended 31 March 2015 Proforma	For the year ended 31 March 2014 Proforma
(a) Gross amount required to be spent by the Company during the year	29.28	11.36	6.08	4.02	2.78
(b) Amount spent during the year on:					
i) Construction/acquisition of any asset	12.35	-	-	-	-
ii) On purpose other than (i) above	14.80	14.30	6.08	4.02	2.78
	27.15	**14.30**	**6.08**	**4.02**	**2.78**

49 Cash flow disclosures

Reconciliation between opening and closing balances in the balance sheet for liabilities and financial assets arising from financing activities:

Particulars	Opening balance	Cash flows		Non-cash movements	Closing balance
	1 April 2017	Proceeds	Repayments	Fair value changes	31 March 2018
Non current borrowings	1,497.08	1,271.80	(424.02)	-	2,344.86
Current borrowings	2,124.29	30,888.44	(30,378.82)	-	2,633.91
Derivative liability	-	-	-	2.42	2.42
Total liabilities from financing activities	**3,621.37**				**4,981.19**

50 Scheme of Amalgamation

M/s Gearock Forge Private Limited (Gearock) a company incorporated on 29 December 1999 under the provisions of the Companies Act 1956 with its registered office in Bangalore, Karnataka. Gearock is a wholly owned subsidiary of Sansera Engineering Limited (erstwhile Sansera Engineering Private Limited).

Pursuant to section 233 of the Companies Act 2013, the Scheme of Merger of Gearock with Sansera Engineering Limited (erstwhile Sansera Engineering Private Limited) was approved by the Regional Director with effect from 1 April 2017 vide order dated 13 March 2018.

Accounting treatment

In accordance with the requirements of the Scheme, the above mentioned amalgamation has been accounted under the Pooling of Interest Method as per Appendix C to Ind AS 103 on Business combinations of entities under common control. As per the guidance under Appendix C to Ind AS 103 the financial statements in respect of prior periods are restated as if the merger had occurred from the beginning of the preceding period in the financial statements i.e., 1 April 2016, irrespective of the actual date of the combination.

The details of the transferor mentioned below are as on the date of merger i.e. as on 1 April 2017 (effective date of merger).

Particulars	**Amount**
Total assets	686.61
Current liabilities	184.92
Investment in Gearock cancelled	9.00
Loan repayable by Gearock	536.97
Capital reserve as a consequence of pooling of interest method	5.61

51 Details of non-current investments purchased and sold under Section 186(4) of the Companies Act 2013.

Investments in equity and preference instruments

Subsidiaries	**Face value per share**	**As at 1 April 2017**	**Purchased during the year**	**Sold during the year**	**As at 31 March 2018**
Fitwel Tools and Forgings Private Limited (Equity Shares)	₹ 10	201.65 (248,872)*	-	-	201.65 (248,872)*
Sansera Engineering Pvt. Ltd, Mauritius (Equity Shares)	Euro 10	-	6.88 (10,000)*	-	6.88 (10,000)*
Sansera Engineering Pvt. Ltd, Mauritius (Preference Shares)	Euro 10	-	602.41 (840,000)*	-	602.41 (840,000)*

Subsidiary	**Face value per share**	**As at 1 April 2016**	**Purchased during the year**	**Sold during the year**	**As at 31 March 2017**
Fitwel Tools and Forgings Private Limited (Equity Shares)	₹ 10	201.65 (248,872)*	-	-	201.65 (248,872)*

Subsidiary	**Face value per share**	**As at 1 April 2015 Proforma**	**Purchased during the year**	**Sold during the year**	**As at 31 March 2016 Proforma**
Fitwel Tools and Forgings Private Limited (Equity Shares)	₹ 10	201.65 (248,872)*	-	-	201.65 (248,872)*

Subsidiary	**Face value per share**	**As at 1 April 2014 Proforma**	**Purchased during the year**	**Sold during the year**	**As at 31 March 2015 Proforma**
Fitwel Tools and Forgings Private Limited (Equity Shares)	₹ 10	127.55 (181,316)*	74.10 (67,556)*	-	201.65 (248,872)*

Subsidiary	**Face value per share**	**As at 1 April 2013 Proforma**	**Purchased during the year**	**Sold during the year**	**As at 31 March 2014 Proforma**
Fitwel Tools and Forgings Private Limited (Equity Shares)	₹ 10	127.55 (181,316)*	-	-	127.55 (181,316)*

* The figures in parenthesis represents number of shares.

52 Upto 30 June 2017, Revenue from operations included the applicable excise duty which was also shown as operating expense. Post the applicability of Goods and Services Tax (GST) with effect from 1st July 2017, revenue from operations is disclosed net of GST. Accordingly, the revenue from operations and excise duty expense for the year ended on 31 March 2018 are not exactly comparable with the previous years presented in the financial information.

53 F R Singhvi, director was included in the list of disqualified directors, issued by the RoC in relation to a violation of Section 164(2)(a) of the Companies Act, by Mulder Trading Private Limited, a company in which F R Singhvi was a director. We understand that Mulder Trading Private Limited never commenced any operations and an application was subsequently filed for its closure.

F R Singhvi filed a writ petition before the High Court of Karnataka against the said disqualification. The High Court of Karnataka issued an interim stay order dated December 15, 2017 on the disqualification of F R Singhvi from acting as a director. The matter is currently pending. Further, F R Singhvi has also initiated proceedings before NCLT, Bengaluru to revive Mulder Trading Private Limited and rectify the violation of Section 164(2)(a) of the Companies Act, 2013.

First time adoption of Indian Accounting Standards (Ind AS)

Explanation of transition to Ind AS
The Company's statutory financial statements for the year ended 31 March 2018, are the first, the Company has prepared in accordance with Ind AS. For the periods up to and including the year ended 31 March 2017, the Company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP). Accordingly, the Company has prepared its financial statements to comply with Ind AS for the year ended 31 March 2018, together with comparative data as at and for the year ended 31 March 2017, as described in the summary of significant accounting policies.

In preparing the statutory financial statements for the year ended 31 March 2018, the Company’s opening balance sheet was prepared as at 1 April 2016, the Company’s date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its previous GAAP financial statements, including the balance sheet as at 1 April 2013 and the financial statements as at and for the year ended 31 March 2014, 31 March 2015, 31 March 2016 and 31 March 2017.

The Company has elected to present all five years as per Ind AS/ Proforma Ind AS, instead of Indian GAAP. The restated consolidated financial statements for the years ended 31 March 2016, 2015 and 2014 has been prepared on Proforma basis (i.e. “Proforma Consolidated Ind AS financial information”) in accordance with requirements of SEBI Circular SEBI/HO/CFD/DIL/CIR/P/2016/47 dated March 31, 2016 (“SEBI Circular”) and Guidance note on reports in company prospectuses issued by ICAI. For the purpose of Proforma Ind AS Consolidated financial information for the year ended 31 March 2016, 2015 and 2014, the Company has followed the same accounting policy and accounting policy choices (both mandatory exceptions and optional exemptions availed as per Ind AS 101) as initially adopted on transition date i.e. April 1, 2015. Accordingly, suitable restatement adjustments (both re-measurements and reclassifications) in the accounting heads are made to the Proforma Ind AS Consolidated financial information as of and for the years ended 31 March 2016, 2015, and 2014 following accounting policies and accounting policy choices (both mandatory exceptions and optional exemptions) consistent with that used at the date of transition to Ind AS (i.e. April 1, 2016)

Optional exemptions and mandatory exceptions
In preparing these standalone financial statements, the Company has applied the below mentioned optional exemptions and mandatory exceptions:

a. Optional exemptions availed:

i) Property plant and equipment and intangibles assets
As per Ind AS 101 an entity may elect to:
a) measure an item of property, plant and equipment at the date of transition at its fair value and use that fair value as its deemed cost at that date; or
b) use a previous GAAP revaluation of an item of property, plant and equipment at or before the date of transition as deemed cost at the date of the revaluation, provided the revaluation was, at the date of the revaluation, broadly comparable to:
- fair value;
- or cost or depreciated cost under Ind AS adjusted to reflect, for example, changes in a general or specific price index

The elections under (a) and (b) above are also available for intangible assets that meets the recognition criteria in Ind AS 38, Intangible Assets, (including reliable measurement of original cost); and criteria in Ind AS 38 for revaluation (including the existence of an active market); or
(c) use carrying values of property, plant and equipment and intangible assets as on the date of transition to Ind AS (which are measured in accordance with previous GAAP and after making adjustments relating to decommissioning liabilities prescribed under Ind AS 101) if there has been no change in its functional currency on the date of transition.

As permitted by Ind AS 101, the Company has elected to apply the exemption available under Ind AS 101 to continue the carrying value for all of its property, plant and equipment as recognised in the standalone financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and used it as deemed cost as at the date of transition 1 April 2016/ 1 April 2013.

ii) Investments in subsidiaries

Ind AS 101 provides an exemption to the first-time adopter to measure an investment in subsidiaries and associates at:
a) cost determined in accordance with Ind AS 27; or
b) deemed cost, which shall be its:
i) fair value at the entity's date of transition to Ind AS in its separate financial statements; or
ii) previous GAAP carrying amount at that date.
The Company has chosen to avail the exemption provided by Ind AS 101 and value all its investments in subsidiaries at cost as per Ind AS 27.

iii) Leases

Ind AS 17 requires a lease of land to be assessed as an operating or finance lease at the commencement of the lease. However, Ind AS 101 provides the option to assess the same based on facts and circumstances existing on the date of transition. The Company has elected to avail the exemption available under Ind AS 101 and assess for the classification of lease as on the date of transition only.

iv) Business combination

Ind AS 101 provides that all the business combinations on or after the date of transition should be accounted for in accordance with Ind AS 103. In respect of business combinations before the date of transition, the Company has the following choices:
a) restate all of these business combinations;
b) restate all business combinations after a particular date;
c) do not restate any of these business combinations.
Based on the above exemptions provided in Ind AS 101, the Company has opted to apply Ind AS 103 only in respect of business combinations occurred on or after the date of transition i.e. 1 April 2016.
In respect of the business combinations occurred before the date of transition, the Company will continue to follow the accounting it did under previous GAAP and accordingly has not restated such business combinations in accordance with Ind AS 103.

b. Mandatory exceptions availed:

Ind AS 101 also allows first-time adopters certain mandatory exceptions to be applied for retrospective application of certain requirements under Ind AS for transition from the previous GAAP:

i. Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification of financial assets on the basis of facts and circumstances existing as on the date of transition. Further, the standard permits measurement of financial assets accounted at amortised cost based on facts and circumstances existing at the date of transition if retrospective application is impracticable.

Accordingly, the Company has determined the classification of financial assets based on facts and circumstances that exist on the date of transition. Measurement of the financial assets accounted at amortised cost has been done retrospectively except where the same is impracticable.

ii. Estimates

As per Ind AS 101, an entity's estimates in accordance with Ind AS at the date of transition to Ind AS at the end of the comparative period presented in the entity's first Ind AS financial statements, as the case may be, should be consistent with estimates made for the same date in accordance with the previous GAAP unless there is objective evidence that those estimates were in error.

However, the estimates should be adjusted to reflect any differences in accounting policies. As per Ind AS 101, where application of Ind AS requires an entity to make certain estimates that were not required under previous GAAP, those estimates should be made to reflect conditions that existed at the date of transition (for preparing opening Ind AS balance sheet) or at the end of the comparative period (for presenting comparative information as per Ind AS).

The Company's estimates under Ind AS are consistent with the above requirement. Key estimates considered in preparation of the financial statements that were not required under the previous GAAP are listed below:

- Fair valuation of financial instruments carried at FVTPL.
- Impairment of financial assets based on the expected credit loss model.
- Determination of the discounted value for financial instruments carried at amortised cost

Sansera Engineering Limited (erstwhile Sansera Engineering Private Limited)
Annexure A - VII (continued)
Statement on Adjustments to Audited Standalone Financial Statements (continued) **(Amount in ₹ millions)**

(i) Statement of equity reconciliation between the previous GAAP and restated Ind AS

		Balance sheet as at 31 March 2017			
Particulars	**Notes**	**Previous GAAP***	**Ind AS adjustment**	**Restatement**	**Restated (Ind AS)**
ASSETS					
Non-current assets					
Property, plant and equipment	f	5,237.07	260.76	-	5,497.83
Capital work-in-progress		321.47	-	-	321.47
Intangible assets		-	-	-	-
Financial assets					
(i) Investments in subsidiaries		201.65	-	-	201.65
(ii) Loans	i	107.87	(5.88)	-	101.99
Income tax assets, net	m	73.50	-	24.14	97.64
Other non-current assets	i	86.81	4.38	-	91.19
Total non-current assets		**6,028.37**	**259.26**	**24.14**	**6,311.77**
Current assets					
Inventories		1,275.87	-	-	1,275.87
Financial assets					
(i) Current investments	c	0.10	4.71		4.81
(ii) Trade receivables	g	1,993.18	(20.11)	7.15	1,980.22
(iii) Cash and cash equivalents		105.43	-	-	105.43
(iv) Bank balances other than cash and cash equivalents		70.85	-	-	70.85
(iv) Other current financial assets	d	161.09	(1.93)	-	159.16
Other current assets	i	550.10	0.88	-	550.98
Total current assets		**4,156.62**	**(16.45)**	**7.15**	**4,147.32**
Total assets		**10,184.99**	**242.81**	**31.29**	**10,459.09**
EQUITY AND LIABILITIES					
Equity					
Equity share capital	b	6.47	-	-	6.47
Instruments entirely equity in nature	b	105.00	-	-	105.00
Other equity	a,f,g,l	4,898.34	(44.35)	31.29	4,885.28
Total equity		**5,009.81**	**(44.35)**	**31.29**	**4,996.75**
Liabilities					
Non-current liabilities					
Financial liabilities					
(i) Non-current borrowings		1101.18	-	-	1,101.18
Non-current provisions		21.60	-	-	21.60
Deferred tax liabilities (net)	j	295.09	26.40	-	321.49
Other non-current liabilities	f	-	231.42	-	231.42
		1,417.87	**257.82**	**-**	**1,675.69**
Current liabilities					
Financial liabilities					
(i) Current borrowings		2124.29	-	-	2,124.29
(ii) Trade payables					
- Total outstanding dues to micro enterprises and small enterprises					
- Total outstanding dues other than to micro enterprises and small enterprises		836.38	-	-	836.38
(iii) Other current financial liabilities		655.20	-	-	655.20
Income tax liabilities, net		51.84	-	-	51.84
Other current liabilities	f	52.41	29.34	-	81.75
Current provisions		37.19	-	-	37.19
Total current liabilities		**3757.31**	**29.34**	**-**	**3786.65**
Total equity and liabilities		**10,184.99**	**242.81**	**31.29**	**10,459.09**

*The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose to this note.

Sansera Engineering Limited (erstwhile Sansera Engineering Private Limited)
Annexure A - VII (continued)
Statement on Adjustments to Audited Standalone Financial Statements (continued) **(Amount in ₹ millions)**

		Balance sheet as at 31 March 2016 (Proforma)			
Particulars	**Notes**	**Previous GAAP***	**Ind AS adjustment**	**Restatement**	**Restated (Ind AS)**
ASSETS					
Non-current assets					
Property, plant and equipment	f	4,023.40	124.90	-	4,148.30
Capital work-in-progress		326.71	-	-	326.71
Intangible assets		2.73	-	-	2.73
Financial assets					
(i) Investments in subsidiaries		201.65	-	-	201.65
(ii) Loans	i	69.84	(6.06)	-	63.78
Income tax assets, net	m	83.37	-	24.14	107.51
Other non-current assets	i	147.68	4.86	-	152.54
Total non-current assets		**4,855.38**	**123.70**	**24.14**	**5,003.22**
Current assets					
Inventories		1,145.07	-	-	1,145.07
Financial assets					
(i) Current investments	c	0.10	2.87	-	2.97
(ii) Trade receivables	g	1,554.80	(20.11)	-	1,534.69
(iii) Cash and cash equivalents		364.42	-	-	364.42
(iv) Bank balances other than cash and cash equivalents		65.53	-	-	65.53
(iv) Other current financial assets		93.98	-	-	93.98
Other current assets	i	424.87	0.73	-	425.60
Total current assets		**3,648.77**	**(16.51)**	**-**	**3,632.26**
Total assets		**8,504.15**	**107.19**	**24.14**	**8,635.48**
EQUITY AND LIABILITIES					
Equity					
Equity share capital	b	111.47	(105.00)	-	6.47
Instruments entirely equity in nature	b	-	105.00	-	105.00
Other equity	a,f,g,l	4,196.41	1.67	24.14	4,222.22
Total equity		**4,307.88**	**1.67**	**24.14**	**4,333.69**
Liabilities					
Non-current liabilities					
Financial liabilities					
(i) Non-current borrowings		722.10	-	-	722.10
Non-current provisions		30.94	(0.71)	-	30.23
Deferred tax liabilities (net)	j	229.67	(19.48)	-	210.19
Other non-current liabilities	f	-	115.16	-	115.16
		982.71	**94.97**	**-**	**1,077.68**
Current liabilities					
Financial liabilities					
(i) Current borrowings		1840.53	-	-	1,840.53
(ii) Trade payables					
- Total outstanding dues to micro enterprises and small enterprises					
- Total outstanding dues other than to micro enterprises and small enterprises		731.93	-	-	731.93
(iii) Other current financial liabilities	d	570.57	0.10	-	570.67
Income tax liabilities, net		-	-	-	-
Other current liabilities	f	40.21	9.74	-	49.95
Current provisions		30.32	0.71	-	31.03
Total current liabilities		**3213.56**	**10.55**	**-**	**3224.11**
Total equity and liabilities		**8,504.15**	**107.19**	**24.14**	**8,635.48**

*The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose to this note.

Sansera Engineering Limited (erstwhile Sansera Engineering Private Limited)
Annexure A - VII (continued)
Statement on Adjustments to Audited Standalone Financial Statements (continued) **(Amount in ₹ millions)**

		Balance sheet as at 31 March 2015 (Proforma)			
Particulars	**Notes**	**Previous GAAP***	**Ind AS adjustment**	**Restatement**	**Restated (Ind AS)**
ASSETS					
Non-current assets					
Property, plant and equipment	f	2,954.95	109.64	-	3,064.59
Capital work-in-progress		452.64	-	-	452.64
Intangible assets		7.36	-	-	7.36
Financial assets					
(i) Investments in subsidiaries		201.65	-	-	201.65
(ii) Loans	i	46.92	(6.57)	-	40.35
Income tax assets, net		110.36	-	-	110.36
Other non-current assets	i	83.68	5.59	-	89.27
Total non-current assets		**3,857.56**	**108.66**	**-**	**3,966.22**
Current assets					
Inventories		1,174.56	-	-	1,174.56
Financial assets					
(i) Current investments	c	0.10	2.86	-	2.96
(ii) Trade receivables	g	1,377.05	(17.78)	-	1,359.27
(iii) Cash and cash equivalents		20.96	-	-	20.96
(iv) Bank balances other than cash and cash equivalents		60.00	-	-	60.00
(iv) Other current financial assets	d	41.67	0.66	-	42.33
Other current assets	i	297.06	0.74	-	297.80
Total current assets		**2,971.40**	**(13.52)**	**-**	**2,957.88**
Total assets		**6,828.96**	**95.14**	**-**	**6,924.10**
EQUITY AND LIABILITIES					
Equity					
Equity share capital	b	111.47	(105.00)	-	6.47
Instruments entirely equity in nature	b	-	105.00	-	105.00
Other equity	a,f,g,l	3,416.04	36.80	-	3,452.84
Total equity		3,527.51	36.80	-	3,564.31
Liabilities					
Non-current liabilities					
Financial liabilities					
(i) Non-current borrowings		483.02	-	-	483.02
Non-current provisions		16.03	-	-	16.03
Deferred tax liabilities (net)	j	228.74	(51.30)	-	177.44
Other non-current liabilities	f	-	92.12	-	92.12
		727.79	**40.82**	**-**	**768.61**
Current liabilities					
Financial liabilities					
(i) Current borrowings		1,696.95	-	-	1,696.95
(ii) Trade payables					
- Total outstanding dues to micro enterprises and small enterprises		-	-	-	-
- Total outstanding dues other than to micro enterprises and small enterprises		451.52	-	-	451.52
(iii) Other current financial liabilities		392.26	-	-	392.26
Income tax liabilities, net		0.94	-	-	0.94
Other current liabilities	f	13.19	17.52	-	30.71
Current provisions		18.80	-	-	18.80
Total current liabilities		**2,573.66**	**17.52**	**-**	**2,591.18**
Total equity and liabilities		**6,828.96**	**95.14**	**-**	**6,924.10**

*The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose to this note.

Sansera Engineering Limited (erstwhile Sansera Engineering Private Limited)
Annexure A - VII (continued)
Statement on Adjustments to Audited Standalone Financial Statements (continued) **(Amount in ₹ millions)**

		Balance sheet as at 31 March 2014 (Proforma)			
Particulars	**Notes**	**Previous GAAP***	**Ind AS adjustment**	**Restatement**	**Restated (Ind AS)**
ASSETS					
Non-current assets					
Property, plant and equipment	f	2,686.37	83.19	-	2,769.56
Capital work-in-progress		171.64	-	-	171.64
Intangible assets		9.22	-	-	9.22
Financial assets					
(i) Investments in subsidiaries		127.55	-	-	127.55
(ii) Loans	i	31.30	(1.65)	-	29.65
Income tax assets, net		33.99	-	-	33.99
Other non-current assets	i	71.11	1.24	-	72.35
Total non-current assets		**3,131.18**	**82.78**	**-**	**3,213.96**
Current assets					
Inventories		1,045.37	-	-	1,045.37
Financial assets					
(i) Current investments	c	0.10	1.48	-	1.58
(ii) Trade receivables	g	1,190.14	(15.33)	-	1,174.81
(iii) Cash and cash equivalents		68.34	-	-	68.34
(iv) Bank balances other than cash and cash equivalents		87.41	-	-	87.41
(iv) Other current financial assets		24.29	-	-	24.29
Other current assets	i	233.33	0.23	-	233.56
Total current assets		**2,648.98**	**(13.62)**	**-**	**2,635.36**
Total assets		**5,780.16**	**69.16**	**-**	**5,849.32**
EQUITY AND LIABILITIES					
Equity					
Equity share capital	b	6.47	-	-	6.47
Instruments entirely equity in nature	b	105.00	-	-	105.00
Other equity	a,f,g,l	2,878.49	(19.57)	(14.70)	2,844.22
Total equity		**2,989.96**	**(19.57)**	**(14.70)**	**2,955.69**
Liabilities					
Non-current liabilities					
Financial liabilities					
(i) Non-current borrowings		526.34	-	-	526.34
Non-current provisions		3.64	(2.40)	9.97	11.21
Deferred tax liabilities (net)	j	137.75	4.65	-	142.40
Other non-current liabilities	f	-	73.80	-	73.80
		667.73	**76.05**	**9.97**	**753.75**
Current liabilities					
Financial liabilities					
(i) Current borrowings		1198.69	-	-	1198.69
(ii) Trade payables					
- Total outstanding dues to micro enterprises and small enterprises					
- Total outstanding dues other than to micro enterprises and small enterprises		467.08	-	-	467.08
(iii) Other current financial liabilities	d	430.37	0.89	-	431.26
Income tax liabilities, net		12.16	-	-	12.16
Other current liabilities	f	10.98	9.39	-	20.37
Current provisions		3.19	2.40	4.73	10.32
Total current liabilities		**2,122.47**	**12.68**	**4.73**	**2,139.88**
Total equity and liabilities		**5,780.16**	**69.16**	**-**	**5,849.32**

*The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose to this note.

Sansera Engineering Limited (erstwhile Sansera Engineering Private Limited)
Annexure A - VII (continued)
Statement on Adjustments to Audited Standalone Financial Statements (continued) **(Amount in ₹ millions)**

(ii) Statement of profit or loss reconciliation between the previous GAAP and restated Ind AS

		Year ended 31 March 2017			
Particulars	**Notes**	**Previous GAAP***	**Ind AS adjustment**	**Restatement**	**Restated (Ind AS)**
Revenue					
Revenue from operations	e	9,666.74	725.81	-	10,392.55
Other income	c,d,f,i	50.03	13.15	-	63.18
Total income		**9,716.77**	**738.96**	**-**	**10,455.73**
Expenses					
Cost of materials consumed		4,125.17	-	-	4,125.17
Changes in inventory of finished goods and work in progress		(128.67)	-	-	(128.67)
Excise duty	e	-	725.81	-	725.81
Conversion charges		403.87	-	-	403.87
Consumption of stores and spares		953.81	-	-	953.81
Power and fuel		477.65	-	-	477.65
Employee benefit expenses	a,h,k	1,731.98	8.35	-	1,740.33
Finance costs		298.31	-	-	298.31
Depreciation and amortisation expense	f	432.00	12.54	-	444.54
Other expenses	i,g,n	458.08	0.76	(7.15)	451.69
Total expenses		**8,752.20**	**747.46**	**(7.15)**	**9,492.51**
Profit before exceptional items and tax		**964.57**	**(8.50)**	**7.15**	**963.22**
Exceptional items		-	-	-	-
Profit before tax		964.57	(8.50)	7.15	963.22
Tax expenses:					
Current tax/ Minimum Alternate Tax (MAT)		220.43	-	-	220.43
Deferred tax	j	52.32	46.37	-	98.69
MAT credit entitlement		-	-	-	-
Total tax expenses		**272.75**	**46.37**	**-**	**319.12**
Profit for the year		**691.82**	**(54.87)**	**7.15**	**644.10**
Other comprehensive income/(expense)					
Items that will not to be reclassified to profit or loss					
Re-measurement of the net defined benefit liability/asset	a,k	-	(1.44)	-	(1.44)
Income tax relating to items that will not be reclassified to proft and loss	j	-	0.50	-	0.50
Other comprehensive income for the year, net of income tax		**-**	**(0.94)**	**-**	**(0.94)**
Total comprehensive income for the year, net of tax		**691.82**	**(55.81)**	**7.15**	**643.16**

*The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose to this note.

Sansera Engineering Limited (erstwhile Sansera Engineering Private Limited)
Annexure A - VII (continued)
Statement on Adjustments to Audited Standalone Financial Statements (continued) **(Amount in ₹ millions)**

		Year ended 31 March 2016 (Proforma)			
Particulars	**Notes**	**Previous GAAP***	**Ind AS adjustment**	**Restatement**	**Restated (Ind AS)**
Revenue					
Revenue from operations	e	8,435.53	638.70	-	9,074.23
Other income	c,d,f,i	47.32	8.60	-	55.92
Total income		**8,482.85**	**647.30**	**-**	**9,130.15**
Expenses					
Cost of materials consumed		3,482.52	-	-	3,482.52
Changes in inventory of finished goods and work in progress		(32.08)	-	-	(32.08)
Excise duty	e	-	638.70	-	638.70
Conversion charges		335.62	-	-	335.62
Consumption of stores and spares		878.84	-	-	878.84
Power and fuel		410.32	-	-	410.32
Employee benefit expenses	a,h,k	1,540.98	22.57	-	1,563.55
Finance costs		289.12	-	-	289.12
Depreciation and amortisation expense	f	340.78	8.84	-	349.62
Other expenses	i	334.52	3.06	-	337.58
Total expenses		**7,580.62**	**673.17**	**-**	**8,253.79**
Profit before exceptional items and tax		**902.23**	**(25.87)**	**-**	**876.36**
Exceptional items		-	-	-	-
Profit before tax		**902.23**	**(25.87)**	**-**	**876.36**
Tax expenses:					
Current tax/ Minimum Alternate Tax (MAT)	m	232.13	-	(24.14)	207.99
Deferred tax	j	45.32	34.41	-	79.73
MAT credit entitlement		(44.40)	-	-	(44.40)
Total tax expenses		**233.05**	**34.41**	**(24.14)**	**243.32**
Profit for the year		**669.18**	**(60.28)**	**24.14**	**633.04**
Other comprehensive income/(expense)					
Items that will not to be reclassified to profit or loss					
Re-measurement of the net defined benefit liability/asset	a,k	-	(7.45)	-	(7.45)
Income tax relating to items that will not be reclassified to proft and loss	j	-	2.58	-	2.58
Other comprehensive income for the year, net of income tax		**-**	**(4.87)**	**-**	**(4.87)**
Total comprehensive income for the year, net of tax		**669.18**	**(65.15)**	**24.14**	**628.17**

*The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose to this note.

Sansera Engineering Limited (erstwhile Sansera Engineering Private Limited)
Annexure A - VII (continued)
Statement on Adjustments to Audited Standalone Financial Statements (continued) **(Amount in ₹ millions)**

Particulars		**Year ended 31 March 2015 (Proforma)**			
	Notes	**Previous GAAP***	**Ind AS adjustment**	**Restatement**	**Restated (Ind AS)**
Revenue					
Revenue from operations	e	7,605.00	504.91	-	8,109.91
Other income	c,d,f,i	6.04	8.18	-	14.22
Total income		**7,611.04**	**513.09**	**-**	**8,124.13**
Expenses					
Cost of materials consumed		3,197.25	-	-	3,197.25
Changes in inventory of finished goods and work in progress		(48.12)	-	-	(48.12)
Excise duty	e	-	504.91	-	504.91
Conversion charges		305.30	-	-	305.30
Consumption of stores and spares		754.89	-	-	754.89
Power and fuel		345.76	-	-	345.76
Employee benefit expenses	a,h,k	1,206.61	(9.35) -	14.70	1,182.56
Finance costs		200.13	-	-	200.13
Depreciation and amortisation expense	f	309.59	6.56	-	316.15
Other expenses	i	492.27	1.20	-	493.47
Total expenses		**6,763.68**	**503.32**	**(14.70)**	**7,252.30**
Profit before exceptional items and tax		**847.36**	**9.77**	**14.70**	**871.83**
Exceptional items		-	-	-	-
Profit before tax		**847.36**	**9.77**	**14.70**	**871.83**
Tax expenses:					
Current tax/ Minimum Alternate Tax (MAT)		231.22	-	-	231.22
Tax for earlier years		-	-	-	-
Deferred tax	j	78.49	(52.71)	-	25.78
MAT credit entitlement		-	-	-	-
Total tax expenses		**309.71**	**(52.71)**	**-**	**257.00**
Profit for the year		**537.65**	**62.48**	**14.70** -	**614.83**
Other comprehensive income/(expense)					
Items that will not to be reclassified to profit or loss					
Re-measurement of the net defined benefit liability/asset	a,k	-	(9.35)	-	(9.35)
Income tax relating to items that will not be reclassified to proft and loss	j	-	3.24	-	3.24
Other comprehensive income for the year, net of income tax		**-**	**(6.11)**	**-**	**(6.11)**
Total comprehensive income for the year, net of tax		**537.65**	**56.37**	**14.70**	**608.72**

*The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose to this note.

Sansera Engineering Limited (erstwhile Sansera Engineering Private Limited)
Annexure A - VII (continued)
Statement on Adjustments to Audited Standalone Financial Statements (continued) **(Amount in ₹ millions)**

		Year ended 31 March 2014 (Proforma)			
Particulars	**Notes**	**Previous GAAP***	**Ind AS adjustment**	**Restatement**	**Restated (Ind AS)**
Revenue					
Revenue from operations	e	5,886.50	431.60	-	6,318.10
Other income	c,d,f,i	68.59	4.50	-	73.09
Total income		**5,955.09**	**436.10**	**-**	**6,391.19**
Expenses					
Cost of materials consumed		2,496.19	-	-	2,496.19
Changes in inventory of finished goods and work in progress		(95.48)	-	-	(95.48)
Excise duty	e	-	431.60	-	431.60
Conversion charges		238.73	-	-	238.73
Consumption of stores and spares		602.44	-	-	602.44
Power and fuel		296.01	-	-	296.01
Employee benefit expenses	a,h,k	934.28	(1.00)	2.27	935.55
Finance costs		268.02	-	-	268.02
Depreciation and amortisation expense	f	334.06	4.66	-	338.72
Other expenses	i	316.86	4.29	-	321.15
Total expenses		**5,391.11**	**439.55**	**2.27**	**5,832.93**
Profit before exceptional items and tax		**563.98**	**(3.45)**	**(2.27)**	**558.26**
Exceptional items		11.39	-	-	11.39
Profit before tax		**552.59**	**(3.45)**	**(2.27)**	**546.87**
Tax expenses:					
Current tax/ Minimum Alternate Tax (MAT)		125.74	-	-	125.74
Tax for earlier years	m	0.27	-	(0.27)	-
Deferred tax	j	13.41	0.31	-	13.72
MAT credit entitlement		-	-	-	-
Total tax expenses		**139.42**	**0.31**	**(0.27)**	**139.46**
Profit for the year		**413.17**	**(3.76)**	**(2.00)**	**407.41**
Other comprehensive income/(expense)					
Items that will not to be reclassified to profit or loss					
Re-measurement of the net defined benefit liability/asset	a,k	-	(1.00)	-	(1.00)
Income tax relating to items that will not be reclassified to proft and loss	j	-	0.35	-	0.35
Other comprehensive income for the year, net of income tax		**-**	**(0.65)**	**-**	**(0.65)**
Total comprehensive income for the year, net of tax		**413.17**	**(4.41)**	**(2.00)**	**406.76**

*The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose to this note.

(iii) There were no significant reconciliation items between cash flows prepared under previous GAAP and those prepared under Ind AS.

Sansera Engineering Limited (erstwhile Sansera Engineering Private Limited)
Annexure A - VII (continued)
Statement on Adjustments to Audited Standalone Financial Statements (continued) **(Amount in ₹ millions)**

Summarized below are restatement adjustments made to the audited financial statements for the year ended 31 March 2017, 31 March 2016, 31 March 2015 and 31 March 2014 and their impact on the profit / (loss) of the Company: Statement on Adjustments to Audited consolidated financial statements:

Particulars	Notes	For the year ended			
		31 March 2017	31 March 2016 Proforma	31 March 2015 Proforma	31 March 2014 Proforma
A. Net profit after tax as per audited financial statements prepared under previous GAAP		691.82	669.18	537.65	413.17
B. Ind AS Adjustments					
Fair valuation impact of investment in equity shares	c	1.84	0.01	1.38	0.56
Fair valuation of security deposit	i	(0.15)	(0.22)	(0.06)	(0.05)
Impairment loss on financial assets	g	-	(2.33)	(2.45)	(4.07)
Fair valuation of ESOP	h	(9.79)	(30.02)	-	-
Fair valuation of derivative contracts	d	(1.84)	(0.76)	1.55	(0.89)
Deferred tax adjustments	j	(45.87)	(31.83)	55.95	0.04
C. Net profit after tax as per Ind AS		**636.01**	**604.03**	**594.02**	**408.76**
D. Restatement adjustments					
Tax adjustments - pertaining to earlier years	m	-	24.14	-	0.27
Employee benefits expense	m	-	-	14.70	(2.27)
Bad debts recovered	n	7.15	-	-	-
Total		**7.15**	**24.14**	**14.70**	**(2.00)**
E. Total restated comprehensive income for the year		**643.16**	**628.17**	**608.72**	**406.76**

Reconciliation of statement of equity as previously reported under IGAAP and restated Ind AS financial statements

Particulars	Notes	As at				
		31 March 2017	31 March 2016 Proforma	31 March 2015 Proforma	31 March 2014 Proforma	31 March 2013 Proforma
Total equity as per Indian GAAP		**5,009.81**	**4,307.88**	**3,527.51**	**2,989.96**	**1,700.63**
Ind AS adjustments						
Deferred taxes	j	(26.40)	19.48	51.30	(4.65)	(3.53)
Fair valuation impact of investment in Equity shares	c	4.71	2.87	2.86	1.48	0.92
Fair valuation of security deposit	i	(0.62)	(0.47)	(0.24)	(0.18)	(0.13)
Fair valuation of derivative contracts	d	(1.93)	(0.10)	0.66	(0.89)	-
Impairment loss on financial assets	g	(20.11)	(20.11)	(17.78)	(15.33)	(11.26)
Total equity as per Ind AS		4,965.46	4,309.55	3,564.31	2,970.39	1,686.63
Restatement adjustments						
Gratuity liability	m	-	-	-	(9.97)	(8.04)
Compensated absences	m	-	-	-	(4.73)	(4.39)
Tax adjustments	m	24.14	24.14	-	-	(0.27)
Bad debts recovered	n	7.15	-	-	-	-
Total restatement adjustments		31.29	24.14	-	(14.70)	(12.70)
Total equity		**4,996.75**	**4,333.69**	**3,564.31**	**2,955.69**	**1,673.93**

Notes to the reconciliation

(a) Remeasurement of net defined benefit liability/ asset

Under Ind AS, all actuarial gains and losses are recognised in other comprehensive income. Under previous GAAP, the Company has recognised actuarial gains and losses in profit or loss. However, this has no impact in the total comprehensive income and total equity as on 1 April 2013, 31 March 2014, 31 March 2015, 31 March 2016 and 31 March 2017.

(b) Compulsorily convertible preference shares

As per the guidance note on Schedule III, instruments which are entirely equity in nature such as compulsory convertible preference shares shall be presented as a separate line item on face of balance sheet under equity after 'equity share capital'. The compulsory convertible preference shares is considered as equity instrument rather than financial liability because the Company does not have contractual obligation to deliver cash or financial asset and the preference shares on expiry of the completion date is converted into a fixed number of its own equity instruments.

(c) Investment in equity instruments

Under the previous GAAP, investments in equity shares were classified as non-current investments or current investments based on the intended holding period and realisability. Non-current investments were carried at cost less provision for other than temporary decline in the value of such investments. Current investments were carried at lower of cost and fair value. Under Ind AS, these investments are required to be measured at fair value. The resulting fair value changes of these investments have been recognised in retained earnings as at the date of transition 1 April 2013 and subsequently in the statement of profit or loss for the year ended 31 March 2014, 31 March 2015, 31 March 2016 and 31 March 2017.

(d) Fair value of forward contracts
Under previous GAAP, premium / discount on forward exchange contracts, which are not intended for trading or speculation purposes, were amortised over the period of the contracts if such contracts relate to monetary items as at the balance sheet date. Under Ind AS, forward exchange contracts are derivative financial instruments which are measured at fair value. On the date of transition, the derivative instruments are classified as fair value through profit and loss. The net effect of these changes is in equity as on transition date and subsequently measured through statement of profit and loss.

(e) Excise duty
Under previous GAAP, revenue from sale of goods was presented net of the excise duty on sales. Under Ind AS, revenue from sale of goods is presented inclusive of excise duty. Excise duty is presented in the statement of profit and loss as an expense.

(f) Government grants
The Government grant related to property, plant and equipment was offset with the cost under previous GAAP. Under Ind AS the government grant related to property, plant and equipment is recognized as deferred income and is being amortized over the useful life of the asset in proportion in which the related depreciation expense is recognized.

(g) Loss allowance on trade receivables
Under previous GAAP, the Company has created loss allowance of receivables based on incurred loss model. Under Ind AS, the Company is required to apply expected credit loss model. As a result, on the date of transition, loss allowances on trade receivables have been recognised in retained earnings.

(h) Share based payments
Under the previous GAAP, the cost of equity-settled employee share-based plan were recognised using the intrinsic value method. Under Ind AS, the cost of equity settled share-based plan is recognised based on the fair value of the options as at the grant date. Accordingly, all the unvested options on the date of transition are measured at fair value.
The excess of stock compensation expense measured using fair value over the cost recognized under previous GAAP has been adjusted in 'Share Options Outstanding Account', with the corresponding impact taken to the retained earnings as on the transition date. The change does not affect total equity, but subsequently it will be measured through statement of profit and loss.

(i) Security deposit
Under the previous GAAP, interest free security deposits are recorded at their transaction value. Under Ind AS, all financial assets are required to be recognised at fair value. Accordingly, the Company has fair valued these security deposits under Ind AS. Difference between the fair value and transaction value of the security deposit has been recognised as prepayments for rent. The resulting fair value changes of these investments have been recognised in retained earnings as at the date of transition 1 April 2013 and subsequently in the statement of profit or loss for the years ended 31 March 2014, 31 March 2015, March 2016 and 31 March 2018.

(j) Deferred taxes
Indian GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12, Income taxes requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under Indian GAAP. In addition, the various transitional adjustments lead to temporary differences. According to the accounting policies, the Company has to account for deferred tax on such differences. Deferred tax adjustments are recognised in correlation to the underlying transaction either in retained earnings or a separate component of equity. Guidance note on Division II- Ind AS Schedule III to the Companies Act, 2013 requires Minimum alternate tax related credit to be classified as deferred tax.

(k) Other comprehensive income
Under Ind AS, all items of income and expense recognised in a period should be included in statement of profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit and loss as 'other comprehensive income' includes remeasurements of defined benefit plans. The concept of other comprehensive income did not exist under previous GAAP.

(l) Other equity
Adjustments to retained earnings and other comprehensive income has been made in accordance with Ind AS, for the above mentioned line items.

(m) Prior Period Items
In the audited financial statements for the years ended 31 March 2018 and 31 March 2014 the Company had accounted for tax for earlier years. Accordingly, in the preparation of the Restated Standalone financial information, the effect of the prior period items has been appropriately adjusted to the results of the respective year to which these items pertain to.

During financial year 2014-15, the Company had material prior period expenses recorded in the financials statements under the previous GAAP. These expenses primarily in the nature of employee benefit expenses including gratuity and compensated absences. These expenses have been considered in the respective year to which it originates and the amounts which pertains to period prior to 1 April 2013 have been adjusted to retained earnings.

(n) Bad debts recovered
During the year ended 31 March 2017, the Company has recovered bad debts written off in the earlier years. For the purpose of the Restated Standalone Financial Information, these amounts have been adjusted to the year to which this item pertains to.

(o) Reconciliation of total equity as per audited standalone financial statements with total equity as per restated standalone financial information as at 31 March 2016

The Proforma financial information of the Company as at and for the year ended March 31, 2016, 2015 and 2014, is prepared in accordance with requirements of SEBI Circular SEBI/HO/CFD/DIL/CIR/P/2016/4 dated March 31, 2016 ("SEBI Circular"). As envisaged by the SEBI Circular, the Company has followed the same accounting policy choices (both mandatory exceptions and optional exemptions availed as per Ind AS 101) as initially adopted on its Ind AS transition date (i.e. April 1, 2016) while preparing the proforma financial information for the FY 2015-16, 2014-2015 and 2013-2014 and accordingly suitable restatement adjustments in the accounting heads has been made in the proforma financial information. As specified in the Guidance Note, the equity balance computed under Proforma Ind AS financial statements for the year ended March 31, 2016 (i.e. equity under Indian GAAP as at April 1, 2015, 2014 and 2013 adjusted for impact of Ind AS 101 items and after considering profit or loss for the year ended March 31, 2016, 2015 and 2014 with adjusted impact due to Ind- AS principles applied on proforma basis) and equity balance computed in opening Ind AS Balance sheet as at transition date (i.e. April 1, 2016), prepared for filing under Companies Act, 2013, differs due to restatement adjustments made as at April 1, 2015, 2014 and 2013. Accordingly, the
closing equity balance as at March 31, 2016 of the Proforma Ind AS financial statements has not been carried forward to opening Ind AS Balance sheet as at transition date already adopted for reporting under Companies Act, 2013.

(p) From April 1, 2014, Schedule II of the Companies Act, 2013 has become applicable to the Company. Accordingly, the Company has revised the estimated useful life of its assets. The written down value of property, plant and equipments as at April 1, 2014 is being depreciated on prospective basis. These changes are considered as a change in the estimates and consequently no retrospective adjustments have been made.

(q) Material regroupings
Appropriate adjustments have been made in the restated standalone summary statements of assets and liabilities, restated standalone summary statement of profit and loss and restated standalone summary cash flows, wherever required, by a reclassification of the corresponding items of income, expenses, assets, liabilities and cash flows in order to bring them in line with the groupings as per the audited financials of the Company as at and for the year ended 31 March 2018, prepared in accordance with the Act, the Rules, the ICDR Regulations and the Guidance Note.

(r) Non-adjusting items:
Certain qualifications in the Auditor's report in the financial statements for the years ended 31 March 2014, 2015 which do not require any quantitative adjustment in the restated standalone financial information are as follows:

Gearock Forge Private Limited
FY : 2013 - 2014
1) The Company does have accumulated loss of ₹ 30.68 million as at the end of the year 31 March 2014 which exceeds its net worth therefore net worth of the Company is completely eroded. The Company has not incurred cash loss during the financial year covered by our audit and the immediately preceding financial year.

2) The Company has not accounted for provision for gratuity and compensated absences based on actuarial valuation as required under AS-15 on "Employee benefits".

Management comments:
1) The subsidiary Gearock Forge Private Limited is merged with the holding company Sansera Engineering Limited (erstwhile Sansera Engineering Private Limited) from 1 April 2017.
2) The Qualification has been removed in a subsequent financial year i.e. FY 2014-15, on resolution/conclusion of this issue.

FY : 2014 - 2015
The Company does have accumulated loss exceeding 50 % of its net worth and its net worth is completely eroded. The company has not incurred cash loss in the for this financial year or immediately preceding financial year.

Management comments:
The subsidiary Gearock Forge Private Limited is merged with holding company Sansera Engineering Limited (erstwhile Sansera Engineering Private Limited) with effect from 1 April 2017.

Sansera Engineering Limited (erstwhile Sansera Engineering Private Limited)
Annexure A - VIII

Restated statement of dividend paid **(Amount in ₹ millions)**

Particulars	**For the year ended 31 March**				
	2018	**2017**	**2016**	**2015**	**2014**
Number of fully paid equity shares	64,740	64,740	64,740	64,740	64,740
Equity share capital	6.47	6.47	6.47	6.47	6.47
Face value (₹)	100	100	100	100	100
Rate of dividend %	-	-	-	-	-
Dividend on equity share capital	-	-	-	-	-

Notes:
1. The Company has not paid any Dividend for the above years.
2. To be read together with summary of significant accounting policies in Annexure A-V, notes to the restated standalone financial information in Annexure A-VI and impact of adjustments to standalone audited financials in Annexure A-VII.

Sansera Engineering Limited (erstwhile Sansera Engineering Private Limited)
Annexure A - IX
Restated statement of secured and unsecured borrowings

Details of security, repayment terms and interest rate for long term and short term borrowings: **(Amount in ₹ millions)**

Terms of repayment	Nature of Security	Interest rate	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016 Proforma	As at 31 March 2015 Proforma	As at 31 March 2014 Proforma
1. Term loan from banks							
(i) Citi Bank							
-Repayable in 20 equal quarterly installments of ₹25.31 million per quarter starting from October 2015 and to be settled by July 2020.	Secured against all Property, plant and equipment of the company.	9.85% p.a.	253.09	356.40	456.57	-	-
-Repayable in 60 monthly installments of ₹2 million starting from June 2011 and to be settled by December 2016.	Secured against first pari passu charge on tangible assets.	11.25% p.a.	-	-	17.87	42.26	66.52
- FCNR Term loan repayable in 20 equal quarterly installments of ₹20.00 million per quarter starting from August 2017 and to be settled by July 2022.	Secured against all Property, plant and equipment of the company.	2% p.a.	368.16	-	-	-	-
(ii) State Bank of India							
-Repayable in 9 monthly installments of Rs 2.00 million per month, 3 monthly installments of Rs 4.00 million per month and 12 monthly installments of Rs 5.00 million per month starting from June 2012 and to be settled by May 2015.	Secured against first pari passu charge on tangible assets.	Base rate + 1.25% p.a.	-	-	-	10.14	70.82
Repayable in 36 monthly installments of Rs 3.33 million per month starting from September 2011 and to be settled by September 2014	Secured against first pari passu charge on tangible assets.	Base rate + 1.25% p.a.	-	-	-	-	19.48
Repayable in 66 monthly installments of Rs 4.55 million per month starting from October 2011 and to be settled by March 2015	Secured against first pari passu charge on tangible assets.	Base rate + 1.25% p.a.	-	-	-	-	164.38
(iii) HDFC Bank							
-Repayable in 20 equal quarterly installments of ₹12.50 million per quarter starting from April 2016 and to be settled by March 2021.	Secured against all Property, plant and equipment of the company.	9.50% p.a.	160.70	209.46	125.20	-	-
-Repayable in 20 equal quarterly installments of ₹12.50 million per quarter starting from June 2017 and to be settled by March 2022.	Secured against all Property, plant and equipment of the company.	8.20% p.a.	201.47	250.00	-	-	-
-Repayable in 20 equal quarterly installments of ₹21 million per quarter starting from February 2018 and to be settled by August 2023.	Secured against all Property, plant and equipment of the company.	8.20% p.a.	422.82	-	-	-	-
(iv) HSBC Bank							
-Repayable in 18 equal quarterly installments of ₹13.89 million per quarter starting from September 2017 and to be settled by November 2022.	Secured against all Property, plant and equipment of the company.	8.05% p.a.	250.00	-	-	-	-
-Repayable in 20 equal quarterly installments of ₹11.11 million per quarter starting from April 2017 and to be settled by April 2022.	Secured against all Property, plant and equipment of the company.	8.20% p.a.	197.22	-	-	-	-

Sansera Engineering Limited (erstwhile Sansera Engineering Private Limited)
Annexure A - IX
Restated statement of secured and unsecured borrowings

Details of security, repayment terms and interest rate for long term and short term borrowings: **(Amount in ₹ millions)**

Terms of repayment	**Nature of Security**	**Interest rate**	**As at 31 March 2018**	**As at 31 March 2017**	**As at 31 March 2016 Proforma**	**As at 31 March 2015 Proforma**	**As at 31 March 2014 Proforma**
2. Term loan from financial institutions							
Bajaj Finance Limited							
-Repayable in 60 equal monthly installments of ₹4.32 million starting from February 2014 and to be settled by January 2019.	Secured against first pari passu charge on tangible assets.	10.75% p.a.	39.41	86.04	127.07	163.87	196.66
-Repayable in 54 monthly installments of ₹9.47 million starting from October 2012 and to be settled by March 2017.	Secured against first pari passu charge on tangible assets.	10.75% p.a.	-	-	110.26	206.75	293.41
-Repayable in 60 equal monthly instalments of ₹3.33 million starting from August 2014 and to be settled by July 2019.	Secured against all Property, plant and equipment of the company.	11.25% p.a.	87.52	137.68	176.86	202.33	-
-Repayable in 60 equal monthly instalments of ₹2.57 million starting from September 2017 and to be settled by March 2022.	Secured against all Property, plant and equipment of the company.	9.70% p.a.	135.84	150.00	-	-	-
3. Cash Credit							
-Citi Bank	Secured against all Inventory and Receivables	10.5% p.a	49.75	12.44	-	0.53	164.03
-SBI Bank	Secured against all Inventory and Receivables	7.51% p.a	90.10	390.53	6.88	62.52	333.78
4. Working capital loan							
-HDFC Bank	Secured against all Inventory and Receivables	8.20% p.a	100.00	100.00		-	-
-SBI Bank	Secured against all Inventory and Receivables	8.00% p.a	200.00	-	-	-	-
-Citi Bank	Secured against all Inventory and Receivables	10.65% p.a	-	-	-	300.00	100.00
5. Foreign currency loan							
-Citi Bank	Secured against all Inventory and	1%	495.62	460.05	-	300.00	-
6. Packing credit							
-Citi Bank	Secured against all Inventory and Receivables	4.5%.	675.43	431.84	265.50	422.05	29.76
-SBI Bank	Secured against all Inventory and Receivables	7.51%	60.60	103.87	809.63	235.37	80.77
7. Bill discounting facility from banks							
-SBI Bank	Secured against all Inventory and Receivables	9.15%	411.18	324.75	507.45	225.08	331.91

Sansera Engineering Limited (erstwhile Sansera Engineering Private Limited)
Annexure A - IX
Restated statement of secured and unsecured borrowings

Details of security, repayment terms and interest rate for long term and short term borrowings: **(Amount in ₹ millions)**

Terms of repayment	**Nature of Security**	**Interest rate**	**As at 31 March 2018**	**As at 31 March 2017**	**As at 31 March 2016 Proforma**	**As at 31 March 2015 Proforma**	**As at 31 March 2014 Proforma**
8. Unsecured Loans repayable on Demand							
-HDFC Bank	Unsecured	8.20%	100.00	100.00	100.00	-	-
-Bajaj Finance	Unsecured	8.50%	451.23	200.81	151.07	151.40	152.14
9. Loans and advances from directors	Unsecured		-	-	-	-	6.30
10. Finance lease obligation	Hypothecation of plant and machinery taken on lease	18.00%	228.63	307.50	60.54	73.72	-
Total			**4,978.77**	**3,621.37**	**2,914.90**	**2,396.02**	**2,009.96**

Sansera Engineering Limited (erstwhile Sansera Engineering Private Limited)
Annexure A - X

Restated statement of other income **(Amount in ₹ millions)**

Particulars	For the year ended 31 March				
	2018	2017	2016	2015	2014
Other income, as restated	126.69	63.18	55.92	14.22	73.09
Net profit before tax	1,547.75	963.22	876.36	871.83	546.87
Percentage	**8%**	**7%**	**6%**	**2%**	**13%**

Notes:
As per Guidance note on reports in Company prospectus all cases where other income (net of related expenses) exceeds 20% of the net profit before tax, then details of such income is also required to be disclosed. As per above schedule other income does not exceed 20% of the net profit before tax, hence details of other income is not disclosed.

Sansera Engineering Limited (erstwhile Sansera Engineering Private Limited)
Annexure A - XI

Restated statement of accounting ratios **(Amount in ₹ millions except equity share, per equity share data and net asset value per share)**

S.No.	Particulars	As at/ for the year ended				
		31 March 2018	31 March 2017 Proforma	31 March 2016 Proforma	31 March 2015 Proforma	31 March 2014 Proforma
1	Restated profit attributable to equity holder	997.60	644.10	633.04	614.83	407.41
2	Weighted average number of basic equity shares outstanding during the year	64,740	64,740	64,740	64,740	64,740
3	Weighted average number of diluted equity shares outstanding during the year	72,483	72,483	72,483	70,866	70,866
4	Number of equity shares outstanding at the end of the year	64,740	64,740	64,740	64,740	64,740
5	Net worth for equity Shareholders	5,999.21	4,996.75	4,333.69	3,564.31	2,955.69
6	**Accounting Ratios:**					
	Earnings / (loss) per share (refer note no. 2 below)					
	Basic	15,409.33	9,949.03	9,778.19	9,496.91	6,293.02
	Diluted	13,763.23	8,886.22	8,733.63	8,675.95	5,749.02
	Return on Net worth for equity shareholders (1)/(5)	16.63%	12.89%	14.61%	17.25%	13.78%
	Net Asset Value Per share (₹) (5)/(4)	92,666	77,182	66,940	55,056	45,655

Note:

1. The above ratios are calculated as under:

a) Basic earnings per share = Net profit attributable to equity shareholders / weighted average number of shares outstanding during the period/ year.

b) Diluted earnings per share = Net profit attributable to equity shareholders / weighted average number of diluted potential shares outstanding during the period/ year. The number of equity shares used in computing diluted earnings per share comprises the weighted average shares considered for deriving basic earnings per share, and also the weighted average number of equity shares, which would have been issued on conversion of all potentially dilutive equity shares. Potential dilutive equity shares are deemed converted as of the beginning of the year, unless they have been issued at a later date. The potentially dilutive equity shares have been adjusted for the proceeds receivable had the shares been actually issued at a fair value (i.e. the average market value of the outstanding shares). In computing dilutive earnings per share, only potential equity shares that are dilutive and that reduces profit per share are included.

c) Return on net worth (%) = Net profit attributable to equity shareholders / net worth as at the end of period/ year.

d) Net asset value (Rs) = Net worth / number of equity shares as at the end of period/ year.

2. Earning per shares (EPS) calculation is in accordance with Indian Accounting Standard (Ind AS) 33 "Earnings per share" prescribed by the Companies (Indian Accounting Standards) Rules, 2015.

3.The above ratios have been computed on the basis of the Restated Standalone Summary Statements- Annexure A-I and Annexure A-II.

Sansera Engineering Limited (erstwhile Sansera Engineering Private Limited)

Annexure A - XI
Restated statement of accounting ratios (continued)

4. **Proforma accounting ratio disclosure**

Subsequent to 31 March 2018, the capital structure of the Group has changed due to the following transactions:-

i) Pursuant to the approval of the shareholders granted at its extraordinary general meeting held on 28 July 2018, the Company has sub-divided the equity shares in the ratio of 1:50. As on 28 July 2018, 64,740 shares were outstanding of Rs. 100 each, which on sub division, became 3,237,000 equity shares of Rs. 2 each.

ii) Further, as per the approval of the shareholders granted in above extraordinary general meeting the Company has issued bonus shares in the ratio of 2:27. Accordingly 43,699,500 equity shares were issued as bonus shares against 3,237,000 equity shares. Post bonus issue 46,936,500 equity shares are outstanding as of 28 July 2018.

The impact of the above post balance sheet adjustments to equity share capital on the accounting ratios has been provided below:

Computation of proforma equity shares:-

Particulars	**No. of equity shares**
Number of equity shares outstanding as on 31 March 2018	64,740
Equity shares issued as per note 4 (i) above - sub division of equity share in the ratio of 50 equity shares for every two equity share held	3,237,000
Add: Bonus shares issued in the ratio of twenty seven equity shares for every two equity share held as per note 4 (ii) above	43,699,500
Proforma basic number of equity shares outstanding after impacting the above post balance sheet adjustment	**46,936,500**
Add: Dilutive effect of ESOPs	1,172,325
Add: Dilutive effect of Compulsory Convertible Preference Shares (CCPS) Series: A	4,439,900
Add: Dilutive effect of Compulsory Convertible Preference Shares (CCPS) Series: B	1,450
Proforma diluted number of equity shares outstanding after impacting the above dilutive effect	**52,550,175**

Proforma statement of accounting ratios

Particulars	**As at 31 March 2018**	**As at 31 March 2017**	**As at 31 March 2016 Proforma**	**As at 31 March 2015 Proforma**	**As at 31 March 2014 Proforma**
Proforma Net asset value per share based on the equity shares outstanding, after impacting the post balance sheet adjustment	127.82	106.46	92.33	75.94	62.97
Proforma Basic earnings per share after impacting the post balance sheet adjustments	21.25	13.72	13.49	13.10	8.68
Proforma Diluted earnings per share after impacting the post balance sheet adjustment and dilutive effect of ESOPs and CCPS.	18.98	12.26	12.05	11.97	7.93

Annexure A - XII

Restated statement of capitalisation **(Amount in ₹ millions)**

Particulars	**Pre-issue as at 31 March 2018**
Long term borrowings	1,720.42
Short term borrowings	2,633.91
Current portion of secured long-term borrowings, included in other current liabilities	624.44
Total borrowings (A)	**4,978.77**
Equity share capital	111.47
Other equity	5,887.74
Total equity (B)	**5,999.21**
Total borrowings / equity (A/B)	**82.99%**

Note :

i) To be read together with summary of significant accounting policies in Annexure A-V, impact of adjustments to standalone audited financials in Annexure A-VII and notes to the restated standalone financial information in Annexure A-VI.

ii) The corresponding Post IPO capitalisation data in the above table is not determinable at this stage pending the completion of the Book Building Process and hence the same has not been provided in the above statement.

Sansera Engineering Limited (erstwhile Sansera Engineering Private Limited)
Annexure A - XIII

Restated statement of Tax Shelter **(Amount in ₹ millions)**

	Particulars	For the year ended				
		31 March 2018`	31 March 2017	31 March 2016 Proforma	31 March 2015 Proforma	31 March 2014 Proforma
A.	**Profit before tax as restated**	**1,547.75**	**963.22**	**876.36**	**871.83**	**546.87**
	Chargeable at normal rate	1,547.75	963.22	-	871.83	546.87
	Chargeable at MAT rate	-	-	876.36	-	-
B.	**Tax rates (including surcharge and education cess)**					
	Tax rate- Normal	34.61%	34.61%	34.61%	33.99%	32.40%
	Tax rate- under section 115JB	21.34%	21.34%	20.96%	20.96%	20.96%
C.	**Tax expense at normal tax rate**	535.68	333.37	303.31	296.34	177.19
D.	**Permanent differences**					
	Non-deductible expenses	13.58	7.14	3.03	0.62	1.39
	Tax exempt income	(2.28)	(37.01)	(179.57)	(122.83)	(86.76)
	Difference in rate considered for MAT and books	-	(11.50)	-	-	-
	Lower tax rate on sale of shares	-	-	-	-	(21.91)
	Others	12.86	(1.24)	(4.25)	(3.06)	(10.25)
	Total Tax impact of permanent differences	**24.16**	**(42.61)**	**(180.79)**	**(125.27)**	**(117.53)**
E.	**Timing Differences**					
	Excess of depreciation on fixed asset under Income Tax Act, 1961 over depreciation under Companies Act.	(327.45)	(236.64)	(283.44)	(107.12)	(45.15)
	Provision for employee benefits	12.51	(2.20)	27.42	13.74	2.72
	Finance lease	(49.96)	(36.26)	(11.10)	0.06	-
	On fair valuation of security deposit	0.20	0.14	0.20	0.06	0.09
	Brought forward losses	(111.50)	(8.75)	41.35	23.77	(2.99)
	Provision for doubtful debts	1.53	-	2.66	3.18	4.07
	Total timing differences	**(474.67)**	**(283.71)**	**(222.91)**	**(66.31)**	**(41.26)**
F.	**Net adjustments (D+E)**	(450.51)	(326.32)	(403.70)	(191.58)	(158.79)
G.	**Tax expenses/(saving) thereon at normal rates (F*B)**	(155.92)	(112.94)	(139.72)	(65.12)	(51.45)
H.	**Total tax liability at normal rates (C+G)**	379.76	220.43	163.59	231.22	125.74
	Deferred tax asset	-	-	-	-	-
	Minimum alternate tax					
	Book profit	1,547.75	963.22	876.36	871.83	546.87
	Adjustments under section 115JB of Income tax Act, 1961	-	-	115.97	-	-
I.	Adjusted book profits	1,547.75	963.22	992.33	871.83	546.87
J.	**MAT tax liability**	330.29	205.55	207.99	182.74	114.62
K.	**Current tax expenses being higher of (H or J)**	**379.76**	**220.43**	**207.99**	**231.22**	**125.74**
L.	**Deferred tax expenses**	164.28	98.19	77.15	22.54	13.37
M.	**Total tax expense (K+L)**	544.04	318.62	285.14	253.76	139.11

EXAMINATION REPORT ON RESTATED CONSOLIDATED FINANCIAL INFORMATION

To
The Board of Directors
Sansera Engineering Limited (erstwhile Sansera Engineering Private Limited)
No. 261/C, Bommasandra Industrial Area,
Bengaluru-560099

Dear Sirs,

1) We have examined the attached Restated Consolidated Financial Information (hereinafter defined) of Sansera Engineering Limited (erstwhile Sansera Engineering Private Limited) ("the Company"), and its subsidiaries (collectively referred to as "the Group"), as set out in Note 1 of Annexure A-V of the Restated Consolidated Financial information, which comprise of the Restated consolidated summary statement of assets and liabilities as at 31 March 2018, 31 March 2017, 31 March 2016, 31 March 2015 and 31 March 2014, the Restated consolidated summary statement of profit and loss, the Restated consolidated summary statement of changes in equity and the Restated consolidated summary statement of cash flows for each of the years ended 31 March 2018, 31 March 2017, 31 March 2016, 31 March 2015 and 31 March 2014 and the summary of significant accounting policies, read together with the annexures and notes thereto and other restated consolidated financial information explained in paragraph 8 below (collectively, together with the notes and annexures thereto, the "Restated Consolidated Financial Information"). The Restated Consolidated Financial Information have been approved by the Board of Directors of the Company vide its meeting dated 31 July 2018 and is prepared in terms of the requirements of:

   a. Section 26 of Part I of Chapter III of the Companies Act, 2013 (the "Act"), as amended; and

   b. the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended from time to time in pursuance of provisions of Securities and Exchange Board of India Act, 1992 ("ICDR Regulations"), read along with the SEBI circular No. SEBI/HO/CFD/DIL/CIR/P/2016/47 dated 31 March 2016 on clarification regarding applicability of Indian Accounting Standards to disclosures in offer documents under the ICDR Regulations issued by the Securities and Exchange Board of India.

2) The preparation of the Restated Consolidated Financial Information is the responsibility of the Management of the Company for the purpose as set out in paragraph 12 below. The Management's responsibility includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Consolidated Financial Information. The Management is also responsible for identifying and ensuring that the Company complies with the Act and ICDR Regulations.

3) We have examined such Restated Consolidated Financial Information taking into consideration:

   a. The terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter dated 9 May 2018 in connection with the proposed issue of Equity Shares of the Company; and

   b. The Guidance Note on Reports in Company's Prospectus (Revised 2016) issued by the Institute of Chartered Accountants of India ('ICAI') ('The Guidance Note')

4) The Restated Consolidated Financial Information have been compiled by the Management as follows:

   a. As at and for the years ended 31 March 2018 and 2017: From the audited consolidated financial statements as at and for the year ended 31 March 2018 (including corresponding figures as at and for the year ended 31 March 2017), prepared in accordance with Indian Accounting Standards (Ind AS) as prescribed under Section 133 of the Act, other relevant provisions of the Act, and other accounting principles generally accepted in India, which have been approved by the Board of Directors on 31 July 2018. The audited consolidated financial statements as at and for the year ended 31 March 2017, prepared in accordance with the Companies Accounting Standards Rules, 2006, other relevant provisions of the Act and other accounting principles generally accepted in India, have been approved by the Board of Directors at their meeting held on 15 September 2017. These consolidated financial statements have been translated into figures as per Ind AS to align accounting policies, exemptions and disclosures as adopted by the Group on its first time adoption of Ind AS as on 1 April 2016 ('transition date') and are disclosed as the comparative figures for the year ended 31 March 2018;

   b. As at and for the years ended 31 March 2016 and 31 March 2015: From the audited consolidated financial statements as at and for the years ended 31 March 2016 and 31 March 2015, prepared in accordance with the Companies (Accounting Standards) Rules, 2006, as amended, other relevant provisions of the Act and other accounting principles generally accepted in India, which have been approved by the Board of Directors on 19 September 2016 and 26 August 2015, respectively and which have been translated into figures as per Ind AS to align accounting policies, exemptions and disclosures as adopted by the Group on its first time adoption of Ind AS as on transition date and;

   c. As at and for the year ended 31 March 2014: From the audited consolidated financial statements as at and for the year ended 31 March 2014, prepared in accordance with Accounting Standards prescribed under Section 211 (3C) of the Companies Act, 1956 read with Companies (Accounting Standards) Rules, 2006 and relevant provisions of the Companies Act 2013 (to the extent notified), which have been approved by the Board of Directors on 2 September 2014 and which have been translated into figures as per Ind AS to align accounting policies, exemptions and disclosures as adopted by the Group on its first time adoption of Ind AS as on transition date.

   The Restated Consolidated Financial Information mentioned in the 4b and 4c above, as at and for the years ended 31 March 2016, 31 March 2015 and 31 March 2014 are referred to as "the Proforma Restated Consolidated Financial Information" as per the Guidance note.

5) The audit of consolidated financial statements as at and for the year ended 31 March 2014 was conducted by B S R and Associates, Chartered Accountants, one of the other member entities of B S R & Affiliates, a network of firms registered with the ICAI, and accordingly reliance has been placed on the consolidated financial information examined by them for the said year. The financial report included for this year is based solely on the report submitted by them.

   This auditor have confirmed that the restated consolidated financial information:

   (a) has been made after incorporating adjustments for the changes in accounting policies retrospectively in respective financial years to reflect the same accounting treatment as per changed accounting policy for all the reporting periods;

   (b) has been made after incorporating adjustments for the material amounts in the respective financial years to which they relate; and

   (c) do not contain any extra-ordinary items that need to be disclosed separately other than those presented in the Restated Consolidated Financial Information and do not contain any qualification requiring adjustments.

6) We did not audit the financial statements of certain subsidiaries for the financial years ended 31 March 2018, 31 March 2017, 31 March 2016, 31 March 2015 and 31 March 2014 whose share of total assets, total revenue and net cash flows included in the Consolidated Financial Information for the relevant years is tabulated below.

(Amounts in INR million)

Particulars	**31 March 2018**	**31 March 2017**	**31 March 2016**	**31 March 2015**	**31 March 2014**
Total Assets*	1,230.71	686.59	579.31	505.08	865.42
Total Revenue*	1,476.12	1,105.80	561.74	446.07	977.23
Net Cash Inflows*	15.15	23.01	0.93	(0.04)	25.64

   *Gross before giving consolidation adjustments

   These financial statements have been audited by other auditors, as set out in Appendix I, whose reports have been furnished to us and our opinion in so far as it relates to the amounts included in these Restated Consolidated Financial Information are based solely on the report of other auditors.

7) Based on our examination and in accordance with the requirements of Section 26 of Part I of Chapter III of the Act, as amended, the ICDR Regulations, the Guidance Note and terms of our engagement agreed with you, we report that:

   a. The Restated consolidated summary statement of assets and liabilities of the Group as at 31 March 2014 examined and reported upon by B S R and Associates, Chartered Accountants on which reliance has been placed by us, and as at 31 March 2018, 31 March 2017, 31 March 2016 and 31 March 2015 examined by us, as set out in Annexure A-I to the Restated Consolidated Financial Information, have been arrived at after making adjustments and regroupings/reclassifications as in our opinion, were appropriate and more fully described in the notes appearing in Annexure A-VII to the Restated Consolidated Financial Information.

b. The Restated consolidated summary statement of profit and loss of the Group, including for the year ended 31 March 2014 examined and reported upon by B S R and Associates, Chartered Accountants on which reliance has been placed by us, and for the years ended 31 March 2018, 31 March 2017, 31 March 2016 and 31 March 2015 examined by us, as set out in Annexure A-II to the Restated Consolidated Financial Information have been arrived at after making adjustments and regroupings/reclassifications as in our opinion, were appropriate and more fully described in the notes appearing in Annexure A-VII to the Restated Consolidated Financial Information.

c. The Restated consolidated summary statement of changes in equity of the Group, including for the year ended 31 March 2014 examined and reported upon by B S R and Associates, Chartered Accountants on which reliance has been placed by us, and for the years ended 31 March 2018, 31 March 2017, 31 March 2016 and 31 March 2015 examined by us, as set out in Annexure A-III to the Restated Consolidated Financial Information have been arrived at after making adjustments and regroupings/reclassifications as in our opinion, were appropriate and more fully described in the notes appearing in Annexure A-VII to the Restated Consolidated Financial Information.

d. The Restated consolidated summary statement of cash flows of the Group, including for the year ended 31 March 2014 examined and reported upon by B S R and Associates, Chartered Accountants on which reliance has been placed by us, and for each of the years ended 31 March 2018, 31 March 2017, 31 March 2016 and31 March 2015 examined by us, as set out in Annexure A-IV to the Restated Consolidated Financial Information have been arrived at after making adjustments and regroupings/reclassifications as in our opinion were appropriate and more fully described in the notes appearing in Annexure A-VII to the Restated Consolidated Financial Information.

e. Based on the above and according to the information and explanations given to us, and also as per the reliance placed on the report submitted by B S R and Associates, Chartered Accountants, we further report that the Restated Consolidated Financial Information:

    i. have been made after incorporating adjustments for the changes in accounting policies retrospectively in respective financial years to reflect the same accounting treatment as per changed accounting policy for all the reporting periods;

    ii. have been made after incorporating adjustments for the material amounts in the respective financial years to which they relate; and

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

8) We have also examined the following Restated Consolidated Financial Information of the Group as set out in the Annexures prepared by the management and approved by the Board of Directors on 31 July 2018 for each of the years ended 31 March 2018, 31 March 2017, 31 March 2016 and 31 March 2015. In respect of the year ended 31 March 2014 this information have been included based upon the report submitted by B S R and Associates, Chartered Accountants and relied upon by us:

   i. Note 1 and Note 2 of Annexure A-V - Basis of preparation and Significant accounting policies;

   ii. Annexure A-VI - Notes to the restated consolidated financial information;

   iii. Note 10 of Annexure A-VI – Restated statement of Current investments;

   iv. Note 11 of Annexure A-VI – Restated statement of Trade receivables;

   v. Note 39 of Annexure A-VI – Restated statement of Related parties disclosure and related party transactions;

   vi. Annexure A-VII - Statement of Adjustments to Audited Consolidated Financial Statements;

   vii. Annexure A-VII - Statement of reconciliation between previous GAAP and Ind AS;

   viii. Annexure A-VIII – Restated statement of dividend paid;

   ix. Annexure A-IX – Restated statement of secured and unsecured borrowings;

   x. Note 28 of Annexure A-VI and Annexure A-X – Restated statement of other income;

   xi. Annexure A-XI- -Restated statement of accounting ratios; and

   xii. Annexure A-XII – Restated statement of capitalisation

9) According to the information and explanations given to us, and also as per the reliance placed on the report submitted by B S R and Associates, Chartered Accountants, in our opinion, the Restated Consolidated Financial Information and the above restated consolidated financial information contained in Annexures A-I to A-XII, read with summary of significant accounting policies disclosed in Annexure A-V, are prepared after making adjustments and regroupings as considered appropriate as disclosed in Annexure A-VII and have been prepared in accordance with Section 26 of Part I of Chapter III of the Act, ICDR Regulations and the Guidance Note.

   According to the information and explanations given to us, and also as per the reliance placed on the report submitted by B S R and Associates, Chartered Accountants, in our opinion, the Proforma Financial Information of the Group as at and for the years ended 31 March 2016, 31 March 2015 and 31 March 2014, read with summary of significant accounting policies disclosed in Annexure A-V, are prepared after making proforma adjustments and regroupings as considered appropriate as disclosed in Annexure A-VII and have been prepared in accordance with Section 26 of Part I of Chapter III of the Act, ICDR Regulations and the Guidance Note.

10) This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by us or by B S R and Associates, Chartered Accountants or by other auditors as mentioned in Appendix I, nor should this report be construed as a new opinion on any of the consolidated financial statements referred to herein.

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

12) Our report is intended solely for use of the management for inclusion in the Offering Memorandum to be filed with the Securities and Exchange Board of India, stock exchanges where the equity shares are proposed to be listed and the relevant Registrar of Companies in India in connection with the proposed issue of equity shares of the Company. Our report should not be used, referred to or distributed for any other purpose except with our prior consent in writing.

for **B S R & Associates LLP**
Chartered Accountants
Firm's Registration No.: 116231W/W-100024

Aravind Maiya
Partner
Membership number: 217433

Place: Bengaluru
Date: 31 July 2018

Appendix I - The restated consolidated financial information have been prepared by the Company's Management from the audited financial statements as at and for the years ended 31 March 2018, 31 March 2017, 31 March 2016, 31 March 2015 and 31 March 2014 of the Company along with its subsidiaries which were audited by other auditors as follows:

Name of Subsidiaries	Financial Year	Name of the auditor	Auditor reports' date
Gearock Forge Private Limited	2013-14	Abram, Mathews & Master	10 June 2014
	2014-15	Abram, Mathews & Master	24 June 2015
	2015-16	Abram, Mathews & Master	17 August 2016
	2016-17	Abram, Mathews & Master	30 August 2017
Fitwel Tools and Forgings Private Limited	2013-14	S.R.R.K Sharma Associates	4 July 2014
Sansera Engineering Pvt. Ltd, Mauritius	2017-18	Grant Thornton	8 May 2018
Sansera Sweden AB	2017-18	Ernst & Young	31 May 2018

Sansera Engineering Limited (erstwhile Sansera Engineering Private Limited)
Annexure A - I
Restated consolidated summary statement of assets and liabilities

(Amount in ₹ millions)

Particulars	Note No. of Annexure A - VI	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016 Proforma	As at 31 March 2015 Proforma	As at 31 March 2014 Proforma
ASSETS						
Non-current assets						
Property, plant and equipment	1	6,541.55	5,776.75	4,378.58	3,281.08	2,970.30
Capital work-in-progress	2	940.44	328.56	336.74	457.10	181.28
Other intangible assets	3	39.36	1.92	5.05	7.70	7.24
Goodwill	4	342.96	146.72	146.72	146.72	110.48
Financial assets						
(i) Loans	5	256.69	119.87	81.67	40.72	42.83
(ii) Other financial assets	6	1.10	5.37	1.10	-	-
Income tax assets, net	7 (a)	69.15	112.37	115.19	108.83	41.85
Other non-current assets	8	178.19	117.87	171.54	121.86	73.16
Total non-current assets		**8,369.44**	**6,609.43**	**5,236.59**	**4,164.01**	**3,427.14**
Current assets						
Inventories	9	2,080.90	1,441.53	1,312.27	1,351.62	1,151.15
Financial assets						
(i) Current investments	10	7.09	4.81	2.97	2.96	1.58
(ii) Trade receivables	11	2,630.71	2,083.58	1,685.39	1,475.95	1,287.48
(iii) Cash and cash equivalents	12	343.37	106.16	371.89	46.61	73.33
(iv) Bank balances other than cash and cash equivalents	13	80.20	72.57	71.53	66.58	92.03
(v) Other financial assets	14	225.93	159.94	95.56	44.16	26.40
Other current assets	15	513.71	560.02	438.02	304.68	209.91
Assets classified as held for sale		-	5.01	-	-	-
Total current assets		**5,881.91**	**4,433.62**	**3,977.63**	**3,292.56**	**2,841.88**
Total assets		**14,251.35**	**11,043.05**	**9,214.22**	**7,456.57**	**6,269.02**
EQUITY AND LIABILITIES						
Equity						
Equity share capital	16 (a)	6.47	6.47	6.47	6.47	6.47
Instruments entirely equity in nature	16 (b)	105.00	105.00	105.00	105.00	105.00
Other equity	17	5,830.72	4,969.75	4,308.53	3,535.32	2,908.50
		5,942.19	5,081.22	4,420.00	3,646.79	3,019.97
Total equity attributable to owners of Sansera Engineering Limited						
Non-controlling Interest		67.99	52.33	54.42	52.20	78.94
Total equity		**6,010.18**	**5,133.55**	**4,474.42**	**3,698.99**	**3,098.91**
Liabilities						
Non-Current Liabilities						
Financial liabilities						
(i) Non-current borrowings	18	1,824.50	1,172.94	786.35	531.65	562.78
Non-current provisions	19	59.55	38.43	46.51	31.43	23.96
Deferred tax liabilities (net)	20	537.47	332.44	220.70	185.91	153.56
Other non-current liabilities	21	242.80	231.42	115.16	92.12	73.80
Total non-current liabilities		**2,664.32**	**1,775.23**	**1,168.72**	**841.11**	**814.10**
Current liabilities						
Financial Liabilities						
(i) Current borrowings	22	2,894.28	2,338.33	2,002.93	1,861.65	1,290.48
(ii) Trade payables	23	1,382.33	891.46	836.24	509.25	524.98
(iii) Other current financial liabilities	24	1,165.12	726.79	644.88	453.42	482.19
Income tax liabilities, net	7 (b)	4.28	51.84	-	2.90	29.30
Other current liabilities	25	91.00	83.21	51.87	65.87	17.62
Current provisions	26	39.84	42.64	35.16	23.38	11.44
Total current liabilities		**5,576.85**	**4,134.27**	**3,571.08**	**2,916.47**	**2,356.01**
Total equity and liabilities		**14,251.35**	**11,043.05**	**9,214.22**	**7,456.57**	**6,269.02**

The above statement should be read with the basis of preparation and significant accounting policies appearing in Annexure A-V, notes to the restated consolidated financial information appearing in Annexure A-VI and statement of adjustments to audited consolidated financial statements appearing in Annexure A-VII.

As per our report of even date attached

for **B S R & Associates LLP**
Chartered Accountants
Firm registration number : 116231W/W-100024

Aravind Maiya
Partner
Membership No. 217433

Place: Bengaluru
Date: 31 July 2018

for **Sansera Engineering Limited (erstwhile Sansera Engineering Private Limited)**
CIN: U34103KA1981PTC004542

S Sekhar Vasan
Managing Director
DIN: 00361245

Unni Rajagopal K
Director
DIN: 00229915

S Ramakrishnan
Chief Financial Officer

Sourabh Kumar
Company Secretary

Place: Bengaluru
Date: 31 July 2018

Sansera Engineering Limited (erstwhile Sansera Engineering Private Limited)
Annexure A - II
Restated consolidated statement of profit and loss

(Amount in ₹ millions)

Particulars	Notes	For the year ended 31 March 2018	For the year ended 31 March 2017	For the year ended 31 March 2016 Proforma	For the year ended 31 March 2015 Proforma	For the year ended 31 March 2014 Proforma
Revenue						
Revenue from operations	27	13,840.22	10,971.86	9,715.71	8,709.11	6,906.04
Other income	28	129.36	64.71	56.74	15.22	68.75
Total income		**13,969.58**	**11,036.57**	**9,772.45**	**8,724.33**	**6,974.79**
Expenses						
Cost of material consumed	29	6,080.77	4,408.94	3,773.90	3,516.30	2,783.75
Changes in inventory of finished goods and work in progress	30	(235.25)	(124.07)	(27.29)	(71.24)	(105.21)
Excise duty	51	258.96	787.78	705.18	569.14	493.50
Conversion charges		355.23	258.59	251.48	211.85	171.04
Consumption of stores and spares		1,096.19	1,008.27	913.33	769.93	613.35
Power and fuel		718.51	546.92	489.95	422.22	362.44
Employee benefit expenses	31	2,471.99	1,915.74	1,728.20	1,319.13	1,058.03
Finance costs	32	440.03	329.43	321.70	226.97	295.56
Depreciation and amortisation expense	33	607.73	467.03	370.35	337.30	360.21
Other expenses	34	600.41	481.47	361.48	515.59	346.77
Total expenses		**12,394.57**	**10,080.10**	**8,888.28**	**7,817.19**	**6,379.44**
Profit before tax and exceptional items		**1,575.01**	**956.47**	**884.17**	**907.14**	**595.35**
Exceptional items	35	122.07	-	-	-	16.06
Profit before tax		**1,452.94**	**956.47**	**884.17**	**907.14**	**579.29**
Tax expenses:						
Current tax/ Minimum Alternate Tax (MAT)	38	400.91	220.43	211.76	241.30	142.88
Deferred tax	38	183.54	98.00	79.43	24.49	13.83
MAT entitlement credit		-	-	(44.40)	-	-
Total tax expenses		**584.45**	**318.43**	**246.79**	**265.79**	**156.71**
Profit for the year		**868.49**	**638.04**	**637.38**	**641.35**	**422.58**
Other comprehensive income/(expense)						
Items that will not to be reclassified to profit or loss						
Re-measurement of the net defined benefit liability/asset		(18.97)	1.82	(4.83)	(9.31)	(0.32)
Income tax relating to items that will not be reclassed to profit and loss		6.57	(0.63)	1.67	3.23	0.12
Net other comprehensive income not to be reclassified subsequently to profit or loss		**(12.40)**	**1.19**	**(3.16)**	**(6.08)**	**(0.20)**
Items that will be reclassified subsequently to profit or loss						
Exchange differences in translating financial statements of foreign operations		11.37	-	-	-	-
Net other comprehensive income to be reclassified subsequently to profit or loss		**11.37**	**-**	**-**	**-**	**-**
Other comprehensive income for the year, net of income tax		**(1.03)**	**1.19**	**(3.16)**	**(6.08)**	**(0.20)**
Total comprehensive income for the year		**867.46**	**639.23**	**634.22**	**635.27**	**422.38**
Profit attributable to :						
Owners of the Company		852.57	640.77	635.67	632.91	412.90
Non-controlling interests		15.92	(2.73)	1.71	8.44	9.68
Profit for the year		**868.49**	**638.04**	**637.38**	**641.35**	**422.58**
Other comprehensive income attributable to:						
Owners of the Company		(0.77)	0.55	(3.67)	(6.09)	(0.42)
Non-controlling interests		(0.26)	0.64	0.51	0.01	0.22
Other comprehensive income for the year		**(1.03)**	**1.19**	**(3.16)**	**(6.08)**	**(0.20)**
Total comprehensive income attributable to:						
Owners of the Company		851.80	641.32	632.00	626.82	412.48
Non-controlling interests		15.66	(2.09)	2.22	8.45	9.90
Total comprehensive income for the year		**867.46**	**639.23**	**634.22**	**635.27**	**422.38**
Earnings per equity share (face value of ₹ 100 each)						
Basic (in ₹)	36	13,169.14	9,897.59	9,818.81	9,776.18	6,377.82
Diluted (in ₹)	36	11,762.34	8,840.28	8,769.92	8,931.08	5,826.49

The above statement should be read with the basis of preparation and significant accounting policies appearing in Annexure A-V, notes to the restated consolidated financial information appearing in Annexure A-VI and statement of adjustments to audited consolidated financial statements appearing in Annexure A-VII.

As per our report of even date attached

for **B S R & Associates LLP**
Chartered Accountants
Firm registration number : 116231W/W-100024

Aravind Maiya
Partner
Membership No. 217433

Place: Bengaluru
Date: 31 July 2018

for **Sansera Engineering Limited (erstwhile Sansera Engineering Private Limited)**
CIN: U34103KA1981PTC004542

S Sekhar Vasan
Managing Director
DIN: 00361245

Unni Rajagopal K
Director
DIN: 00229915

S Ramakrishnan
Chief Financial Officer

Sourabh Kumar
Company Secretary

Place: Bengaluru
Date: 31 July 2018

Sansera Engineering Limited (erstwhile Sansera Engineering Private Limited)
Annexure A - III
Restated consolidated summary statement of changes in equity

A. Equity share capital (Amount in ₹ millions)

Equity shares	No. of shares	Amount
Equity shares of ₹100 each issued, subscribed and fully paid up	64,740	6.47
Balance as at 1 April 2013 (Proforma)	**64,740**	**6.47**
Issue of share capital	-	-
Balance as at 31 March 2014 (Proforma)	**64,740**	**6.47**
Issue of share capital	-	-
Balance as at 31 March 2015 (Proforma)	**64,740**	**6.47**
Issue of share capital	-	-
Balance as at 31 March 2016 (Proforma)	**64,740**	**6.47**
Issue of share capital	-	-
Balance as at 31 March 2017	**64,740**	**6.47**
Issue of share capital	-	-
Balance as at 31 March 2018	**64,740**	**6.47**

B. Instruments entirely equity in nature

Compulsorily Convertible Preference Share	No. of shares	Amount
A Series, 0.0001% compulsory convertible preference shares of ₹100 each	300,000	30.00
B Series, 0.0001% compulsory convertible preference shares of ₹100 each	750,000	75.00
Balance as at 1 April 2013 (Proforma)	**1,050,000**	**105.00**
Issue of preference share	-	-
Balance as at 31 March 2014 (Proforma)	**1,050,000**	**105.00**
Issue of preference share	-	-
Balance as at 31 March 2015 (Proforma)	**1,050,000**	**105.00**
Issue of preference share	-	-
Balance as at 31 March 2016 (Proforma)	**1,050,000**	**105.00**
Issue of preference share	-	-
Balance as at 31 March 2017	**1,050,000**	**105.00**
Issue of preference share	-	-
Balance as at 31 March 2018	**1,050,000**	**105.00**

Sansera Engineering Limited (erstwhile Sansera Engineering Private Limited)
Annexure A - III
Restated consolidated summary statement of changes in equity

C. Other equity

Particulars	Reserves and Surplus					Employee stock option outstanding account	Other comprehensive income		Total attributable to owners of the Company	Attributable to NCI	Total
	Capital Reserve	Securities Premium	General reserve	Capital redemption reserve	Retained earnings		Foreign currency translation reserve	Remeasuremets of Acturial gain and losses			
Balance as at 1 April 2013 (Proforma)	**8.17**	**446.76**	**135.48**	**0.55**	**1,135.06**	**-**	**-**	**-**	**1,726.02**	**159.76**	**1,885.78**
Profit /(loss) for the year	-	-	-	-	412.90	-	-	-	412.90	9.68	422.58
Securities premium on issue of shares during the year	-	770.00	-	-	-	-	-	-	770.00	-	770.00
Remeasurement of the net defined benefit liability/asset	-	-	-	-	-	-	-	(0.42)	(0.42)	0.22	(0.20)
Transfer to retained earnings	-	-	-	-	(0.42)	-	-	0.42	-	-	-
Others	-	-	-	-	-	-	-	-	-	(90.72)	(90.72)
Balance as at 31 March 2014 (Proforma)	**8.17**	**1,216.76**	**135.48**	**0.55**	**1,547.54**	**-**	**-**	**-**	**2,908.50**	**78.94**	**2,987.44**
Profit /(loss) for the year	-	-	-	-	632.91	-	-	-	632.91	8.44	641.35
Remeasurement of the net defined benefit liability/asset	-	-	-	-	-	-	-	(6.09)	(6.09)	0.01	(6.08)
Transfer to retained earnings	-	-	-	-	(6.09)	-	-	6.09	-	-	-
Others	-	-	-	-	-	-	-	-	-	(35.19)	(35.19)
Balance as at 31 March 2015 (Proforma)	**8.17**	**1,216.76**	**135.48**	**0.55**	**2,174.36**	**-**	**-**	**-**	**3,535.32**	**52.20**	**3,587.52**
Profit /(loss) for the year	-	-	-	-	635.67	-	-	-	635.67	1.71	637.38
Remeasurement of the net defined benefit liability/asset	-	-	-	-	-	-	-	(3.67)	(3.67)	0.51	(3.16)
Transfer to retained earnings	-	-	-	-	(3.67)	-	-	3.67	-	-	-
Compensation expense for options granted during the year	-	-	-	-	-	141.21	-	-	141.21	-	141.21
Balance as at 31 March 2016 (Proforma)	**8.17**	**1,216.76**	**135.48**	**0.55**	**2,806.36**	**141.21**	**-**	**-**	**4,308.53**	**54.42**	**4,362.95**
Profit /(loss) for the year	-	-	-	-	640.77	-	-	-	640.77	(2.73)	638.04
Remeasurement of the net defined benefit liability/asset	-	-	-	-	-	-	-	0.55	0.55	0.64	1.19
Transfer to retained earnings	-	-	-	-	0.55	-	-	(0.55)	-	-	-
Compensation expense for options granted during the year	-	-	-	-	-	19.90	-	-	19.90	-	19.90
Balance as at 31 March 2017	**8.17**	**1,216.76**	**135.48**	**0.55**	**3,447.68**	**161.11**	**-**	**-**	**4,969.75**	**52.33**	**5,022.08**

Sansera Engineering Limited (erstwhile Sansera Engineering Private Limited)
Annexure A - III
Restated consolidated summary statement of changes in equity

Particulars	Reserves and Surplus					Employee stock option outstanding account	Other comprehensive income		Total attributable to owners of the Company	Attributable to NCI	Total
	Capital Reserve	Securities Premium	General reserve	Capital redemption reserve	Retained earnings		Foreign currency translation reserve	Remeasuremets of Acturial gain and losses			
Balance as at 31 March 2017	**8.17**	**1,216.76**	**135.48**	**0.55**	**3,447.68**	**161.11**	**-**	**-**	**4,969.75**	**52.33**	**5,022.08**
Profit /(loss) for the year	-	-	-	-	852.57	-	-	-	852.57	15.92	868.49
Remeasurement of the net defined benefit liability/asset	-	-	-	-	-	-	-	(12.14)	(12.14)	(0.26)	(12.40)
Transfer to retained earnings	-	-	-	-	(12.14)	-	-	12.14	-	-	-
Accumulated losses of Sansera Engineering Pvt Ltd. Mauritius	-	-	-	-	(7.25)	-	-	-	(7.25)	-	(7.25)
Exchange differences on translation of foreign operations	-	-	-	-	-	-	11.37	-	11.37	-	11.37
Compensation expense for options granted during the year	-	-	-	-	-	16.42	-	-	16.42	-	16.42
Balance as at 31 March 2018	**8.17**	**1,216.76**	**135.48**	**0.55**	**4,280.86**	**177.53**	**11.37**	**-**	**5,830.72**	**67.99**	**5,898.71**

The above statement should be read with the basis of preparation and significant accounting policies appearing in Annexure A-V, notes to the restated financial information appearing in Annexure A-VI and statement of adjustments to audited consolidated financial statement appearing in Annexure A-VII.

As per our report of even date attached

for **B S R & Associates LLP**
Chartered Accountants
Firm registration number : 116231W/W-100024

Aravind Maiya
Partner
Membership No. 217433

Place: Bengaluru
Date: 31 July 2018

for **Sansera Engineering Limited (erstwhile Sansera Engineering Private Limited)**
CIN: U34103KA1981PTC004542

S Sekhar Vasan
Managing Director
DIN: 00361245

Unni Rajagopal K
Director
DIN: 00229915

S. Ramakrishnan
Chief Financial Officer

Sourabh Kumar
Company Secretary

Place: Bengaluru
Date:

Sansera Engineering Limited (erstwhile Sansera Engineering Private Limited)
Annexure A - IV
Restated consolidated summary statement of cash flows

(Amount in ₹ millions)

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017	For the year ended 31 March 2016 Proforma	For the year ended 31 March 2015 Proforma	For the year ended 31 March 2014 Proforma
Cash flows from operating activities					
Profit before tax	1,452.94	956.47	884.17	907.14	579.29
Adjustments to reconcile profit before tax to net cash flows:					
Depreciation and amortisation expense	607.73	467.03	370.35	337.30	360.21
(Profit)/ Loss on sale of property, plant and equipments, net	(16.46)	(0.35)	(1.49)	3.12	0.99
Interest income	(6.89)	(6.83)	(11.63)	(6.98)	(32.87)
Employee stock compensation expense	16.42	19.90	141.21	-	-
Unrealised foreign exchange gain, net	(0.93)	10.13	(7.99)	24.31	10.85
Dividend income	(0.06)	(0.03)	(0.02)	(0.01)	(0.01)
Income from government grants	(21.30)	(12.54)	(8.84)	(6.56)	(4.66)
Loss allowance on trade receivables	1.57	1.43	2.33	2.45	4.07
Fair value gain on financial instruments at fair value through statement of profit and loss	(2.28)	(1.84)	(0.01)	(1.38)	(0.56)
Share issue expenses	-	-	-	-	89.01
(Profit)/ loss on sale of Joint venture	-	-	-	-	(72.95)
Finance cost	440.03	329.43	321.70	226.97	295.56
Operating cash flows before working capital changes	**2,470.77**	**1,762.80**	**1,689.78**	**1,486.36**	**1,228.93**
Working capital adjustments:					
Changes in inventory	(480.33)	(129.26)	39.35	(200.47)	(258.18)
Changes in trade receivables	(437.09)	(415.83)	(200.95)	(207.57)	(288.94)
Changes in other current and non-current assets and current financial assets	(142.90)	(228.37)	(216.62)	(123.40)	(29.42)
Changes in trade payables and financial liabilities	384.23	76.22	357.19	13.75	(1.37)
Changes in other liabilities and provisions	(43.15)	12.92	15.77	50.22	8.80
Cash generated from operations	**1,751.53**	**1,078.48**	**1,684.52**	**1,018.89**	**659.82**
Income taxes paid, net	(377.19)	(152.66)	(219.59)	(323.59)	(127.45)
Net cash generated from operating activities (A)	**1,374.34**	**925.82**	**1,464.93**	**695.30**	**532.37**

Sansera Engineering Limited (erstwhile Sansera Engineering Private Limited)
Annexure A - IV
Restated consolidated summary statement of cash flows

(Amount in ₹ millions)

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017	For the year ended 31 March 2016 Proforma	For the year ended 31 March 2015 Proforma	For the year ended 31 March 2014 Proforma
Cash flows from investing activities					
Purchase of property, plant and equipments	(1,845.75)	(1,639.49)	(1,369.89)	(926.63)	(716.22)
Purchase of intangible assets	(42.82)	-	(1.98)	(5.66)	-
Proceeds from sale of property, plant and equipments	27.88	0.86	11.58	7.42	93.87
(Investment)/ proceeds from sale of subsidiary	(7.25)	-	-	(71.43)	(17.77)
Payment for acquisition of business	(210.15)	-	-	-	-
Interest received	6.89	6.83	11.63	6.98	32.87
Dividend income	0.06	0.03	0.02	0.01	0.01
Movement in other bank balances, net	(7.63)	(1.04)	(4.95)	25.45	(39.28)
Net cash used in investing activities (B)	**(2,078.77)**	**(1,632.81)**	**(1,353.59)**	**(963.86)**	**(646.52)**
Cash flow from financing activities					
Proceeds/(repayment) of long-term borrowings:					
Proceeds	1,324.19	886.24	688.26	387.11	315.97
Repayment	(461.10)	(451.36)	(298.15)	(480.64)	(569.71)
Proceeds/(repayment) of short-term borrowings:					
Proceeds	30,962.64	40,160.38	5,428.21	19,664.70	17,509.46
Repayment	(30,406.69)	(39,824.98)	(5,286.93)	(19,093.53)	(17,591.41)
Issue of preference share capital, net of issue expenses	-	-	-	-	785.99
Finance cost	(440.03)	(329.43)	(321.70)	(226.97)	(295.56)
Net cash flow from financing activities (C)	**979.01**	**440.85**	**209.69**	**250.67**	**154.74**
Cash and cash equivalents at the beginning of the year	106.16	371.89	46.61	73.33	36.66
Cash acquired on acquisition of business	10.34	-	-	-	-
Effect of exchange differences on translation of foreign currency cash and cash equivalents	(47.71)	0.41	4.25	(8.83)	(3.92)
Net increase / (decrease) in cash and cash equivalents (A+B+C)	274.58	(266.14)	321.03	(17.89)	40.59
Cash and cash equivalents at the end of the year (refer below)	**343.37**	**106.16**	**371.89**	**46.61**	**73.33**

For the purpose of statement of cash flows, cash and cash equivalents comprise the following:

Cash on hand	1.16	0.71	2.01	2.84	2.35
Balances with banks					
- on current accounts	342.21	105.45	369.88	43.77	70.98
Total cash and cash equivalents (refer note 12 of Annexure A-VI)	**343.37**	**106.16**	**371.89**	**46.61**	**73.33**

Sansera Engineering Limited (erstwhile Sansera Engineering Private Limited)
Annexure A - IV
Restated consolidated summary statement of cash flows

1. The above cash flow statement has been prepared under the indirect method as set out in Indian Accounting standard 7 Statement of Cash Flows notified u/s 133 of Companies Act, 2013 ('Act') read with Rule 4 of the Companies (Indian Accounting Standards) Rules 2015 and the relevant provisions of the Act.

2. Figures in bracket indicate cash outflow.

3. For disclosure about changes in liabilities arising from financing activities refer note 49 of Annexure A-VI

The above statement should be read with the basis of preparation and significant accounting policies appearing in Annexure A-V, notes to the restated financial information appearing in Annexure A-VI and statement of adjustments to audited consolidated financial statements appearing in Annexure A-VII.

As per our report of even date attached
for **B S R & Associates LLP**
Chartered Accountants
Firm registration number : 116231W/W-100024

Aravind Maiya
Partner
Membership No. 217433

Place: Bengaluru
Date: 31 July 2018

for **Sansera Engineering Limited (erstwhile Sansera Engineering Private Limited)**
CIN: U34103KA1981PTC004542

S Sekhar Vasan
Managing Director
DIN: 00361245

Unni Rajagopal K
Director
DIN: 00229915

S Ramakrishnan
Chief Financial Officer

Sourabh Kumar
Company Secretary

Place: Bengaluru
Date: 31 July 2018

Group Overview

Sansera Engineering Limited (erstwhile Sansera Engineering Private Limited) ("the Company") along with its subsidiaries Fitwel Tools and Forgings Private Limited, Sansera Sweden AB and Sansera Engineering Pvt. Ltd. Mauritius (together referred to as "Group") was incorporated on 15 December 1981 under the provisions of the Companies Act, 1956 with its registered office in Bangalore, Karnataka. The Group is involved in the business of manufacture of auto components such as rocker arms, connecting rods, gear shifters, crank shafts, and aerospace components. It is also involved in providing services such as forging and other related services.

1. Basis of preparation

a. Statement of compliance

The restated consolidated financial information relates to the Group and have been specifically prepared for inclusion in the document to be filed by the Company with the Securities and Exchange Board of India ("SEBI"), Registrar of Companies ("RoC") and Stock Exchanges in connection with the proposed Initial Public Offering ('IPO') of equity shares of the Company (referred to as the "Issue"). The restated consolidated financial information comprise of the restated consolidated summary statement of assets and liabilities as at 31 March 2018, 31 March 2017, 31 March 2016, 31 March 2015 and 31 March 2014, the restated consolidated summary statement of profit and loss, the restated consolidated summary statement of cash flows and consolidated summary statement of changes in equity for the years ended 31 March 2018, 31 March 2017, 31 March 2016, 31 March 2015 and 31 March 2014 and Annexures A V to A XII thereto (hereinafter collectively referred to as "the restated consolidated financial information").

The restated consolidated financial information has been prepared to comply in all material respects with the requirements of Section 26 of Part I of Chapter III of the Companies Act, 2013 ("the Act") and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended from time to time in pursuance of provisions of Securities and Exchange Board of India Act, 1992 ("ICDR Regulations").

These restated consolidated financial information were approved by the Board of Directors of the Company in their meeting held on 31 July 2018.

The restated consolidated financial information has been prepared in accordance with Indian Accounting Standards (Ind AS) as prescribed under Section 133 of Companies Act, 2013 (to the extent applicable) read with Companies (Indian Accounting Standards) Rules, 2015. The restated consolidated financial information have been compiled by the Group from:

i. The audited consolidated financial statements of the Group as at and for the years ended 31 March 2016, 31 March 2015 and 31 March 2014 ("audited consolidated financial statements") were prepared under previous generally accepted accounting principles followed in India ("Previous GAAP" or "Indian GAAP"), and have been translated into figures as per the Ind AS to align with accounting policies, exemptions and disclosures as adopted by the Company on its first time adoption of Ind AS on 1 April 2016 ("transition date"). The restated consolidated financial information for these years along with the respective underlying schedules and notes are "Proforma Ind AS Restated Consolidated Financial Information", as per the Guidance note on Reports in Company Prospectus, issued by the Institute of Chartered Accountants of India;

ii. The audited consolidated financial statement of the Group for the year ended 31 March 2018 (including comparative of 31 March 2017) has been prepared under Ind AS.

For the preparation of the Proforma Ind AS Restated Consolidated Financial Information financial statements as at and for the years ended 31 March 2016, 31 March 2015 and 31 March 2014 and based on the SEBI circular SEBI/HO/ CFD/DIL/CIR/P/2016/47 dated 31 March 2016, following accounting policies/ restatements were made:

i. Ind AS transition adjustments and accounting policy choices as initially adopted on 1 April 2016 were effected from 1 April 2013 for the preparation of Proforma Ind AS Restated Consolidated Financial Information;

ii. Opening balance sheet was restated to recognize all assets and liabilities whose recognition is required by Ind AS;

iii. All mandatory exceptions and optional exemptions available under Ind AS 101 was analyzed on case to case basis for the first-time adoption and restatement adjustments were made accordingly; and

iv. In accordance with Ind AS 101, the Group has opted for optional exemption for not applying retrospectively accounting principles of Ind AS 103 for business combinations that occurred before the transition date (i.e. 1 April 2016).

The restated consolidated financial information have been prepared so as to contain information / disclosures and incorporating adjustments set out below in accordance with the SEBI Regulations:

i. Adjustments for audit qualification requiring corrective adjustment in the financial statements, if any;

ii. Adjustments for the material amounts in respective years to which they relate, if any;

iii. Adjustments for previous years identified and adjusted in arriving at the profits of the years to which they relate irrespective of the year in which the event triggering the profit or loss occurred, if any;

iv. Adjustments to the profits or losses of the earlier years and of the year in which the change in the accounting policy has taken place is recomputed to reflect what the profits or losses of those years would have been if a uniform accounting policy was followed in each of these years, if any;

v. Adjustments for reclassification of the corresponding items of income, expenses, assets and liabilities, in order to bring them in line with the groupings as per the audited financial statements of the Group for the year ended 31 March 2018 and the requirements of the SEBI Regulations, if any;

vi. The resultant impact of tax due to the aforesaid adjustments, if any.

Significant accounting policies – The accounting policies set out below have been applied consistently to the periods presented in the restated consolidated financial information.

b. Principles of consolidation

The restated consolidated financial information include the results of the following subsidiaries:

S. No.	Name of the Entity	Country of incorporation	Effective group shareholding %
1	Fitwel Tools and Forgings Private Limited	India	70
2	Sansera Sweden AB	Sweden	100
3	Sansera Engineering Pvt. Ltd. Mauritius	Mauritius	100

c. Basis of consolidation

Business combinations (other than common control business combinations)

As part of its transition to Ind AS, the Group has elected to apply the relevant Ind AS, viz. Ind AS 103, Business Combinations, to only those business combinations that occurred on or after 1 April 2016. In accordance with Ind AS 103, the Group accounts for these business combinations using the acquisition method when control is transferred to the Group. The consideration transferred for the business combination is generally measured at fair value as at the date the control is acquired (acquisition date), as are the net identifiable assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in OCI and accumulated in equity as capital reserve if there exists clear evidence of the underlying reasons for classifying the business combination as resulting in a bargain purchase; otherwise the gain is recognised directly in equity as capital reserve. Transaction costs are expensed as incurred, except to the extent related to the issue of debt or equity securities.

Business combinations (common control business combinations)

In accordance with Appendix C to Ind AS 103 on Business combinations of entities under common control, the Group accounts for these business combination using the pooling of interest method as per the guidance provided under Appendix C to Ind AS 103. The Restated consolidated financial information in respect of prior periods are restated as if the combination had occurred from the beginning of the preceding period in the restated consolidated financial information, irrespective of the actual date of the combination. All the assets and liabilities including have been recorded at their existing carrying amounts.

Subsidiary companies

Subsidiary companies are all entities over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

Intercompany transactions, balances and unrealized gain / loss on transactions between group companies are eliminated.

Non- controlling interests (NCI)

NCI in the results and equity of subsidiaries are shown separately in the Restated consolidated summary statement of profit and loss, Restated consolidated summary statement of changes in equity and Restated consolidated summary statement of assets and liabilities respectively. NCI are measured at their proportionate share of the acquiree's net identifiable assets at the date of acquisition. The parent portion of equity in such subsidiary is determined on the basis of book values of assets and liabilities as per the financial statements of the subsidiary as on the date of the investment.

d. Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The Restated consolidated financial information is presented in Indian Rupees (INR), which is also the Group's functional currency. All amounts have been rounded-off to the nearest millions, unless otherwise indicated.

e. Basis of measurement

The Restated consolidated financial information have been prepared on the historical cost basis except for the following items:

- Derivative instruments at fair value;
- Net defined benefit (asset)/liability at fair value of plan assets less present value of defined benefit obligations.

f. Use of estimates and judgements

The preparation of the restated consolidated financial information in conformity with Ind ASs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the restated consolidated financial information is included in lease classification.

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending ended 31 March 2018 is included in the following notes:

- Note No.2.1.ii of Annexure V - Depreciation and amortisation method and useful life of items of property, plant and equipment and intangibles assets;
- Note 38 D, E, F and G of Annexure A-VI – recognition of deferred tax assets;
- Note 19, 26 & 40– measurement of defined benefit obligations: key actuarial assumptions;
- Note 44 of Annexure A-VI – impairment of financial assets; and
- Note 52 of Annexure A-VI – impairment of goodwill.

g. Measurement of fair values

Certain accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. The Group recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above. This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

- Note 41 of Annexure A-VI – Employee stock options;
- Note 43 of Annexure A VI – financial instruments; and
- Note 50 of Annexure A VI -acquisition of subsidiary.
-

2. Significant accounting policies

2.1 Property, plant and equipment

i. Recognition and measurement

Property, plant and equipment are measured at cost, less accumulated depreciation and accumulated impairment losses, if any. Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

All items of property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in statement of profit or loss.

Borrowing costs directly attributable to the acquisition/construction of the qualifying asset are capitalized as part of the cost of that asset. Other borrowing costs are recognized as expense in the restated consolidated summary statement of profit and loss in the period in which they incurred.

On transition to Ind AS, the Group has elected to recognise the carrying value of all of its property, plant and equipment as at 1 April 2016, measured as per the previous GAAP, and use that carrying value as the deemed cost of such property, plant and equipment. See note 1.1 of Annexure A-VI-Notes to the restated consolidated financial information.

ii. Depreciation methods, estimated useful lives and residual value

Depreciation is provided on a Straight Line Method ("SLM") over the useful life of property, plant and equipment as prescribed under Part C of Schedule II of the Companies Act, 2013. Depreciation for assets purchased/sold during a period is proportionately charged. The useful lives for property, plant and equipment is as follows:

Asset category	**Estimated useful life (in years)**
Plant & Machinery	15
Buildings	30
Furniture & Fixtures	10
Jigs and Fixtures	15
Electrical Installations	10
Office Equipment	5
Vehicles	10
Computers (including Computer software)	3-6
Asset taken on lease (Plant and machinery)	Over the lease period or estimated useful life whichever is lower

Freehold land is not depreciated. Leasehold land is depreciated over the period of lease. Depreciation method, useful lives and residual values are reviewed at each financial year end and adjusted if appropriate.

2.2 Goodwill

As part of its transition to Ind AS, the Group has elected to apply Ind AS 103, Business Combinations, to only those business combinations that occurred on or after 1 April 2016. In accordance with Ind AS 103, the Group accounts for these business combinations using the acquisition method where control is transferred to the Group. The consideration transferred for the business combination is generally measured at fair value as at the date the control is acquired (acquisition date), as are the net identifiable assets acquired. Any goodwill that arises is tested annually for impairment. Transaction costs are expensed as incurred, except to the extent related to the issue of debt or equity securities.

2.3 Other Intangible assets

(i) Customer relationship

Customer relationships acquired as part of acquisitions of businesses are capitalised as intangible assets if their value can be measured reliably on initial recognition and it is probable that the expected future economic benefits that are attributable to the asset will flow to the Group. Such intangible assets are subsequently measured at cost less accumulated amortisation and accumulated impairment losses. The estimated useful life for customer relationship is expected to be 7 years. The residual values, useful lives and method of amortisation of intangible assets are reviewed at each financial year end and adjusted if appropriate.

(ii) Others

Intangible assets purchased are measured at cost less accumulated amortisation and accumulated impairment, if any. Intangible assets are amortised in the restated consolidated summary statement of profit and loss over their estimated useful lives on a straight-line basis. Amortisation method, useful lives and residual values are reviewed at the end of each financial year and adjusted if appropriate.

On transition to Ind AS, the Group has elected to recognise the carrying value of all of its intangible assets as at 1 April 2016, measured as per the previous GAAP, and use that carrying value as the deemed cost of such intangible assets. See note 3.1 of Annexure A-VI- Notes to the restated consolidated financial information.

2.4 Inventories

i. Inventories are measured at the lower of cost and net realisable value (NRV). Cost comprises purchase price and all expenses incurred in bringing the inventory to its present location and condition. Cost has been determined as follows:

Raw material, stores and spares	:	on weighted average basis
Work in progress	:	includes cost of conversion
Finished goods	:	includes cost of conversion

ii. Fixed production overheads are allocated on the basis of normal capacity of production facilities. The comparison of cost and NRV is made on an item-by-item basis. Spare parts that meets the definition of asset are capitalised at their respective carrying amounts. The NRV of work-in-progress is determined with reference to NRV of related finished goods.

iii. Raw materials and other supplies held for use in production of inventories are not written down below cost except in cases where material prices have declined, and it is estimated that the cost of the finished products will exceed their NRV.

iv. Provision for inventory obsolescence is assessed periodically and is provided as considered necessary.

2.5 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at fair value of consideration received or receivable.

Revenue from sale of products (including sale of scrap) is recognised when the significant risk and rewards of ownership have been transferred to the buyer.

Sale of products is disclosed net of Goods and Service tax, returns, trade discounts, and volume rebates. Sale of products is presented gross of excise duties to the extent applicable.

Service income is recognized when the related services are rendered unless significant future contingencies exist

Export incentives are recognised in the restated consolidated summary statement of profit and loss account when the right to receive credit as per the terms of the entitlement is established in respect of export made.

Dividend income is recognised in the restated consolidated summary statement of profit and loss on the date on which the right to receive payment is established.

Interest on the deployment of funds is recognised using the time-proportion method, based on underlying interest rates.

2.6 Foreign currency transactions

a) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in Restated consolidated summary statement of profit and loss.

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the Restated consolidated summary statement of profit and loss, within finance costs. All other foreign exchange gains and losses are presented in the Restated consolidated statement of profit and loss on a net basis within other gains/ (losses).

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

b) Foreign operations

The assets and liabilities of foreign operations (subsidiaries) including goodwill and fair value adjustments arising on acquisition, are translated into INR, the functional currency of the Group, at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into INR at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction. The gains or losses resulting from such translation are included in currency translation reserves under other components of equity. When a subsidiary is disposed off, in full, the relevant amount is transferred to net profit in the Restated consolidated summary statement of profit and loss.

However, when a change in the parent's ownership does not result in loss of control of a subsidiary, such changes are recorded through equity.

2.7 Government Grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

2.8 Leases

Lease under which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. The leased assets are measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the assets are accounted for in accordance with the accounting policy applicable to similar owned assets.
Lease in which a significant portion of risks and rewards of ownership is retained by the lessor is classified as operating lease.

Payments made under operating lease are charged to the Restated consolidated summary statement of profit and loss on a straight line basis over the term of the lease unless such payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

2.9 Financial instruments

i. Recognition and initial measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument. A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through restated consolidated summary statement of profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

ii. Classification and subsequent measurement

Financial assets

Financial assets carried at amortised cost.
A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through other comprehensive income
A financial asset is subsequently measured at fair value through other comprehensive income (FVOCI) if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through profit or loss
A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss (FVTPL). This include all derivative assets.

Financial liabilities

Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in Restated consolidated summary statement of profit and loss. Other financial liabilities are subsequently carried at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss

Derivative Instruments

The Group holds derivative financial instruments such as foreign exchange forward to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts is generally a bank. These derivative instruments are recorded at fair value on every reporting date with changes being accounted in Restated consolidated summary statement of profit and loss.

iii. Derecognition

Financial assets
The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

Financial liabilities
The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Group also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in consolidated statement profit or loss.

2.10 Impairment

i. Impairment of financial instruments

The Group recognises loss allowances for expected credit losses (ECL) on financial assets measured at amortised cost.

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit impaired. A financial assets is ‘credit-impaired’ when one or more event that have a detrimental impact on the estimated future cash flows of the financial assets have occurred.

The Group follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. For recognition of impairment loss on other financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If in subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12 month ECL.

ii. Impairment of non - financial assets

The Group's non-financial assets, other than inventories and deferred tax assets, are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the CGU to which the asset belongs.

If such assets are considered to be impaired, the impairment to be recognised in the Restated consolidated summary statement of profit and loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset.

An impairment loss in respect of goodwill is not subsequently reversed. In respect of assets for which impairment loss has been recognised in prior periods, the Group reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed in the Restated consolidated summary statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount.

The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

2.11 Employee benefits

i. Defined benefit plan

Gratuity

The Group's gratuity plan is a defined benefit plan. The present value of obligation under such defined benefit plan is determined based on actuarial valuation carried out by an independent actuary using the Projected Unit Credit Method. The obligation is measured at the present value of estimated future cash flows. The discount rates used for determining the present value of obligation under defined benefit plan is based on the market yields on Government securities as at the balance sheet date, having maturity periods approximating to the terms of related obligations. Actuarial gains and losses are recognised immediately in the restated consolidated summary statement of assets and liabilities with a corresponding debit or credit to retained earnings through OCI in the period in which they occur.

Compensated absences

The employees of the Group are entitled to compensated absences. The employees can carry forward a portion of the unutilised accumulating compensated absence and utilise it in future periods or receive cash compensation at retirement or termination of employment. The Group records an obligation for compensated absences in the period in which the employee renders the services that increases this entitlement. The Group measures the expected cost of compensated absence as the additional amount that the Group expects to pay as a result of the unused entitlement that has accumulated at the balance sheet date. The calculation of the Group's obligation is performed annually by an independent actuary using the projected unit credit method as at the reporting date.

Non-accumulating compensated absences are recognised in the period in which the absences occur. The Group recognizes actuarial gains and losses immediately in the Restated consolidated summary statement of profit and loss.

ii. Defined contribution plan

Provident fund

Provident fund is a post-employment benefit plan under which an entity makes specified monthly contribution towards Government administered provident fund scheme. Obligations for contributions to defined contribution plan are recognised as an employee benefit expense in the Restated consolidated summary statement of profit and loss during the period in which the related services are rendered by the employees.

iii. Share-based payment transactions

Employees of the Group receive remuneration in the form of equity settled instruments, for rendering services over a defined vesting period. Equity instruments granted are measured by reference to the fair value of the instrument at the date of grant. The expense is recognised in the Restated consolidated summary statement of profit and loss with a corresponding increase in equity over the period that the employees unconditionally becomes entitled to the award. The equity instruments generally vest in a graded manner over the vesting period. The fair value determined at the grant date is expensed over the vesting period of the respective tranches of such grants (accelerated amortisation). The stock compensation expense is determined based on the Group's estimate of equity instruments that will eventually vest.

2.12 Taxes

Current income tax

Current income tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current income tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted at the reporting date.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax
Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets and they relate to taxes levied by the same tax authority on the same taxable entity.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

2.13 Earnings per share

The basic earning per share is calculated by dividing the net profit for the year attributable to the owner's of the Group by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is calculated by dividing the profit for the year for the year attributable to the owner's of the Group by the weighted average number of equity shares outstanding during the year, after adjustment for the effects of all dilutive potential equity shares.

The number of shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for any share splits and bonus shares issues, including for changes effected prior to the approval of the financial statements by the Board of Directors. In computing diluted earnings per share, only potential equity shares that are dilutive and which either reduces earnings per share or increase loss per share are included.

2.14 Provisions and contingencies

A provision is recognised when an enterprise has a present obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are determined by discounting the expected future cash flows to their present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Provisions for onerous contracts, i.e. contracts where the expected unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it, are recognised when it is probable that an outflow of resources embodying economic benefits will be required to settle a present obligation as a result of an obligating event, based on a best estimate of such obligation. Where no reliable estimate can be made, a disclosure is made as contingent liability. A disclosure for a contingent liability is also made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. A contingent asset is not recognised however in case where the inflow of economic benefits are probable, the description of the contingent asset is disclosed.

2.15 Cash and cash equivalents

Cash and cash equivalents includes cash on hand, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

2.16 Cash flow statement

Cash flows are reported using the indirect method, whereby net profit/(loss) before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Group are segregated.

2.17 Segment reporting

Based on the "management approach" as defined in Ind AS 108 - Operating Segments, Managing Director of the Group have been identified as the Chief Operating Decision Maker (CODM). The CODM evaluates the Group's performance and allocates resources based on single segment approach and accordingly information has been presented.

2.18 Recent accounting pronouncements

Standards issued but not yet effective

On March 28, 2018, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2018, notifying amendments to Ind AS 40, ‘Investment Property’, Ind AS 21, ‘The Effects of Changes in Foreign Exchange Rates, Ind AS 12, ‘Income Taxes’, Ind AS 28, ‘Investments in Associates and Joint Ventures’, ‘Ind AS 112, ‘ Disclosure of Interests in Other Entities’ and Ind AS 115, ‘Revenue from contracts with customers’. These amendments maintain convergence with IFRS by incorporating amendments issued by the International Accounting Standards Board (IASB) into Ind AS. The amendments are applicable to the Group from 1 April 2018.

Amendment to Ind AS 40, Investment Property

The amendment to Ind AS 40 lays down the principle regarding when a Company should transfer to, or from, investment property. Accordingly, a transfer is made only when:

i. There is an actual change of use i.e. an asset meets or ceases to meet the definition of investment property.

ii. There is evidence of the change in use.

The impact of the above stated amendment to the Group is Nil as the same is not applicable to the Group.

Amendment to Ind AS 21, The Effects of Changes in Foreign Exchange Rates

Appendix B to Ind AS 21, Foreign currency transactions and advance consideration clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency.

The Group is in process of evaluating the effect of this on the restated consolidated financial information and expects the impact to be not material.

Amendment to Ind AS 12, Income Taxes

The amendment to Ind AS 12 considers that:
i. Tax law determines which deductions are offset against taxable income in determining taxable income in determining taxable profits.
ii. No deferred tax asset is recognised if the reversal of the deductible temporary difference will not lead to tax deductions.

The Group is evaluating the effect of this on the restated consolidated financial information and expects the impact to be not material.

Amendment to Ind AS 28, Investments in Associates and Joint Ventures

The amendment to Ind AS 28 clarifies that a venture capital organisation, or a mutual fund, unit trust and similar entities may elect, at initial recognition, to measure investments in an associate or joint venture at fair value through profit or loss separately for each associate or joint venture.

The impact of the above stated amendment to the Group is NIL as the same is not applicable to the Group.

Amendment to Ind AS 112, Disclosure of Interests in Other Entities

The amendment to Ind AS 112 provide that the disclosure requirements for interests in other entities also apply to interests that are classified (or included in a disposal group that is classified) as held for sale or as discontinued operations in accordance with Ind AS 105, Non-current Assets Held for Sale and Discontinued Operations.

The impact of the above stated amendment to the Group is NIL as the same is not applicable to the Group.

Ind AS 115, Revenue from Contracts with Customers

Ind AS 115, establishes a comprehensive framework for determining whether, how much and when revenue should be recognised. It replaces existing revenue recognition guidance, including Ind AS 18 Revenue, Ind AS 11 Construction Contracts and Guidance Note on Accounting for Real Estate Transactions. Ind AS 115 is effective for annual periods beginning on or after 1 April 2018 and will be applied accordingly.

The standard permits two possible methods of transition:

• Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors

• Retrospectively with cumulative effect of initially applying the standard recognised at the date of initial application (Cumulative catch - up approach)

The Group has completed an initial assessment of the potential impact of the adoption of Ind AS 115 on accounting policies followed in its restated consolidated financial information. The quantitative impact of adoption of Ind AS 115 on the restated consolidated financial information in the period of initial application is not reasonably estimable as at present.

i. Sale of goods

For the sale of products, revenue is currently recognised when the goods are delivered to the customers' premises, which is taken to be the point in time at which the customer accepts the goods and the related risks and rewards of ownership are transferred. Revenue is recognised at this point provided that the revenue and costs can be measured reliably, the recovery of the consideration is probable and there is no continuing management involvement with the goods.

Under Ind AS 115, revenue will be recognised when a customer obtains control of the goods. For some made-to-order paper product contracts, the customer controls all of the work in progress as the products are being manufactured. The revenue from these contracts will be recognised as the products are being manufactured.
The Group's initial assessment indicates that this will result in revenue, and some associated costs, for these contracts being recognised earlier than at present – i.e. before the goods are delivered to the customers' premises.

For certain contracts that permit the customer to return an item, revenue is currently recognised when a reasonable estimate of the returns can be made, provided that all other criteria for revenue recognition are met. If a reasonable estimate cannot be made, then revenue recognition is deferred until the return period lapses or a reasonable estimate of returns can be made.

Under Ind AS 115, revenue will be recognised for these contracts to the extent that it is probable that a significant reversal in the amount of cumulative revenue recognised will not occur. As a consequence, for those contracts for which the Group is unable to make a reasonable estimate of return, revenue is expected to be recognised sooner than when the return period lapses or a reasonable estimate can be made. A refund liability and an asset for recovery will be recognised for these contracts and presented separately in the restated consolidated summary statement of assets and liabilities.

ii. Rendering of services

The Group is involved in providing forging and other related services. Revenue from sale of services is recognised in the Restated consolidated summary statement of profit and loss in proportion to the stages of completion of the transaction at the reporting date.

If the services under a single arrangement are rendered in different reporting periods, then the consideration is allocated on a relative fair value basis between the different services. Under Ind AS 115, the total consideration in the service contracts will be allocated to all services based on their stand-alone selling prices. The stand-alone selling prices will be determined based on the list prices at which the Group sells the services in separate transactions.

Based on the Group’s initial assessment, the fair value and the stand-alone selling prices of the services are broadly similar.

iii. Transition

The Group plans to apply Ind AS 115 using the cumulative catch-up transition method, with the effect of initially applying this standard recognised at the date of initial application (i.e. 1 April 2018) in retained earnings. Accordingly comparatives for the year ending or ended March 31, 2018 will not be retrospectively adjusted.

Sansera Engineering Limited (erstwhile Sansera Engineering Private Limited)

Annexure A - VI

Notes to the restated consolidated financial information (continued)

1 Property, plant and equipment **(Amount in ₹ millions)**

Particulars	Freehold Land (Refer note A below)	Buildings	Plant & Machinery	Furniture & Fixtures	Jigs & Fixtures	Electrical Installations	Office Equipment	Vehicles	Computers	Leased Property Plant and Equipment		Total
										Leasehold land (Refer note B below)	Plant and machinery (Refer note C below)	
Deemed Cost												
Balance as at 1 April 2013 (Proforma) (refer note 1.1 below)	47.85	461.70	1,833.89	27.46	2.12	132.89	21.49	47.84	15.17	151.43	-	2,741.84
Additions	1.68	15.61	598.18	3.67	-	15.80	1.67	26.73	18.08	-	-	681.42
Disposals	-	-	(111.28)	(0.20)	(2.12)		(0.15)	(3.29)	(3.56)	-	-	(120.60)
Balance as at 31 March 2014 (Proforma)	**49.53**	**477.31**	**2,320.79**	**30.93**	**-**	**148.69**	**23.01**	**71.28**	**29.69**	**151.43**	**-**	**3,302.66**
Accumulated Depreciation												
Accumulated Depreciation as at 1 April 2013 (Proforma)	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation	-	18.56	310.80	2.23	-	9.96	1.29	7.42	7.40	0.44	-	358.10
Deduction	-	-	23.93	-	-		0.01	1.37	0.43	-	-	25.74
Accumulated Depreciation as at 31 March 2014 (Proforma)	**-**	**18.56**	**286.87**	**2.23**	**-**	**9.96**	**1.28**	**6.05**	**6.97**	**0.44**	**-**	**332.36**
Net carrying value as at 31 March 2014 (Proforma)	**49.53**	**458.75**	**2,033.92**	**28.70**	**-**	**138.73**	**21.73**	**65.23**	**22.72**	**150.99**	**-**	**2,970.30**
Gross Carrying Value												
Balance as at 1 April 2014 (Proforma)	49.53	477.31	2,320.79	30.93	-	148.69	23.01	71.28	29.69	151.43	-	3,302.66
Additions	2.98	10.87	504.33	4.29	-	23.17	7.54	11.49	7.68	2.17	78.90	653.42
Disposals	-	-	(25.30)	(0.03)	-	-	(0.15)	(3.39)	-	-	-	(28.87)
Balance as at 31 March 2015 (Proforma)	**52.51**	**488.18**	**2,799.82**	**35.19**	**-**	**171.86**	**30.40**	**79.38**	**37.37**	**153.60**	**78.90**	**3,927.21**
Accumulated Depreciation												
Accumulated Depreciation as at 1 April 2014 (Proforma)	-	18.56	286.87	2.23	-	9.96	1.28	6.05	6.97	0.44	-	332.36
Depreciation	-	18.67	233.09	5.26	-	31.40	15.50	14.56	8.37	-	5.25	332.10
Deduction	-	-	16.04	0.02	-	-	0.04	2.23	-	-	-	18.33
Accumulated Depreciation as at 31 March 2015 (Proforma)	**-**	**37.23**	**503.92**	**7.47**	**-**	**41.36**	**16.74**	**18.38**	**15.34**	**0.44**	**5.25**	**646.13**
Net carrying value as at 31 March 2015 (Proforma)	**52.51**	**450.95**	**2,295.90**	**27.72**	**-**	**130.50**	**13.66**	**61.00**	**22.03**	**153.16**	**73.65**	**3,281.08**
Gross Carrying Value												
Balance as at 1 April 2015 (Proforma)	52.51	488.18	2,799.82	35.19	-	171.86	30.40	79.38	37.37	153.60	78.90	3,927.21
Additions	0.03	180.40	1,147.33	15.05	-	81.33	17.55	13.01	15.20	-	3.41	1,473.31
Disposals	-	-	(15.52)	(0.03)	-	(0.18)	(2.15)	(4.03)	(0.44)	-	-	(22.35)
Balance as at 31 March 2016 (Proforma)	**52.54**	**668.58**	**3,931.63**	**50.21**	**-**	**253.01**	**45.80**	**88.36**	**52.13**	**153.60**	**82.31**	**5,378.17**
Accumulated Depreciation												
Accumulated Depreciation as at 1 April 2015 (Proforma)	-	37.23	503.92	7.47	-	41.36	16.74	18.38	15.34	0.44	5.25	646.13
Depreciation	-	20.56	267.21	6.56	-	39.19	4.29	13.70	7.85	0.88	5.48	365.72
Disposals	-	-	5.93	0.02	-	0.13	2.14	3.61	0.43	-	-	12.26
Accumulated Depreciation as at 31 March 2016 (Proforma)	**-**	**57.79**	**765.20**	**14.01**	**-**	**80.42**	**18.89**	**28.47**	**22.76**	**1.32**	**10.73**	**999.59**
Net carrying value as at 31 March 2016 (Proforma)	**52.54**	**610.79**	**3,166.43**	**36.20**	**-**	**172.59**	**26.91**	**59.89**	**29.37**	**152.28**	**71.58**	**4,378.58**
Gross Carrying Value												
Balance as at 1 April 2016 (Proforma)	52.54	668.58	3,931.63	50.21	-	253.01	45.80	88.36	52.13	153.60	82.31	5,378.17
Additions	168.48	108.13	1,155.88	4.02	-	60.57	4.23	25.17	23.62	-	317.49	1,867.59
Reclassification	61.41	-	-	-	-	-	-	-	-	(61.41)	-	-
Reclassification to asset held for sale	(2.92)	(2.16)	-	-	-	-	-	-	-	-	-	(5.08)
Disposals	-	-	(0.51)	-	-	-	-	(2.81)	-	-	-	(3.32)
Balance as at 31 March 2017	**279.51**	**774.55**	**5,087.00**	**54.23**		**313.58**	**50.03**	**110.72**	**75.75**	**92.19**	**399.80**	**7,237.36**

Sansera Engineering Limited (erstwhile Sansera Engineering Private Limited)

Annexure A - VI

Notes to the restated consolidated financial information (continued)

Property, plant and equipment (Amount in ₹ millions)

Particulars	Freehold Land (Refer note A below)	Buildings	Plant & Machinery	Furniture & Fixtures	Jigs & Fixtures	Electrical Installations	Office Equipment	Vehicles	Computers	Leased Property Plant and Equipment		Total
										Leasehold land (Refer note B below)	Plant and machinery (Refer note C below)	
Balance as at 31 March 2017	**279.51**	**774.55**	**5,087.00**	**54.23**	**-**	**313.58**	**50.03**	**110.72**	**75.75**	**92.19**	**399.80**	**7,237.36**
Accumulated depreciation												
Accumulated Depreciation as at 1 April 2016	-	57.79	765.20	14.01	-	80.42	18.89	28.47	22.76	1.32	10.73	999.59
Depreciation	-	26.49	316.19	7.11	-	49.19	6.20	13.47	12.50	0.44	32.31	463.90
Reclassification to asset held for sale	-	(0.07)	-	-	-	-	-	-	-	-	-	(0.07)
Disposals	-	-	-	-	-	-	-	(2.81)	-	-	-	(2.81)
Accumulated Depreciation as at 31 March 2017	**-**	**84.21**	**1,081.39**	**21.12**	**-**	**129.61**	**25.09**	**39.13**	**35.26**	**1.76**	**43.04**	**1,460.61**
Net carrying value as at 31 March 2017	**279.51**	**690.34**	**4,005.61**	**33.11**	**-**	**183.97**	**24.94**	**71.59**	**40.49**	**90.43**	**356.76**	**5,776.75**
Gross Carrying Value												
Balance as at 1 April 2017	279.51	774.55	5,087.00	54.23	-	313.58	50.03	110.72	75.75	92.19	399.80	7,237.36
Additions	4.96	11.79	1,153.05	3.05	-	32.16	2.19	20.66	15.30	-	-	1,243.16
Additions on account of business combination (refer note 50 of Annexure A-VI)	-	-	130.40	-	-	-	-	-	-	-	-	130.40
Disposals	-	-	(12.04)	-	-	-	(0.05)	(0.49)	-	-	-	(12.58)
Balance as at 31 March 2018	**284.47**	**786.34**	**6,358.41**	**57.28**	**-**	**345.74**	**52.17**	**130.89**	**91.05**	**92.19**	**399.80**	**8,598.34**
Accumulated Depreciation												
Accumulated Depreciation as at 1 April 2017	-	84.21	1,081.39	21.12	-	129.61	25.09	39.13	35.26	1.76	43.04	1,460.61
Depreciation	-	28.90	463.48	5.25	-	36.45	5.77	15.34	17.79	0.44	28.93	602.35
Deduction	-	-	(6.07)	-	-	-	-	(0.10)	-	-	-	(6.17)
Accumulated Depreciation as at 31 March 2018	**-**	**113.11**	**1,538.80**	**26.37**	**-**	**166.06**	**30.86**	**54.37**	**53.05**	**2.20**	**71.97**	**2,056.79**
Net carrying value as at 31 March 2018	**284.47**	**673.23**	**4,819.61**	**30.91**	**-**	**179.68**	**21.31**	**76.52**	**38.00**	**89.99**	**327.83**	**6,541.55**

Note 1.1

On transition to Ind AS, the Group has elected to continue with the carrying value of all of its property, plant and equipment (PPE) recognised as at 1 April 2016 measured as per the previous Indian GAAP and used that carrying value as the deemed cost of the PPE. While preparing Proforma Ind AS restated financial information for each of the years ended 31 March 2016, 31 March 2015 and 31 March 2014, the Group has opted the same accounting policy choice as adopted on transition date and accordingly the carrying value of its PPE as at 31 March 2013 has been used as deemed cost of PPE as at 1 April 2013.

Deemed cost as at 1 April 2013 - Proforma (Amount in ₹ millions)

Particulars	Freehold Land (Refer note A and B below)	Buildings	Plant & Machinery	Furniture & Fixtures	Jigs & Fixtures	Electrical Installations	Office Equipment	Vehicles	Computers	Leasehold land (Refer note B below)	Plant and machinery(Refer note C below)
Gross block as at 1 April 2013	47.85	552.22	3,151.12	38.39	2.63	181.76	28.08	71.27	52.95	154.68	-
Accumulated depreciation till 1 April 2013	-	90.52	1,317.23	10.93	0.51	48.85	6.59	23.43	37.78	3.25	-
Net block treated as deemed cost upon transition	**47.85**	**461.70**	**1,833.89**	**27.46**	**2.12**	**132.91**	**21.49**	**47.84**	**15.17**	**151.43**	**-**

Note A - Sansera Engineering Limited (erstwhile Sansera Engineering Private Limited)

During the year ended 31 March 2017, the Sansera Engineering Limited has capitalised 3,650.624 sq. mts. of land at Plot No. 143-C2, 8th A Road, Bommasandra Industrial Area, Bangalore amounting to ₹ 42.04 million and 60,702.38 sq.mts of land at Plot no. 43, 2nd Phase, Bidadi Industrial Area, Sector -2 amounting to ₹ 126.44 million respectively.

Karnataka Industrial Area Development (KIADB) has allotted 17,293 sq. mts. land at Plot No. 143-A in the Bommasandra Jigani Link Road Industrial Area (Plant 7) for a period of 10 years w.e.f 1st February 2007 to the Group on lease cum sale basis. The aggregate cost of the land at the end of the previous year was ₹ 61.41 million. The agreement gives a right to the Group to acquire land at the end of the lease term at an additional consideration, if any fixed by KIADB, after reducing the amount already paid. During the year ended 31 March 2017, the same has been registered in the name of the Group and reclassified as free hold land.

Note B - Fitwel Tools and Forgings Private Limited

Karnataka Small State Industrial Development Corporation (KSSIDC) has allotted land admeasuring 4,257 sq. mt. at Unit No. 5, KHT Complex, Antharasanahalli, Tumkur, Karnataka on a lease cum sale basis for a period of 4 years w.e.f. 8 January 1987, with specified terms and conditions to be complied with by each party. Subsequently, KSSIDC failed to comply with the terms of the agreement, hence the Group retained possession of the land. Pursuant to the communications with the KSSIDC, the Group has paid an amount of ₹ 2.01 million as consideration for the land, which has been capitalised. As at the balance sheet date, negotiations are in progress and the Group awaits the final approval of KSSIDC with respect to the registration of the land in the name of Fitwel Tools and Forgings Private Limited.

Note C - Property plant and equipment under lease

The Group has acquired certain land and production equipment under finance lease agreements. The Group has an option to purchase these property, plant and equipment at end of the lease term based on certain terms and conditions. The leased property, plant and equipments are secured against related lease obligations (refer note 42 of Annexure A-VI). The gross and net carrying amounts of property, plant and equipments acquired under finance leases are included above.

Note D - Impairment loss

The Group has not recognised or reversed any impairment loss on property, plant and equipments.

Note E - Security

Property, plant and equipment amounting to ₹ 7,487.49 million (gross block) as at 31 March 2018 (31 March 2017: ₹ 6,377.07 million; 31 March 2016: ₹ 5,412.41 million; 31 March 2015: ₹ 4,229.30 and 31 March 2014: ₹ 3,825.38) has been pledged as security by the Group against loans taken from banks and financial institution.

2 Capital-work-in progress

Capital work-in-progress mainly comprises of:

Particulars	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016 Proforma	As at 31 March 2015 Proforma	As at 31 March 2014 Proforma
Freehold land	-	-	165.74	119.73	119.73
Buildings	166.70	41.48	-	52.23	-
Plant and machinery	773.74	287.08	171.00	285.14	61.55
	940.44	**328.56**	**336.74**	**457.10**	**181.28**

As at 31 March 2018, capitalised borrowing cost related to capital work in progress is ₹ 12.99 million (31 March 2017: ₹ Nil; 31 March 2016: ₹ Nil; 31 March 2015: ₹ Nil and 31 March 2014: ₹ Nil).

As at 31 March 2018 capital work in progress includes Rs. 496.05 towards manufacturing facility at Bidadi, Karnataka (31 March 2017: ₹ 12.34; 31 March 2016: ₹ 131.05; 31 March 2015: ₹ 123.11 and 31 March 2014: ₹ 123.05).

3 Other intangible assets **(Amount in ₹ millions)**

Particulars	Owned Intangible assets		
	Computer Software	**Customer relationship**	**Total**
Gross Carrying Value			
Balance as at 1 April 2013 (proforma) (refer note 3.1 below)	9.35	-	9.35
Additions	-	-	-
Disposals	-	-	-
Balance as at 31 March 2014 (Proforma)	**9.35**	**-**	**9.35**
Accumulated Depreciation			
Balance as at 1 April 2013 (Proforma)	-	-	-
Amortisation for the year	2.11	-	2.11
Disposals	-	-	-
Accumulated Depreciation as at 31 March 2014 (Proforma)	**2.11**	**-**	**2.11**
Net carrying value as at 31 March 2014 (Proforma)	**7.24**	**-**	**7.24**

Sansera Engineering Limited (erstwhile Sansera Engineering Private Limited)

Annexure A - VI

Notes to the restated consolidated financial information (continued)

3 Other intangible assets (continued) **(Amount in ₹ millions)**

	Owned Intangible asset		
Particulars	**Computer Software**	**Customer relationship**	**Sub Total**
Gross Carrying Value			
Balance as at 1 April 2014 (Proforma)	9.35	-	9.35
Additions	5.66	-	5.66
Disposals	-	-	-
Balance as at 31 March 2015 (Proforma)	**15.01**	**-**	**15.01**
Accumulated Depreciation			
Balance as at 1 April 2014 (Proforma)	2.11	-	2.11
Amortisation for the year	5.20	-	5.20
Disposals	-	-	-
Accumulated Depreciation as at 31 March 2015 (Proforma)	**7.31**	**-**	**7.31**
Net carrying value as at 31 March 2015 (Proforma)	**7.70**	**-**	**7.70**
Gross Carrying Value			
Balance as at 1 April 2015 (Proforma)	15.01	-	15.01
Additions	1.98	-	1.98
Disposals	-	-	-
Balance as at 31 March 2016 (Proforma)	**16.99**	**-**	**16.99**
Accumulated Depreciation			
Balance as at 1 April 2015 (Proforma)	7.31	-	7.31
Amortisation for the year	4.63	-	4.63
Disposals	-	-	-
Accumulated Depreciation as at 31 March 2016 (Proforma)	**11.94**	**-**	**11.94**
Net carrying value as at 31 March 2016 (Proforma)	**5.05**	**-**	**5.05**
Gross Carrying Value			
Balance as at 1 April 2016 (Proforma)	16.99	-	16.99
Additions	-	-	-
Disposals	-	-	-
Balance as at 31 March 2017	**16.99**	**-**	**16.99**
Accumulated depreciation			
Balance as at 1 April 2016 (Proforma)	11.94	-	11.94
Amortisation for the year	3.13	-	3.13
Disposals	-	-	-
Accumulated Depreciation as at 31 March 2017	**15.07**	**-**	**15.07**
Net carrying value as at 31 March 2017	**1.92**	**-**	**1.92**
Gross Carrying Value			
Balance as at 1 April 2017	16.99	-	16.99
Additions	10.33	32.49	42.82
Disposals	-	-	-
Balance as at 31 March 2018	**27.32**	**32.49**	**59.81**
Accumulated Depreciation			
Balance as at 1 April 2017	15.07	-	**15.07**
Amortisation for the year	0.74	4.64	5.38
Disposals	-	-	**-**
Accumulated Depreciation as at 31 March 2018	**15.81**	**4.64**	**20.45**
Net carrying value as at 31 March 2018	**11.51**	**27.85**	**39.36**

Note 3.1

On transition to Ind AS, the Group has elected to continue with the carrying value of all of its intangible assets recognised as at 1 April 2016 measured as per the previous Indian GAAP and used that carrying value as the deemed cost of the intangible assts. While preparing Proforma Ind AS restated financial information for each of the years ended 31 March 2017, 31 March 2016, 31 March 2015 and 31 March 2014, the Group has opted the same accounting policy choice as adopted on transition date and accordingly the carrying value of its intangible assets as at 31 March 2013 has been used as deemed cost of intangible assets as at 1 April 2013.

Deemed cost as at 1 April 2013 - Proforma

Particulars	Computer Software
Gross block as at 1 April 2013	26.18
Accumulated amortisation till 1 April 2013	16.83
Net block treated as deemed cost upon transition	**9.35**

The Group has not recognised or reversed any impairment loss on intangible assets.

Sansera Engineering Limited (erstwhile Sansera Engineering Private Limited)
Annexure A - VI
Notes to the restated consolidated financial information (continued)

4 Goodwill (Amount in ₹ millions)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016 Proforma	As at 31 March 2015 Proforma	As at 31 March 2014 Proforma
Carrying amount at the beginning of the year	146.72	146.72	146.72	146.72	110.48
Goodwill recognised on account of business acquisition during the year (refer note 50 of Annexure A-VI)	182.80	-	-	-	36.24
Exchange differences on translation of foreign operations	13.44	-	-	-	-
Total	**342.96**	**146.72**	**146.72**	**146.72**	**146.72**

* For details of impairment tests for goodwill refer note 52 of Annexure A-VI.

5 Loans (Amount in ₹ millions)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016 Proforma	As at 31 March 2015 Proforma	As at 31 March 2014 Proforma
Unsecured, considered good					
Security deposits	256.69	119.87	81.67	40.72	42.83
Total	**256.69**	**119.87**	**81.67**	**40.72**	**42.83**

6 Other non-current financial assets (Amount in ₹ millions)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016 Proforma	As at 31 March 2015 Proforma	As at 31 March 2014 Proforma
Bank deposits (due to mature after 12 months from the reporting date)	1.10	5.37	1.10	-	-
Total	**1.10**	**5.37**	**1.10**	**-**	**-**

7 (a) Income tax assets, net (Amount in ₹ millions)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016 Proforma	As at 31 March 2015 Proforma	As at 31 March 2014 Proforma
Advance tax including tax deducted at source, net of provision for tax	69.15	112.37	115.19	108.83	41.85
Total	**69.15**	**112.37**	**115.19**	**108.83**	**41.85**

7 (b) Income tax liabilities, net (Amount in ₹ millions)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016 Proforma	As at 31 March 2015 Proforma	As at 31 March 2014 Proforma
Provision for tax, net of advance tax including tax deducted at source	4.28	51.84	-	2.90	29.30
Total	**4.28**	**51.84**	**-**	**2.90**	**29.30**

8 Other non current assets (Amount in ₹ millions)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016 Proforma	As at 31 March 2015 Proforma	As at 31 March 2014 Proforma
Capital advances	170.10	113.49	166.68	106.83	71.11
Prepayments	8.09	4.38	4.86	5.59	1.24
Balances with government authorities	-	-	-	9.44	0.81
Total	**178.19**	**117.87**	**171.54**	**121.86**	**73.16**

9 Inventories *(valued at lower of cost and net realiseable value)* (Amount in ₹ millions)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016 Proforma	As at 31 March 2015 Proforma	As at 31 March 2014 Proforma
Raw materials *	679.26	398.29	287.60	289.46	245.84
Work in progress	786.53	556.66	463.96	443.16	406.22
Finished goods, including stock in transit	213.90	208.52	177.15	170.66	136.36
Stores and spares	401.21	278.06	383.56	448.34	362.73
Total	**2,080.90**	**1,441.53**	**1,312.27**	**1,351.62**	**1,151.15**

* Includes stock of assembled components.

10 Current investments (Amount in ₹ millions)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016 Proforma	As at 31 March 2015 Proforma	As at 31 March 2014 Proforma
Quoted equity shares, non trade					
Equity shares at fair value through statement of profit and loss					
800 (31 March 2017: 800, 31 March 2016: 800; 31 March 2015: 800 and 31 March 2014: 800) equity shares of ₹10 each fully paid up of Maruti Udyog Limited	7.09	4.81	2.97	2.96	1.58
Total	**7.09**	**4.81**	**2.97**	**2.96**	**1.58**
Aggregate amount of quoted investments and market value thereof	7.09	4.81	2.97	2.96	1.58
Aggregate amount of unquoted investment	-	-	-	-	-
Aggregate amount of impairment in investment	-	-	-	-	-

11 Trade receivables (Amount in ₹ millions)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016 Proforma	As at 31 March 2015 Proforma	As at 31 March 2014 Proforma
Unsecured,					
- considered good	2,630.71	2,083.58	1,685.39	1,475.95	1,287.48
- considered doubtful	23.11	21.54	20.11	17.78	15.33
	2,653.82	**2,105.12**	**1,705.50**	**1,493.73**	**1,302.81**
Less: Allowance for credit losses	(23.11)	(21.54)	(20.11)	(17.78)	(15.33)
	23.11	**21.54**	**20.11**	**17.78**	**15.33**
Total	**2,630.71**	**2,083.58**	**1,685.39**	**1,475.95**	**1,287.48**
Due date based ageing					
Debts outstanding for a period exceeding six months from the date they became due	33.43	58.24	39.49	27.95	18.04
Other debts	2,620.39	2,046.88	1,666.01	1,465.78	1,284.77
	2,653.82	**2,105.12**	**1,705.50**	**1,493.73**	**1,302.81**

The Group's exposure to credit and currency risk, and loss allowances related to trade receivables are disclosed in note 43 of Annexure A-VI.

12 Cash and cash equivalents (Amount in ₹ millions)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016 Proforma	As at 31 March 2015 Proforma	As at 31 March 2014 Proforma
Cash on hand	1.16	0.71	2.01	2.84	2.35
Balance with banks					
- in current accounts	342.21	105.45	369.88	43.77	70.98
Total	**343.37**	**106.16**	**371.89**	**46.61**	**73.33**

13 Bank balances other than cash and cash equivalents (Amount in ₹ millions)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016 Proforma	As at 31 March 2015 Proforma	As at 31 March 2014 Proforma
-In deposit accounts (due to mature within 12 months from the reporting date)	80.20	72.57	71.53	66.58	92.03
Total	**80.20**	**72.57**	**71.53**	**66.58**	**92.03**

*The deposits are pledged against bank guarantees and letter of credits provided by the bank.

14 Other financial assets (Amount in ₹ millions)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016 Proforma	As at 31 March 2015 Proforma	As at 31 March 2014 Proforma
Staff advances	35.73	32.62	34.14	29.55	25.87
Gratuity asset	-	-	-	0.45	0.20
Duty drawback receivable	111.60	93.54	48.87	13.50	-
Unbilled revenue	27.89	-	-	-	-
Derivative asset	-	3.83	-	0.66	-
Other receivables	50.71	29.95	12.55	-	0.33
Total	**225.93**	**159.94**	**95.56**	**44.16**	**26.40**

15 Other current assets (Amount in ₹ millions)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016 Proforma	As at 31 March 2015 Proforma	As at 31 March 2014 Proforma
Advance to suppliers	54.51	23.57	23.50	62.41	78.35
Prepayments	63.40	23.65	14.33	11.22	8.86
Prepaid rent	1.33	0.88	0.73	0.73	0.23
Balances with government authorities	394.47	511.92	399.46	230.32	122.47
Total	**513.71**	**560.02**	**438.02**	**304.68**	**209.91**

16 (a) Equity share capital

(Amount in ₹ millions)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016 Proforma	As at 31 March 2015 Proforma	As at 31 March 2014 Proforma
Authorised					
Equity Shares					
1,250,000 (31 March 2017: 1,150,000; 31 March 2016: 1,150,000; 31 March 2015: 1,150,000 and 31 March 2014: 1,150,000) equity shares of ₹100 each	125.00	115.00	115.00	115.00	115.00
	125.00	**115.00**	**115.00**	**115.00**	**115.00**
Issued, subscribed and paid up					
Equity shares					
64,740 (31 March 2017: 64,740; 31 March 2016: 64,740; 31 March 2015: 64,740 and 31 March 2014: 64,740) equity shares of ₹100 each	6.47	6.47	6.47	6.47	6.47
	6.47	**6.47**	**6.47**	**6.47**	**6.47**

i. List of persons holding more than 5 percent shares in equity shares

Name of the share holder	As at 31 March 2018		As at 31 March 2017		As at 31 March 2016		As at 31 March 2015		As at 31 March 2014	
	No of shares	% holding	No of shares	% holding	No of shares	% holding	No of shares	% holding	No of shares	% holding
Client Ebene Limited	21,164	32.69	21,164	32.69	21,164	32.69	21,164	32.69	21,164	32.69
CVCIGPII Employee Ebene Limited	11,853	18.31	11,853	18.31	11,853	18.31	11,853	18.31	11,853	18.31
S Sekhar Vasan	16,976	26.22	16,976	26.22	16,976	26.22	16,976	26.22	16,976	26.22
Unni Rajagopal	4,713	7.28	4,713	7.28	4,713	7.28	4,713	7.28	4,713	7.28
D Devaraj	4,713	7.28	4,713	7.28	4,713	7.28	4,713	7.28	4,713	7.28
F R Singhvi	4,713	7.28	4,713	7.28	4,713	7.28	4,713	7.28	4,713	7.28

ii. Reconciliation of the number of equity shares outstanding at the beginning and at the end of the year

Particulars	As at 31 March 2018		As at 31 March 2017		As at 31 March 2016		As at 31 March 2015		As at 31 March 2014	
	No of shares	₹	No of shares	₹	No of shares	₹	No of shares	₹	No of shares	₹
Equity shares										
Number of shares outstanding at beginning of the year	64,740	6.47	64,740	6.47	64,740	6.47	64,740	6.47	64,740	6.47
Add: Issued during the year	-	-	-	-	-	-	-	-	-	-
Number of shares outstanding at the end of the year	64,740	6.47	64,740	6.47	64,740	6.47	64,740	6.47	64,740	6.47

iii. Shares held by holding / ultimate holding company and / or their subsidiaries / associates:

Name of the shareholder	As at 31 March 2018		As at 31 March 2017		As at 31 March 2016		As at 31 March 2015		As at 31 March 2014	
	No of shares	Amount	No of shares	Amount	No of shares	Amount	No of shares	Amount	No of shares	Amount
Equity shares										
Client Ebene Limited	21,164	2.12	21,164	2.12	21,164	2.12	21,164	2.12	21,164	2.12
CVCIGPII Employee Ebene Limited	11,853	1.18	11,853	1.18	11,853	1.18	11,853	1.18	11,853	1.18
	33,017	**3.30**	**33,017**	**3.30**	**33,017**	**3.30**	**33,017**	**3.30**	**33,017**	**3.30**

iv. Rights, preferences and restrictions attached to equity shares

The Group has a single class of equity shares. Each holder of the equity share, as reflected in the records of the Group as of the date of the shareholder meeting, is entitled to one vote in respect of each share held for all matters submitted to vote in the shareholders' meeting. The Group declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation, the holders of equity shares will be entitled to receive any of the remaining assets of the Group after distribution of all preferential amounts, if any. Each of the promoters undertake that until the earlier of an IPO or the holders of CCPS and / or their affiliates ceasing to hold any shares in the Group, no promoter shall directly or indirectly, transfer or grant options on any of shares held by them in the Group unless agreed to in writing by the holders of CCPS.

v. Shares bought back during 5 years immediately preceding 31 March 2018

Class of shares bought back	31 March 2017	31 March 2016	31 March 2015	31 March 2014	31 March 2013
Fully paid up equity shares	-	-	-	-	5,460

5,460 equity shares of Rs.100 each, fully paid up for a total consideration of Rs 422.60 million were bought back by utilising the balance in securities premium reserve during the year ended 31 March 2013.

vi. There has been no shares allotted as fully paid up by way of bonus shares or shares allotted as fully paid up pursuant to contract without payment being received in cash during five years immediately preceding 31 March 2018.

vii. The Group has issued stock options to employees. For details of shares reserved for issue under the Employee stock option(ESOP) Plan, refer note 41 of Annexure A-VI.

viii. Subsequent events

Pursuant to the approval of the shareholders granted at its extraordinary general meeting held on 28 July 2018, the Company has sub-divided the equity shares in the ratio of 1:50. As on 28 July 2018, 64,740 shares were outstanding of Rs. 100 each, which on sub division, became 3,237,000 equity shares of Rs. 2 each.

Further, as per the approval of the shareholders granted in above extraordinary general meeting the Company has issued bonus shares in the ratio of 2:27. Accordingly 43,699,500 equity shares were issued as bonus shares against 3,237,000 equity shares. Post bonus issue 46,936,500 equity shares are outstanding as of 28 July 2018.

16 (b) Instruments entirely equity in nature

(Amount in ₹ millions)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016 Proforma	As at 31 March 2015 Proforma	As at 31 March 2014 Proforma
Authorised					
Preference shares					
A Series 300,000 (31 March 2017: 300,000; 31 March 2016: 300,000; 31 March 2015: 300,000 and 31 March 2014: 300,000), 0.0001% compulsory convertible preference shares of ₹100 each	30.00	30.00	30.00	30.00	30.00
B Series 750,000 (31 March 2017: 750,000; 31 March 2016: 750,000; 31 March 2015: 750,000 and 31 March 2014: 750,000), 0.0001% compulsory convertible preference shares of ₹100 each	75.00	75.00	75.00	75.00	75.00
	105.00	**105.00**	**105.00**	**105.00**	**105.00**
Issued, subscribed and paid up					
Preference shares					
A Series 300,000 (31 March 2017: 300,000; 31 March 2016: 300,000; 31 March 2015: 300,000 and 31 March 2014: 300,000), 0.0001% compulsory convertible preference shares of ₹100 each	30.00	30.00	30.00	30.00	30.00
B Series 750,000 (31 March 2017: 750,000; 31 March 2016: 750,000; 31 March 2015: 750,000 and 31 March 2014: 750,000), 0.0001% compulsory convertible preference shares of ₹100 each	75.00	75.00	75.00	75.00	75.00
	105.00	**105.00**	**105.00**	**105.00**	**105.00**

i. Reconciliation of the number of preference shares outstanding at the beginning and at the end of the year

Particulars	As at 31 March 2018		As at 31 March 2017		As at 31 March 2016		As at 31 March 2015		As at 31 March 2014	
	No of shares	Rs	No of shares	Rs	No of shares	Rs	No of shares	Rs	No of shares	Rs
Compulsory Convertible Preference shares(CCPS) Series: A										
Number of shares outstanding at beginning of the year	300,000	30.00	300,000	30.00	300,000	30.00	300,000	30.00	300,000	30.00
Add: Issued during the year	-	-	-	-	-	-	-	-	-	-
Number of shares outstanding at the end of the year	**300,000**	**30.00**	**300,000**	**30.00**	**300,000**	**30.00**	**300,000**	**30.00**	**300,000**	**30.00**
Compulsory Convertible Preference shares(CCPS) Series: B										
Number of shares outstanding at beginning of the year	750,000	75.00	750,000	75.00	750,000	75.00	750,000	75.00	750,000	75.00
Add: Issued during the year	-	-	-	-	-	-	-	-	-	-
Number of shares outstanding at the end of the year	**750,000**	**75.00**	**750,000**	**75.00**	**750,000**	**75.00**	**750,000**	**75.00**	**750,000**	**75.00**

ii. Shares held by holding / ultimate holding company and / or their subsidiaries / associates:

Particulars	As at 31 March 2018		As at 31 March 2017		As at 31 March 2016		As at 31 March 2015		As at 31 March 2014	
	No of shares	Rs	No of shares	Rs	No of shares	Rs	No of shares	Rs	No of shares	Rs
Compulsory Convertible Preference shares (CCPS) Series : A										
Client Ebene Limited	192,300	19.23	192,300	19.23	192,300	19.23	192,300	19.23	192,300	19.23
CVCIGPII Employee Ebene Limited	107,700	10.77	107,700	10.77	107,700	10.77	107,700	10.77	107,700	10.77
	300,000	**30.00**	**300,000**	**30.00**	**300,000**	**30.00**	**300,000**	**30.00**	**300,000**	**30.00**
Compulsory Convertible Preference shares (CCPS) Series : B										
Client Ebene Limited	480,750	48.08	480,750	48.08	480,750	48.08	480,750	48.08	480,750	48.08
CVCIGPII Employee Ebene Limited	269,250	26.92	269,250	26.92	269,250	26.92	269,250	26.92	269,250	26.92
	750,000	**75.00**	**750,000**	**75.00**	**750,000**	**75.00**	**750,000**	**75.00**	**750,000**	**75.00**

iii. Rights, preferences and restrictions attached to preference shares.

Compulsory convertible preference shares (CCPS) - [Series A and Series B]

Dividend rights

In accordance with the share subscription agreement dividend shall be equal to 0.0001 % per annum of the face value of the CCPS [Series A and Series B]. In any given financial year, the Group may not declare any dividend or other distribution to its holders of equity shares unless it has first declared the preferential dividend for such financial year to the holders of the CCPS [Series A and Series B]. The dividends are non-cummulative.

Conversion of preference shares

In accordance with the share subscription agreement (SSA), CCPS [Series A and Series B] is convertible, on the expiry of 20 (twenty) years from the completion date respectively and into a fixed share entitlement ratio as defined in the SSA i.e., convertible into 6,126 equity shares on delivery of conversion notice.

The equity shares issued to the holders of the CCPS [Series A and Series B] pursuant to conversion shall be free of all encumbrances and shall (i) be fully-paid up, (ii) be transferable to any person in accordance with the terms of the agreement, (iii) carry full voting rights, and (iv) rank pari passu in every respect with other ordinary fully paid up equity shares.

17 Other equity

Summary of other equity balances*

(Amount in ₹ millions)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016 Proforma	As at 31 March 2015 Proforma	As at 31 March 2014 Proforma
Reserves and surplus					
Capital reserve	8.17	8.17	8.17	8.17	8.17
Securities premium	1,216.76	1,216.76	1,216.76	1,216.76	1,216.76
General reserve	135.48	135.48	135.48	135.48	135.48
Capital redemption reserve	0.55	0.55	0.55	0.55	0.55
Retained earnings	4,280.86	3,447.68	2,806.36	2,174.36	1,547.54
Employee stock option outstanding account	177.53	161.11	141.21	-	-
Exchange differences on translation of foreign operations	11.37	-	-	-	-
Total	**5,830.72**	**4,969.75**	**4,308.53**	**3,535.32**	**2,908.50**

* Refer consolidated statement of changes in equity for detailed movement in the above other equity balances.

Nature and purpose of other equity:

Capital reserve

Capital reserve of ₹ 3.52 million refers to the subsidy received from the Government of Karnataka, Department of Industries and Commerce. Balance pertains to share of pre-acquisition profits of subsidiaries at the time of acquisition by the Group accounted as capital reserve.

Securities premium

Securities premium account comprises of premium on issue of shares. The reserve is utilised in accordance with specific provision of the Companies Act, 2013.

General reserve

The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in general reserve will not be reclassified subsequently to statement of profit and loss.

Capital redemption reserve

The capital redemption reserve is created out of undistributed profits for purchase of its own shares.

Retained earnings

Retained earnings are profits that the Group has earned till date, less any transfers to general reserve, dividends or other distributions paid to investors.

Employee stock option outstanding account

The fair value of the equity-settled share based payment transactions with employees is recognised in statement of profit and loss with corresponding credit to employee stock options outstanding account.

Exchange differences on translation of foreign operations

Exchange differences arising on translation of the foreign operation are recognised in other comprehensive income as described in accounting policy and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed off.

Sansera Engineering Limited (erstwhile Sansera Engineering Private Limited)
Annexure A - VI
Notes to the restated consolidated financial information (continued)

18 Non-current borrowings **(Amount in ₹ millions)**

Particulars	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016 Proforma	As at 31 March 2015 Proforma	As at 31 March 2014 Proforma
Secured					
Term loans from banks	1,537.93	684.23	525.01	65.48	196.31
Term loans from financial institution	134.13	257.40	217.25	403.05	366.47
Long term maturities of finance lease obligations	152.44	231.31	44.09	63.12	-
Total	**1,824.50**	**1,172.94**	**786.35**	**531.65**	**562.78**

*For details with respect to terms and conditions of long term loans and long term maturities of finance lease obligations refer Annexure A- IX.

19 Non-current provisions **(Amount in ₹ millions)**

Particulars	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016 Proforma	As at 31 March 2015 Proforma	As at 31 March 2014 Proforma
Provision for employee benefits					
Gratuity	59.55	38.43	46.51	31.43	23.96
	59.55	**38.43**	**46.51**	**31.43**	**23.96**

20 Deferred tax liabilities, net **(Amount in ₹ millions)**

Particulars	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016 Proforma	As at 31 March 2015 Proforma	As at 31 March 2014 Proforma
Deferred tax assets					
Provision for doubtful debts	7.50	6.97	6.97	6.05	4.97
Provision for Employee benefits	33.97	27.81	27.95	17.89	11.54
Fair valuation of security deposit	0.28	0.21	0.16	0.09	0.07
Brought forward losses	-	39.26	41.62	27.31	19.23
Finance lease	-	-	-	0.02	-
Minimum alternate tax credit entitlement	-	31.29	44.40	-	12.50
	41.75	**105.54**	**121.10**	**51.36**	**48.31**
Deferred tax liabilities					
Finance lease	33.65	16.37	3.82	-	-
Excess of depreciation on Property, plant and equipment under Income Tax Act, 1961 over depreciation under Companies Act.	539.44	421.61	337.13	237.27	201.87
Others	6.13	-	0.85	-	-
	579.22	**437.98**	**341.80**	**237.27**	**201.87**
Total	**537.47**	**332.44**	**220.70**	**185.91**	**153.56**

21 Other non-current liabilities

(Amount in ₹ millions)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016 Proforma	As at 31 March 2015 Proforma	As at 31 March 2014 Proforma
Deferred government grant	242.80	231.42	115.16	92.12	73.80
Total	**242.80**	**231.42**	**115.16**	**92.12**	**73.80**

Movement in deferred government grant (Current and Non-current)

(Amount in ₹ millions)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016 Proforma	As at 31 March 2015 Proforma	As at 31 March 2014 Proforma
Opening balance	260.84	124.94	109.64	83.19	50.76
Add: Grants during the year	56.06	148.44	24.14	33.01	37.09
Less: Released to profit or loss	21.30	12.54	8.84	6.56	4.66
Closing balance	**295.60**	**260.84**	**124.94**	**109.64**	**83.19**
Current	52.80	29.42	9.78	17.52	9.39
Non-current	242.80	231.42	115.16	92.12	73.80
	295.60	**260.84**	**124.94**	**109.64**	**83.19**

The government grant related to property, plant and equipment is recognized as deferred income and is being amortized over the useful life of the asset in proportion in which the related depreciation expense is recognized.

22 Current borrowings

(Amount in ₹ millions)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016 Proforma	As at 31 March 2015 Proforma	As at 31 March 2014 Proforma
Secured, from banks					
Cash credit and bank overdrafts	161.83	435.39	6.88	63.05	470.69
Working capital loan	515.08	254.90	134.90	437.20	191.55
Packing credit loan	736.03	535.71	1,075.13	657.42	110.53
Bill Discounting facility	434.49	351.47	534.95	252.58	359.27
Foreign currency loan	495.62	460.05	-	300.00	-
Unsecured					
From bank	100.00	100.00	100.00	-	-
From financial institution	451.23	200.81	151.07	151.40	152.14
From directors and shareholders	-	-	-	-	6.30
	2,894.28	**2,338.33**	**2,002.93**	**1,861.65**	**1,290.48**

For details of security, repayment terms and interest rate for long term and short term borrowings refer Annexure A-IX.

23 Trade payables (Amount in ₹ millions)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016 Proforma	As at 31 March 2015 Proforma	As at 31 March 2014 Proforma
Total outstanding dues other than to micro enterprises and small enterprises	1,382.33	891.46	836.24	509.25	524.98
Total	**1,382.33**	**891.46**	**836.24**	**509.25**	**524.98**

The Group's exposure to currency and liquidity risk related to trade payables are disclosed in note 43 of Annexure A-VI.

24 Other financial liabilities (Amount in ₹ millions)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016 Proforma	As at 31 March 2015 Proforma	As at 31 March 2014 Proforma
Current maturities of long term borrowings	598.68	356.45	367.89	238.34	311.34
Current maturities of finance lease obligations	76.19	76.19	16.46	10.60	-
Capital creditors	41.15	55.48	37.19	18.42	13.10
Other payables					
Accrued salaries and benefits	352.41	201.04	184.04	147.79	110.56
Derivative liability	2.42	-	0.10	-	0.89
Accrued expenses	94.27	37.63	39.20	38.27	46.30
Total	**1,165.12**	**726.79**	**644.88**	**453.42**	**482.19**

*For details with respect to terms and conditions of long term loans and long term maturities of finance lease obligations refer Annexure A- IX.

25 Other current liabilities (Amount in ₹ millions)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016 Proforma	As at 31 March 2015 Proforma	As at 31 March 2014 Proforma
Advance from customers	15.19	10.59	-	34.30	2.95
Payable to statutory/government authorities	23.01	43.20	42.09	14.05	5.28
Deferred government grant	52.80	29.42	9.78	17.52	9.39
Total	**91.00**	**83.21**	**51.87**	**65.87**	**17.62**

26 Current provisions (Amount in ₹ millions)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016 Proforma	As at 31 March 2015 Proforma	As at 31 March 2014 Proforma
Provision for employee benefits					
Gratuity	14.43	11.03	14.83	9.56	2.77
Compensated absence	25.41	31.61	20.33	12.48	8.25
Provision for wealth tax	-	-	-	1.34	0.42
Total	**39.84**	**42.64**	**35.16**	**23.38**	**11.44**

Sansera Engineering Limited (erstwhile Sansera Engineering Private Limited)
Annexure A - VI
Notes to the restated consolidated financial information (continued)

27 Revenue from operations (Amount in ₹ millions)

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017	For the year ended 31 March 2016 Proforma	For the year ended 31 March 2015 Proforma	For the year ended 31 March 2014 Proforma
Sale of products (excluding excise duty)	12,866.77	9,603.97	8,464.40	7,771.15	6,103.58
Add: Excise duty	252.76	761.04	680.93	538.58	468.72
Sale of products-total	**13,119.53**	**10,365.01**	**9,145.33**	**8,309.73**	**6,572.30**
Sale of services	127.54	158.49	153.62	47.88	20.47
Other operating revenue					
Scrap sales	421.90	303.68	279.23	314.52	267.25
Tooling income	49.48	42.75	66.64	14.55	26.32
Export incentive benefit	121.77	101.93	70.89	22.43	19.70
	13,840.22	**10,971.86**	**9,715.71**	**8,709.11**	**6,906.04**

28 Other income (Amount in ₹ millions)

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017	For the year ended 31 March 2016 Proforma	For the year ended 31 March 2015 Proforma	For the year ended 31 March 2014 Proforma
Interest income					
Bank	6.89	6.83	11.63	6.98	32.87
Others	3.26	0.61	0.51	0.24	0.17
Fair value gain on financial instruments at fair value through profit and loss	2.28	1.84	0.01	1.38	0.56
Dividend income	0.06	0.03	0.02	0.01	0.01
Profit on sale of Property, plant and equipment (net)	16.46	0.35	1.49	-	-
Gain on foreign currency transactions (net)	79.11	42.49	34.24	-	28.29
Income from government grants	21.30	12.54	8.84	6.56	4.66
Rental income	-	-	-	0.05	2.19
Other non-operating income	-	0.02	-	-	-
Total	**129.36**	**64.71**	**56.74**	**15.22**	**68.75**

29 Cost of material and assembled components consumed (Amount in ₹ millions)

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017	For the year ended 31 March 2016 Proforma	For the year ended 31 March 2015 Proforma	For the year ended 31 March 2014 Proforma
Opening stock	398.29	287.60	289.46	245.84	284.80
Purchases	6,361.74	4,519.63	3,772.04	3,559.92	2,744.79
Closing stock	679.26	398.29	287.60	289.46	245.84
Cost of material consumed	**6,080.77**	**4,408.94**	**3,773.90**	**3,516.30**	**2,783.75**

30 Changes in inventories of finished goods and work-in-progress (Amount in ₹ millions)

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017	For the year ended 31 March 2016 Proforma	For the year ended 31 March 2015 Proforma	For the year ended 31 March 2014 Proforma
Opening balance					
Finished goods (including stock in transit)	208.52	177.15	170.66	136.36	112.46
Work-in-progress	556.66	463.96	443.16	406.22	324.91
	765.18	**641.11**	**613.82**	**542.58**	**437.37**
Closing balance					
Finished goods (including stock in transit)	213.90	208.52	177.15	170.66	136.36
Work-in-progress	786.53	556.66	463.96	443.16	406.22
	1,000.43	**765.18**	**641.11**	**613.82**	**542.58**
(Increase)/decrease in stocks	**(235.25)**	**(124.07)**	**(27.29)**	**(71.24)**	**(105.21)**

31 Employee benefit expenses

Particulars	**For the year ended 31 March 2018**	**For the year ended 31 March 2017**	**For the year ended 31 March 2016 Proforma**	**For the year ended 31 March 2015 Proforma**	**For the year ended 31 March 2014 Proforma**
Salaries, wages and bonus	2,171.83	1,633.31	1,364.33	1,157.89	900.43
Contribution to provident and other funds	103.07	111.21	96.57	52.85	64.17
Employee stock compensation expense*	16.42	19.90	141.21	-	-
Staff welfare expenses	180.67	151.32	126.09	108.39	93.43
	2,471.99	**1,915.74**	**1,728.20**	**1,319.13**	**1,058.03**

*'Employee stock compensation expense includes an expense of ₹ Nil (31 March 2017: ₹ 9.31; 31 March 2016: ₹ 112.05; 31 March 2015: ₹ Nil and 31 March 2014: ₹ Nil) incurred towards stock options issued at par and an expense of Rs. 16.42 (31 March 2017: ₹ 10.59; 31 March 2016: ₹ 29.16; 31 March 2015: ₹ Nil and 31 March 2014: ₹ Nil) towards stock options issued at intrinsic value.

32 Finance costs **(Amount in ₹ millions)**

Particulars	**For the year ended 31 March 2018**	**For the year ended 31 March 2017**	**For the year ended 31 March 2016 Proforma**	**For the year ended 31 March 2015 Proforma**	**For the year ended 31 March 2014 Proforma**
Interest expense	330.52	286.80	203.25	194.74	270.97
Other borrowing cost	37.60	34.97	16.04	18.20	14.40
Foreign exchange loss to the extent considered as interest	71.91	7.66	102.41	14.03	10.19
Total	**440.03**	**329.43**	**321.70**	**226.97**	**295.56**

33 Depreciation and amortisation expense **(Amount in ₹ millions)**

Particulars	**For the year ended 31 March 2018**	**For the year ended 31 March 2017**	**For the year ended 31 March 2016 Proforma**	**For the year ended 31 March 2015 Proforma**	**For the year ended 31 March 2014 Proforma**
Depreciation of property plant and equipment	602.35	463.90	365.72	332.10	358.10
Amortisation of intangible assets	5.38	3.13	4.63	5.20	2.11
Total	**607.73**	**467.03**	**370.35**	**337.30**	**360.21**

34 Other expenses **(Amount in ₹ millions)**

Particulars	**For the year ended 31 March 2018**	**For the year ended 31 March 2017**	**For the year ended 31 March 2016 Proforma**	**For the year ended 31 March 2015 Proforma**	**For the year ended 31 March 2014 Proforma**
Traveling and conveyance	55.22	42.29	36.00	30.20	24.98
Freight outward	107.44	95.50	79.78	214.62	112.94
Legal and professional	57.01	39.44	14.12	18.02	13.65
Rates and taxes	17.46	15.63	10.19	7.68	15.15
Repairs and maintenance				-	
-Building	75.85	69.15	55.18	52.20	35.28
-Computers	35.46	24.99	17.06	18.55	13.61
-Vehicles	20.73	16.38	15.27	14.61	13.29
Rent	38.18	17.01	14.76	4.91	4.22
Insurance	21.37	16.83	14.06	15.61	17.36
Printing and Stationery	11.44	6.73	5.06	4.35	5.56
Communication	9.01	8.08	6.92	7.11	6.15
Impairment loss on financial assets	1.57	1.43	2.33	2.45	4.07
Security	39.47	36.08	26.73	22.59	15.89
Selling and advertisement	52.88	56.40	39.75	36.06	37.31
Foreign exchange loss, net	-	-	-	44.77	-
Loss on sale of Property, plant and equipment	-	-	-	3.12	0.99
Corporate social responsibility (refer note 48 of Annexure A-VI)	27.15	14.30	6.08	4.02	0.04
Miscellaneous	30.17	21.23	18.19	14.72	26.28
Total	**600.41**	**481.47**	**361.48**	**515.59**	**346.77**

35 Exceptional items **(Amount in ₹ millions)**

Particulars	**For the year ended 31 March 2018**	**For the year ended 31 March 2017**	**For the year ended 31 March 2016 Proforma**	**For the year ended 31 March 2015 Proforma**	**For the year ended 31 March 2014 Proforma**
Legal and professional charges on restructuring (1)	-	-	-	-	89.01
Net gain on sale of long term investments (2)	-	-	-	-	(72.95)
Cost for relocation (3)	122.07	-	-	-	-
Total	**122.07**	**-**	**-**	**-**	**16.06**

(1) Legal and professional charges represents amount incurred towards change in shareholding structure and issue of preference shares which are not directly incremental in nature.

(2) During the year, the Group has sold its investment held in its joint venture Sansera+ Streparava Engineering Private Limited to the joint venturer Streparava Spa for an agreegate consideration of ₹ 167.5 million resulting in a net gain of ₹ 72.95 million.

(3) Sansera Sweden AB moved to a new facility and the cost incurred towards setting up the new facility has been classified as exceptional item.

36 Earnings per share (EPS)

Basic earnings per share is calculated by dividing the profit for the year by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is calculated by dividing the profit for the year by the weighted average number of equity shares outstanding during the year, after adjustment for the effects of all dilutive potential equity shares.

(Amount in ₹ millions except no. of shares)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016 Proforma	As at 31 March 2015 Proforma	As at 31 March 2014 Proforma
Nominal value of equity shares (₹ per share)	100.00	100.00	100.00	100.00	100.00
Profit/(loss) available to shareholders for calculation of basic and diluted earnings per share	852.57	640.77	635.67	632.91	412.90
Weighted average number of equity shares for calculation of basic earnings per share	64,740	64,740	64,740	64,740	64,740
Basic earnings per share (in ₹)	**13,169.14**	**9,897.59**	**9,818.81**	**9,776.18**	**6,377.82**
Weighted average number of outstanding shares considered for computing diluted EPS	72,483	72,483	72,483	70,866	70,866
Diluted earnings per share (in ₹)	**11,762.34**	**8,840.28**	**8,769.92**	**8,931.08**	**5,826.49**

Computation of weighted average number of shares

Particulars	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016 Proforma	As at 31 March 2015 Proforma	As at 31 March 2014 Proforma
Weighted average number of equity shares for calculation of basic earnings per share	64,740	64,740	64,740	64,740	64,740
Add: Impact of potentially dilutive equity shares:-					
Compulsory Convertible Preference Shares (CCPS) Series:A	6,124	6,124	6,124	6,124	6,124
Compulsory Convertible Preference Shares (CCPS) Series:B	2	2	2	2	2
Employee Stock Option Plan	1,617	1,617	1,617	-	-
Weighted average number of equity shares for calculation of diluted earnings per share	72,483	72,483	72,483	70,866	70,866

37 Contingent liabilities and commitments *(to the extent not provided for)*

Particulars	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016 Proforma	As at 31 March 2015 Proforma	As at 31 March 2014 Proforma
Contingent liabilities					
Claims against the Group not acknowleged as debts:-					
Customer claims (refer note A)	159.37	-	-	-	-
Employee state insurance matters	-	-	-	1.35	1.35
Excise duty and service tax matters (refer note B)	75.76	31.05	38.47	39.55	29.83
Income tax matters (refer note B)	5.59	-	-	2.73	4.55
Commitments					
Estimated amount of contracts remaining to be executed on capital account and not provided for (refer note C)	466.10	268.60	501.48	141.08	44.21

Note A: These claims are raised by the customers against the Group in respect of products supplied. While liability is not admitted, the claim from the customer is ₹ 159.37 million (31 March 2017: ₹ Nil, 31 March 2016: ₹ Nil million, 31 March 2015: ₹ Nil, 31 March 2014: ₹ Nil). The management does not expect the outcome of the action to have a material effect on Group's financial statements.

Note B: Pending resolution of the respective proceedings, it is not practicable for the Group to estimate the timings of cash flows, if any, in respect of the above as it is determinable only on receipt of judgements/decisions pending with various forums/authorities. The Group has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its financial statements. The Group does not expect the outcomes of these proceedings to have a materially adverse effect on its financial position.

Note C: As at 31 March 2018, the Group has committed to spend ₹ 466.10 million (31 March 2017: ₹ 268.60 million, 31 March 2016: ₹ 501.48 million, 31 March 2015: 141.08 million, 31 March 2014: 44.21 million) under contract to purchase property, plant and equipment.

38 Tax expense

A. Amounts recognised in statement of profit and loss **(Amount in ₹ millions)**

Particulars	**For the year ended 31 March 2018**	**For the year ended 31 March 2017**	**For the year ended 31 March 2016 Proforma**	**For the year ended 31 March 2015 Proforma**	**For the year ended 31 March 2014 Proforma**
Current tax (a)					
Current period*	400.91	220.43	167.36	241.30	142.88
Deferred tax (b)					
Attributable to -					
Origination and reversal of temporary differences	183.54	98.00	79.43	24.49	13.83
	183.54	**98.00**	**79.43**	**24.49**	**13.83**
Tax expense for the year (a) + (b)	**584.45**	**318.43**	**246.79**	**265.79**	**156.71**

***** For year ended 31 March 2016, cuurent tax expense is net of MAT entitlement credit recognised.

(ii) Amounts recognised in other comprehensive income					
Deferred Taxes					
Remeasurements of the defined benefit plans	(6.57)	0.63	(1.67)	(3.23)	(0.12)
	577.88	**319.06**	**245.12**	**262.56**	**156.59**

B. Amounts recognised in other comprehensive income

Particulars	**31 March 2018**		
	Before tax	**Tax (expense) benefit**	**Net of tax**
Remeasurements of the defined benefit plans	(18.97)	6.57	(12.40)
	(18.97)	**6.57**	**(12.40)**
	31 March 2017		
	Before tax	**Tax (expense) benefit**	**Net of tax**
Remeasurements of the defined benefit plans	1.82	(0.63)	1.19
	1.82	**(0.63)**	**1.19**
			(15.38)
	31 March 2016 (Proforma)		
	Before tax	**Tax (expense) benefit**	**Net of tax**
Remeasurements of the defined benefit plans	(4.83)	1.67	(3.16)
	(4.83)	**1.67**	**(3.16)**
	31 March 2015 (Proforma)		
	Before tax	**Tax (expense) benefit**	**Net of tax**
Remeasurements of the defined benefit plans	(9.31)	3.23	(6.08)
	(9.31)	**3.23**	**(6.08)**
	31 March 2014 (Proforma)		
	Before tax	**Tax (expense) benefit**	**Net of tax**
Remeasurements of the defined benefit plans	(0.32)	0.12	(0.20)
	(0.32)	**0.12**	**(0.20)**

C. Reconciliation of the income tax provision to the amount computed by applying the statutory income tax rate to the income before income taxes is summarized below:

	31 March 2018	**31 March 2017**	**31 March 2016 Proforma**	**31 March 2015 Proforma**	**31 March 2014 Proforma**
Profit before tax	**1,452.94**	**956.47**	**884.17**	**907.14**	**579.29**
Effective tax rate	34.61%	34.61%	34.61%	33.99%	32.40%
Tax using the domestic tax rate	502.86	331.03	306.01	308.34	187.69
Effect of:					
Non-deductible expenses	4.74	2.47	1.08	0.77	0.50
Tax exempt income	(1.27)	(12.80)	(62.15)	(41.75)	(28.11)
Difference in rate considered for MAT and books	-	(3.98)	-	-	-
Current year losses for which no deferred tax was recognised	39.24	-	-	-	-
Difference in domestic and overseas rate	22.49				
Loss on sale of assets	-	-	0.27	(0.44)	
Lower tax rate on sale of shares	-	-	-	-	(7.10)
Permanent difference on intangibles acquired during business combination	6.13	-	-	-	-
Others	3.69	2.34	(0.09)	(4.36)	3.48
Income tax expense	**577.88**	**319.06**	**245.12**	**262.56**	**156.46**

D. Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable as follows:

Particulars	**Deferred tax assets**	**Deferred tax (liabilities)**	**Net deferred tax asset (liabilities)**
	31 March 2018	**31 March 2018**	**31 March 2018**
Excess of depreciation on property, plant and equipment under Income Tax Act, 1961 over depreciation under Companies Act.	-	(539.44)	(539.44)
Provision for employee benefits	33.97	-	33.97
Finance lease		(33.65)	(33.65)
On fair valuation of security deposit	0.28	-	0.28
Loss allowance on financial assets	7.50	-	7.50
Intangibles	-	(6.13)	(6.13)
Net deferred tax (assets)/liabilities	**41.75**	**(579.22)**	**(537.47)**

Particulars	**Deferred tax assets**	**Deferred tax (liabilities)**	**Net deferred tax asset (liabilities)**
	31 March 2017	**31 March 2017**	**31 March 2017**
Excess of depreciation on property, plant and equipment under Income Tax Act, 1961 over depreciation under Companies Act.	-	(421.61)	(421.61)
Provision for employee benefits	27.81	-	27.81
Finance lease	-	(16.37)	(16.37)
On fair valuation of security deposit	0.21	-	0.21
Brought forward losses	39.26	-	39.26
Minimum alternate tax credit entitlement	31.29	-	31.29
Loss allowance on financial assets	6.97	-	6.97
Net deferred tax (assets)/liabilities	**105.54**	**(437.98)**	**(332.44)**

Particulars		**Deferred tax assets**	**Deferred tax (liabilities)**	**Net deferred tax asset (liabilities)**
	Proforma	**31 March 2016**	**31 March 2016**	**31 March 2016**
Excess of depreciation on property, plant and equipment under Income Tax Act, 1961 over depreciation under Companies Act.			(337.98)	(337.98)
Provision for employee benefits		27.95	-	27.95
Finance lease		-	(3.82)	(3.82)
On fair valuation of security deposit		0.16	-	0.16
Brought forward losses		41.62	-	41.62
Minimum alternate tax credit entitlement		44.40	-	44.40
Loss allowance on financial assets		6.97	-	6.97
Net deferred tax (assets)/liabilities		**121.10**	**(341.80)**	**(220.70)**

Particulars		**Deferred tax assets**	**Deferred tax (liabilities)**	**Net deferred tax asset (liabilities)**
	Proforma	**31 March 2015**	**31 March 2015**	**31 March 2015**
Excess of depreciation on property, plant and equipment under Income Tax Act, 1961 over depreciation under Companies Act.		-	(237.27)	(237.27)
Provision for employee benefits		17.89	-	17.89
Finance lease		0.02	-	0.02
On fair valuation of security deposit		0.09	-	0.09
Brought forward losses		27.31	-	27.31
Loss allowance on financial assets		6.05	-	6.05
Net deferred tax (assets)/liabilities		**51.36**	**(237.27)**	**(185.91)**

Particulars		**Deferred tax assets**	**Deferred tax (liabilities)**	**Net deferred tax asset (liabilities)**
	Proforma	**31 March 2014**	**31 March 2014**	**31 March 2014**
Excess of depreciation on property, plant and equipment under Income Tax Act, 1961 over depreciation under Companies Act.		-	(201.87)	(201.87)
Provision for employee benefits		11.54	-	11.54
On fair valuation of security deposit		0.07	-	0.07
Brought forward losses		19.23	-	19.23
Minimum alternate tax credit entitlement		12.50	-	12.50
Loss allowance on financial assets		4.97	-	4.97
Net deferred tax (assets)/liabilities		**48.31**	**(201.87)**	**(153.56)**

E. Movement in temporary differences

Particulars	**Balance as at 1 April 2017**	**Recognised in profit or loss during 2017-18**	**Recognised in OCI during 2017-18**	**Balance as at 31 March 2018**
Excess of depreciation on property, plant and equipment under Income Tax Act, 1961	(421.61)	(117.83)	-	(539.44)
Provision for employee benefits	27.81	(0.41)	6.57	33.97
Finance lease	(16.37)	(17.28)	-	(33.65)
On fair valuation of security deposit	0.21	0.07	-	0.28
Brought forward losses	39.26	(39.26)	-	-
Loss allowance on financial assets	6.97	0.53	-	7.50
Brought forward losses on acquisition	-	(3.23)	-	-
Intangibles	-	(6.13)	-	(6.13)
	(363.73)	**(183.54)**	**6.57**	**(537.47)**

Particulars	Balance as at 1 April 2016	Recognised in profit or loss during 2016-17	Recognised in OCI during 2016-17	Balance as at 31 March 2017
Excess of depreciation on property, plant and equipment under Income Tax Act, 1961 over depreciation under Companies Act.	(337.98)	(83.63)	-	(421.61)
Provision for employee benefits	27.95	0.49	(0.63)	27.81
Finance lease	(3.82)	(12.55)	-	(16.37)
On fair valuation of security deposit	0.16	0.05	-	0.21
Brought forward losses	41.62	(2.36)	-	39.26
Loss allowance on financial assets	6.97	-	-	6.97
	(265.10)	**(98.00)**	**(0.63)**	**(363.73)**

Particulars	Balance as at 1 April 2015	Recognised in profit or loss during 2015-16	Recognised in OCI during 2015-16	Balance as at 31 March 2016
Excess of depreciation on property, plant and equipment under Income Tax Act, 1961 over depreciation under Companies Act.	(237.27)	(99.28)	-	(337.98)
Provision for employee benefits	17.89	8.39	1.67	27.95
Finance lease	0.02	(3.84)	-	(3.82)
On fair valuation of security deposit	0.09	0.07	-	0.16
Brought forward losses	27.31	14.31	-	41.62
Loss allowance on financial assets	6.05	0.92	-	6.97
	(185.91)	**(79.43)**	**1.67**	**(265.10)**

Particulars	Balance as at 1 April 2014	Recognised in profit or loss during 2014-15	Recognised in OCI during 2014-15	Balance as at 31 March 2015
Excess of depreciation on property, plant and equipment under Income Tax Act, 1961 over depreciation under Companies Act.	(201.87)	(36.81)	-	(237.27)
Provision for employee benefits	11.54	3.12	3.23	17.89
Finance lease	-	0.02	-	0.02
On fair valuation of security deposit	0.07	0.02	-	0.09
Brought forward losses	19.23	8.08	-	27.31
Loss allowance on financial assets	4.97	1.08	-	6.05
	(166.06)	**(24.49)**	**3.23**	**(185.91)**

Particulars	Balance as at 1 April 2013	Recognised in profit or loss during 2013-14	Recognised in OCI during 2013-14	Balance as at 31 March 2014
Excess of depreciation on property, plant and equipment under Income Tax Act, 1961 over depreciation under Companies Act.	(186.49)	(15.38)	-	(201.87)
Provision for employee benefits	10.26	1.16	0.12	11.54
On fair valuation of security deposit	0.04	0.03	-	0.07
Brought forward losses	20.19	(0.96)	-	19.23
Loss allowance on financial assets	3.65	1.32	-	4.97
	(152.35)	**(13.83)**	**0.12**	**(166.06)**

F. Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items, because it is not probable that future taxable profit will be available against which the Group can use the benefits therefrom:

	31-Mar-18	
Particulars	**Gross amount**	**Unrecognised tax asset**
Deferred tax assets		
Income tax losses	246.37	54.20
	246.37	**54.20**

The Group does not have any unrecognised deferred tax assets as at 31 March 2017, 31 March 2016, 31 March 2015 and 31 March 2014.

G. Tax losses carried forward

Tax losses for which no deferred tax asset was recognised expire as follows:

	31-Mar-18	
Particulars	**Amount**	**Expiry date**
Expire	-	-
Never expire	246.37	NA
	246.37	**-**

Sansera Engineering Limited (erstwhile Sansera Engineering Private Limited)
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Notes to the restated consolidated financial information (continued)

39 Related parties disclosures

Enterprises where control exists

A. Holding companies

Client Ebene Limited
CVCIGPII Employee Ebene Limited

B. Trust in which the Director is a trustee

Sansera Foundation

C. Partnership firm in which the Directors are partner:

Singhvi Dev & Unni

D. Key managerial personnel

S Sekhar Vasan - Chairman and Managing Director
F R Singhvi - Joint Managing Director
B R Preetham - Chief Executive Officer
S Ramakrishnan - Chief Financial Officer
Sourabh Kumar - Company Secretary
Devappa Devaraj - Director (upto 8 July 2013)
Unni Rajagopal - Director
D.R.Subramanya - Managing Director
D.N.Nagakumar - Director
D.S.Ananth - Director

E. The following is the summary of related party transactions. **(Amount in ₹ millions)**

Particulars	**For the year ended 31 March 2018**	**For the year ended 31 March 2017**	**For the year ended 31 March 2016 Proforma**	**For the year ended 31 March 2015 Proforma**	**For the year ended 31 March 2014 Proforma**
Expenditure towards Corporate Social Responsibility (CSR)					
Sansera Foundation	26.24	14.10	6.00	4.02	-
Legal and professional charges					
Singhvi Dev & Unni	5.71	3.94	2.15	3.61	1.20
Key managerial person remuneration*					
Short term employee benefits	63.76	49.74	29.63	29.52	28.58

*Excludes contribution to employee retirement/post retirement and other employee benefits which are based on actuarial valuation done on an overall group basis.

F. There are no related party balances as at 31 March 2018, 31 March 2017, 31 March 2016, 31 March 2015 and 31 March 2014.

40 Gratuity

Defined benefit plan

The following table sets out the status of the gratuity plan as required under Ind AS 19 "Employee benefits".

a) Reconciliation of present value of defined benefit obligation **(Amount in ₹ millions)**

Particulars	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016 Proforma	As at 31 March 2015 Proforma	As at 31 March 2014 Proforma
Defined benefit obligation at the beginning of the year	156.47	133.74	108.66	84.38	71.56
Current service cost	14.74	17.90	14.10	12.49	7.64
Current interest cost	11.81	10.03	8.48	6.41	6.23
Benefits paid	(2.60)	(3.91)	(0.38)	(3.85)	-
Past service cost	7.19	-	-	-	(1.83)
Actuarial (gains) losses recognised in other comprehensive income	-	-	-	-	-
Changes in demographic assumptions	1.56	-	(1.85)	-	53.99
Changes in financial assumptions	2.92	0.56	(27.60)	8.07	(16.67)
Experience adjustments	15.03	(1.85)	32.33	1.16	(36.54)
Defined benefit obligation at end of the year	**207.12**	**156.47**	**133.74**	**108.66**	**84.38**

b) Reconciliation of present value of plan assets **(Amount in ₹ millions)**

Particulars	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016 Proforma	As at 31 March 2015 Proforma	As at 31 March 2014 Proforma
Plan assets at the beginning of the year	107.01	72.40	67.67	57.65	46.68
Contribution paid into the plan	20.00	30.00	-	8.37	8.27
Benefits paid	(2.52)	(2.49)	(0.96)	(3.41)	(1.83)
Interest income	8.11	6.57	7.64	5.14	4.07
Return on plan assets recognised in other comprehensive income	0.54	0.53	(1.95)	(0.08)	0.46
Plan assets at the end of the year	**133.14**	**107.01**	**72.40**	**67.67**	**57.65**
Net defined benefit liability / (asset) (a-b)	**73.98**	**49.46**	**61.34**	**40.99**	**26.73**
Non-current	59.55	38.43	46.51	31.43	23.96
Current	14.43	11.03	14.83	9.56	2.77
	73.98	**49.46**	**61.34**	**40.99**	**26.73**

Sansera Engineering Limited (erstwhile Sansera Engineering Private Limited)
Annexure A - VI
Notes to the restated consolidated financial information (continued)

c) Expense recognised in statement of profit and loss **(Amount in ₹ millions)**

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017	For the year ended 31 March 2016 Proforma	For the year ended 31 March 2015 Proforma	For the year ended 31 March 2014 Proforma
Current service cost	14.74	17.90	14.10	12.49	7.64
Interest cost	11.81	10.03	8.48	6.41	6.23
Interest income	(8.11)	(6.57)	(7.64)	(5.14)	(4.07)
Past service cost	7.19	-	-	-	(1.83)
	25.63	**21.36**	**14.94**	**13.76**	**7.97**

d) Remeasurements recognised in Other Comprehensive Income (OCI) **(Amount in ₹ millions)**

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017	For the year ended 31 March 2016 Proforma	For the year ended 31 March 2015 Proforma	For the year ended 31 March 2014 Proforma
Actuarial (gain)/loss on account of experience adjustments	15.03	(1.85)	32.33	1.16	(36.54)
Actuarial (gain)/loss arising from change in demographic assumptions	1.56	-	(1.85)	-	53.99
Actuarial (gain)/loss arising from change in financial assumptions	2.92	0.56	(27.60)	8.07	(16.67)
Return on plan assets recognised in other comprehensive income	(0.54)	(0.53)	1.95	0.08	(0.46)
	18.97	**(1.82)**	**4.83**	**9.31**	**0.32**
Total cost recognised in statement of profit and loss including other comprehensive income (c+d)	**44.60**	**19.54**	**19.77**	**23.07**	**8.29**

e) Plan assets comprise of the funds maintained by State Bank of India cash accumulation plan amounting to ₹ 133.13 million (31 March 2017: ₹ 107.00 million; 31 March 2016: ₹ 72.39 million; 31 March 2015: ₹ 67.67 million and 31 March 2014: ₹ 57.65 million).

f) Actuarial assumptions

Particulars	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016 Proforma	As at 31 March 2015 Proforma	As at 31 March 2014 Proforma
Discount rate	7.70%	7.64%	7.82%	7.79%	9.10%
Salary increase	6.00%	6.00%	10.00%	8.00%	9.00%
Mortality Rate	IALM (2006-08)	IALM (2006-08)	IALM (2006-08)	IALM (2006-08)	IALM (2006-08)
Retirement age	58 years	58 years	58 years	58 years	58 years
Withdrawal Rate	5.00%	5.00%	5.00%	3.00%	3.00%

g) Sensitivity Analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

Particulars	Movement	For the year ended 31 March 2018	For the year ended 31 March 2017	For the year ended 31 March 2016 Proforma	For the year ended 31 March 2015 Proforma	For the year ended 31 March 2014 Proforma
Discount rate (1% movement)	Increase	188.59	141.15	121.64	96.37	74.91
	Decrease	(228.59)	(172.32)	(149.19)	(123.12)	(95.57)
Future salary growth (1% movement)	Increase	228.13	170.40	147.91	119.95	91.88
	Decrease	(188.51)	(142.02)	(122.26)	(97.60)	(76.66)
Withdrawal rate (1% movement)	Increase	209.90	157.87	136.50	108.45	84.55
	Decrease	(203.98)	(152.97)	(131.95)	(108.74)	(83.95)

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

41 Employee stock options

On 12 March 2015, the Board of Directors of the Group approved "Sansera Employee Stock Option Plan 2015" ("the Plan") for grant of stock options to employees of the Group which is further ratified by the shareholders on 13 April 2015. The vested options can be exercised by the option holder and shares can be allotted by the board only in the event of “Change in Capital Structure” or “Corporate Action” as defined under the plan. The plans are:

Program 1: Key management group

Options under this program are granted to three key employees, part of the management group at an exercise price of ₹ 100 per option. All stock options shall vest 100 % at the end of year 1 from the grant date.

The following reconciles the outstanding share options granted under the employee share option plan at the beginning and at the end of the financial year:

					Proforma					
Particulars	**As at 31 March 2018**		**As at 31 March 2017**		**As at 31 March 2016**		**As at 31 March 2015**		**As at 31 March 2014**	
	Number of Shares	**Weighted average exercise price**	**Number of Shares**	**Weighted average exercise price**	**Number of Shares**	**Weighted average exercise price**	**Number of Shares**	**Weighted average exercise price**	**Number of Shares**	**Weighted average exercise price**
Outstanding at the beginning of the year	1,619	100	1,619	100	-	-	-	-	-	-
Granted during the year	-	-	-	-	1,619	100	-	-	-	-
Exercised during the year	-	-	-	-	-	-	-	-	-	-
Forfeited during the year	-	-	-	-	-	-	-	-	-	-
Lapsed during the year	-	-	-	-	-	-	-	-	-	-
Outstanding at the end of the year	**1,619**	**100**	**1,619**	**100**	**1,619**	**100**	**-**	**-**	**-**	**-**
Exercisable at the end of the year	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

Program 2: Certain identified employees

Options under this program are granted to certain employees at an exercise price of ₹ 98,017 per option. Stock options issued carries different vesting periods, it ranges from 25 to 100 percent vesting of total options granted by the end of every one year from the grant date. All stock options shall be fully vested by the end of 4 years form the grant date.

The following reconciles the outstanding share options granted under the employee share option plan at the beginning and at the end of the financial year:

					Proforma					
Particulars	**As at 31 March 2018**		**As at 31 March 2017**		**As at 31 March 2016**		**As at 31 March 2015**		**As at 31 March 2014**	
	Number of Options	**Weighted average exercise price**	**Number of Options**	**Weighted average exercise price**	**Number of Options**	**Weighted average exercise price**	**Number of Options**	**Weighted average exercise price**	**Number of Options**	**Weighted average exercise price**
Outstanding at the beginning of the year	1,844	98,017	1,394	98,017	-	-	-	-	-	-
Granted during the year	-	-	450	98,017	1,394	98,017	-	-	-	-
Exercised during the year	-	-	-	-	-	-	-	-	-	-
Forfeited during the year	-	-	-	-	-	-	-	-	-	-
Lapsed during the year	-	-	-	-	-	-	-	-	-	-
Outstanding at the end of the year	**1,844**	**98,017**	**1,844**	**98,017**	**1,394**	**98,017**	**-**	**-**	**-**	**-**
Exercisable at the end of the year	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

Measurement of fair values

Black-Scholes Option Pricing Model is used to value the fair value of the stock options. The fair value of the options and the inputs used in the measurement of the grant-date fair values of the equity-settled share based payment plans are as follows:

(Amount in ₹)

Particulars	**Share option plans**	
	Program 1: Key Management Group	**Program 2: Certain Identified Employees**
Grant date	29-Apr-15	29-Apr-15
Fair value of the option at grant date	74,959.58	40,053.15
Share price at grant date	75,019.53	75,019.53
Exercise price	100	98,017.00
Expected volatility (weighted average volatility)	49.20%	49.20%
Expected term (in years)	6.50	6.50
Risk free interest rate	7.90%	7.90%

For details on the employee benefits expense recognised in statement of profit and loss, refer note 31 of Annexure A-VI.

42 Leases

(i) Operating lease

The Group is obligated under cancellable and no-cancellable lease for office space and factories that is renewable on a periodic basis at the option of both the lessor and lessee. The total rental expenses under cancellable operating leases amounted to ₹ 22.11 million (31 March 2017: ₹ 17.01 million, 31 March 2016: ₹ 14.76 million, 31 March 2015: ₹ 4.91 million, 31 March 2014: ₹ 4.22 million) and total rental expenses under non-cancellable operating leases amounted to ₹ 16.07 million (31 March 2017: ₹ Nil, 31 March 2016: ₹ Nil, 31 March 2015: ₹ Nil, 31 March 2014: ₹ Nil)

The future minimum lease payments under non-cancellable operating leases in aggregate are as follows:

Particulars	**As at 31 March 2018**	**As at 31 March 2017**	**As at 31 March 2016 Proforma**	**As at 31 March 2015 Proforma**	**As at 31 March 2014 Proforma**
Not later than 1 year	69.28	-	-	-	-
Later than 1 year and not later than 5 years	316.42	-	-	-	-
More than 5 years	1,067.88	-	-	-	-

(ii) Finance lease

The Group has taken machines on finance lease. The lease arrangement ranges for a period between 2 to 6 years. The minimum lease payments and present value of minimum lease payments are as under: **(Amount in ₹ millions)**

					Proforma					
Particulars	**As at 31 March 2018**		**As at 31 March 2017**		**As at 31 March 2016**		**As at 31 March 2015**		**As at 31 March 2014**	
	Minimum lease payments	**Present value of minimum lease payments**	**Minimum lease payments**	**Present value of minimum lease payments**	**Minimum lease payments**	**Present value of minimum lease payments**	**Minimum lease payments**	**Present value of minimum lease payments**	**Minimum lease payments**	**Present value of minimum lease payments**
Not later than 1 year	92.77	76.19	92.96	76.19	19.95	16.46	13.10	10.60	-	-
Later than 1 year and not later than 5 years	186.41	152.44	282.56	231.31	53.74	44.09	76.44	63.12	-	-
	279.18	**228.63**	**375.52**	**307.50**	**73.69**	**60.55**	**89.54**	**73.72**	**-**	**-**

43 Financial instruments

Accounting classification and fair value

The carrying value and fair value of financial instruments, including their levels in the fair value hierarchy as at 31 March 2018 were as follows:

(Amount in ₹ millions)

Particulars	Carrying amount	Fair value		
	31-Mar-18	Level 1	Level 2	Level 3
Financial assets measured at fair value				
Investment in equity shares	7.09	7.09	-	-
	7.09	**7.09**	**-**	**-**
Financial assets measured at amortised cost				
Other non-current financial assets	257.79	-	-	-
Trade receivables	2,630.71	-	-	-
Cash and cash equivalents	343.37	-	-	-
Bank balances other than cash and cash equivalents above	80.20	-	-	-
Other current financial assets	225.93	-	-	-
	3,538.00	**-**	**-**	**-**
Financial liabilities measured at fair value				
Forward exchange contracts used for hedging	2.42	-	2.42	-
	2.42	**-**	**2.42**	**-**
Financial liabilities measured at amortised cost				
Non-current borrowings	1,824.50	-	-	-
Current borrowings	2,894.28	-	-	-
Trade payables	1,382.33	-	-	-
Other financial liabilities	1,162.70	-	-	-
	7,263.81	**-**	**-**	**-**

The carrying value and fair value of financial instruments, including their levels in the fair value hierarchy as at 31 March 2017 were as follows:

(Amount in ₹ millions)

Particulars	Carrying amount	Fair value		
	31-Mar-17	Level 1	Level 2	Level 3
Financial assets measured at fair value				
Investment in equity shares	4.81	4.81	-	-
Forward exchange contracts used for hedging	3.83	-	3.83	-
	8.64	**4.81**	**3.83**	**-**
Financial assets measured at amortised cost				
Other non-current financial assets	125.24	-	-	-
Trade receivables	2,083.58	-	-	-
Cash and cash equivalents	106.16	-	-	-
Bank balances other than cash and cash equivalents above	72.57	-	-	-
Other current financial assets	156.11	-	-	-
	2,543.66	**-**	**-**	**-**
Financial liabilities measured at amortised cost		-	-	-
Non-current borrowings	1,172.94	-	-	-
Current borrowings	2,338.33	-	-	-
Trade payables	891.46	-	-	-
Other financial liabilities	726.79	-	-	-
	5,129.52	**-**	**-**	**-**

The carrying value and fair value of financial instruments, including their levels in the fair value hierarchy as at 31 March 2016 (Proforma) were as follows :

(Amount in ₹ millions)

Particulars	Carrying amount	Fair value		
	31-Mar-16	Level 1	Level 2	Level 3
Financial assets measured at fair value				
Investment in equity shares	2.97	2.97	-	-
	2.97	**2.97**	**-**	**-**
Financial assets measured at amortised cost				
Other non-current financial assets	82.77	-	-	-
Trade receivables	1,685.39	-	-	-
Cash and cash equivalents	371.89	-	-	-
Bank balances other than cash and cash equivalents above	71.53	-	-	-
Other current financial assets	95.56	-	-	-
	2,307.14	**-**	**-**	**-**
Financial liabilities measured at fair value				
Forward exchange contracts used for hedging	0.10	-	0.10	-
	0.10	**-**	**0.10**	**-**
Financial liabilities measured at amortised cost				
Non-current borrowings	786.35	-	-	-
Current borrowings	2,002.93	-	-	-
Trade payables	836.24	-	-	-
Other financial liabilities	644.78	-	-	-
	4,270.30	**-**	**-**	**-**

The carrying value and fair value of financial instruments, including their levels in the fair value hierarchy as at 31 March 2015 (Proforma) were as follows :

(Amount in ₹ millions)

Particulars	**Carrying amount**	**Fair value**		
	31-Mar-15	**Level 1**	**Level 2**	**Level 3**
Financial assets measured at fair value				
Investment in equity shares	2.96	2.96	-	-
	2.96	**2.96**	**-**	**-**
Financial assets measured at amortised cost				
Other non-current financial assets	40.72	-	-	-
Trade receivables	1,475.95	-	-	-
Cash and cash equivalents	46.61	-	-	-
Bank balances other than cash and cash equivalents above	66.58	-	-	-
Other current financial assets	44.16	-	-	-
	1,674.02	**-**	**-**	**-**
Financial liabilities measured at amortised cost				
Non-current borrowings	531.65	-	-	-
Current borrowings	1,861.65	-	-	-
Trade payables	509.25	-	-	-
Other financial liabilities	453.42	-	-	-
	3,355.97	**-**	**-**	**-**

The carrying value and fair value of financial instruments, including their levels in the fair value hierarchy as at 31 March 2014 (Proforma) were as follows :

(Amount in ₹ millions)

Particulars	**Carrying amount**	**Fair value**		
	31-Mar-14	**Level 1**	**Level 2**	**Level 3**
Financial assets measured at fair value				
Investment in equity shares	1.58	1.58	-	-
	1.58	**1.58**	**-**	**-**
Financial assets measured at amortised cost				
Other non-current financial assets	42.83	-	-	-
Trade receivables	1,287.48	-	-	-
Cash and cash equivalents	73.33	-	-	-
Bank balances other than cash and cash equivalents above	92.03	-	-	-
Other current financial assets	26.40	-	-	-
	1,522.07	**-**	**-**	**-**
Financial liabilities measured at fair value				
Forward exchange contracts used for hedging	0.89	-	0.89	-
	0.89	**-**	**0.89**	**-**
Financial liabilities measured at amortised cost				
Non-current borrowings	562.78	-	-	-
Current borrowings	1,290.48	-	-	-
Trade payables	524.98	-	-	-
Other financial liabilities	481.30	-	-	-
	2,859.54	**-**	**-**	**-**

Fair value heirarchy

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The Group has not disclosed the fair value of financial instruments such as other non current financial assets, trade receivables, cash and cash equivalents, bank balances, other current financial assets, loans, borrowings, other non current financial liabilities, trade payables and other current financial liabilities because their carrying amounts are a reasonable approximation of fair value.

44 Financial risk management

The Group is exposed to the following risks arising from financial instruments:
- Credit risk
- Liquidity risk
- Market risk

(i) Risk management framework

The Group's board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

(ii) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its investing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments. The carrying amount of financial assets represents the maximum credit exposure.

Trade receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate. In respect of trade receivables the Group performs credit assessment for customers on an annual basis and recognizes credit risk on the basis of lifetime expected losses.

Movement in expected credit loss allowance on trade receivables: **(Amount in ₹ millions)**

Particulars	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016 Proforma	As at 31 March 2015 Proforma	As at 31 March 2014 Proforma
Balance as at the beginning of the year	21.54	20.11	17.78	15.33	11.26
Movement in the expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	1.57	1.43	2.33	2.45	4.07
Balance at the end of the year	**23.11**	**21.54**	**20.11**	**17.78**	**15.33**

Security deposits and duty drawback receivable:

Expected credit loss for security deposits and duty drawback receivable is as follows:

Particulars		Period ended	Asset company	Estimated gross carrying amount at default	Expected probability of default	Expected credit losses	Carrying amount, net of impairment provision
Loss allowance measured at 12 month expected credit loss	Financial assets for which credit risk has not increased significantly since initial recognition	31-Mar-18	Security deposits	256.69	0%	-	256.69
			Duty drawback receivable	111.60	0%	-	111.60
Loss allowance measured at 12 month expected credit loss	Financial assets for which credit risk has not increased significantly since initial recognition	31-Mar-17	Security deposits	119.87	0%	-	119.87
			Duty drawback receivable	93.54	0%	-	93.54
Loss allowance measured at 12 month expected credit loss	Financial assets for which credit risk has not increased significantly since initial recognition	31-Mar-16	Security deposits	81.67	0%	-	81.67
			Duty drawback receivable	48.87	0%	-	48.87
Loss allowance measured at 12 month expected credit loss	Financial assets for which credit risk has not increased significantly since initial recognition	31-Mar-15	Security deposits	40.72	0%	-	40.72
			Duty drawback receivable	13.50	0%	-	13.50
Loss allowance measured at 12 month expected credit loss	Financial assets for which credit risk has not increased significantly since initial recognition	31-Mar-14	Security deposits	42.83	0%	-	42.83
			Duty drawback receivable	-	0%	-	-

Cash and cash equivalents (including bank balances, fixed deposits and margin money with banks):

Credit risk on cash and cash equivalent is limited as the Group generally transacts with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies.

(ii) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial assets. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation .

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted. **(Amount in ₹ millions)**

			As at 31 March 2018		
Particulars	**Carrying amount**	**Total**	**Less than 1 year**	**1-2 years**	**Above 2 years**
Long term borrowings including current maturities	2,499.37	2,736.06	674.87	1,328.52	732.67
Short-term borrowings	2,894.28	2,894.28	2,894.28	-	-
Trade payables	1,382.33	1,382.33	1,382.33	-	-
Other financial liabilities	490.25	490.25	490.25	-	-

			As at 31 March 2017		
Particulars	**Carrying amount**	**Total**	**Less than 1 year**	**1-2 years**	**Above 2 years**
Long term borrowings including current maturities	1,605.58	1,622.74	432.64	822.75	367.35
Short-term borrowings	2,338.33	2,338.33	2,338.33	-	-
Trade payables	891.46	891.46	891.46	-	-
Other financial liabilities	294.15	294.15	294.15	-	-

			As at 31 March 2016 (Proforma)		
Particulars	**Carrying amount**	**Total**	**Less than 1 year**	**1-2 years**	**Above 2 years**
Long term borrowings including current maturities	1,170.70	1,367.37	384.35	638.43	344.59
Short-term borrowings	2,002.93	2,002.93	2,002.93	-	-
Trade payables	836.24	836.24	836.24	-	-
Other financial liabilities	260.53	260.53	260.53	-	-

			As at 31 March 2015 (Proforma)		
Particulars	**Carrying amount**	**Total**	**Less than 1 year**	**1-2 years**	**Above 2 years**
Long term borrowings including current maturities	780.59	869.78	248.94	428.12	192.72
Short-term borrowings	1,861.65	1,861.65	1,861.65	-	-
Trade payables	509.25	509.25	509.25	-	-
Other financial liabilities	204.48	204.48	204.48	-	-

			As at 31 March 2014 (Proforma)		
Particulars	**Carrying amount**	**Total**	**Less than 1 year**	**1-2 years**	**Above 2 years**
Long term borrowings including current maturities	874.12	1,009.42	311.34	570.73	127.35
Short-term borrowings	1,290.48	1,290.48	1,290.48	-	-
Trade payables	524.98	524.98	524.98	-	-
Other financial liabilities	170.85	170.85	170.85	-	-

(iii) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprises interest rate risk and currency rate risk. Financial instruments affected by market risk include loans, borrowings, receivables and payables. The Group's activities expose it to a variety of financial risks, including effects of changes in foreign currency exchange rates and interest rate movement.

(iv) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of change in market interest rates. The Group's exposure to risk of changes in market interest rates relates primarily to Group's long term debt obligations with floating interest rates.

Exposure to interest rate risk

The exposure of the borrowing's to interest rate changes at the end of the reporting period are as follows :-

Particulars	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016 Proforma	As at 31 March 2015 Proforma	As at 31 March 2014 Proforma
Fixed rate instruments:					
Financial liabilities	596.78	307.50	60.55	73.72	6.30
Variable rate instruments:					
Financial liabilities	4,796.87	3,636.41	3,113.08	2,568.52	2,158.30
Fixed rate instruments exposed to interest rate risks	**5,393.65**	**3,943.91**	**3,173.63**	**2,642.24**	**2,164.60**

Interest rate sensitivity:

Sensitivity analysis for fixed-rate instruments

There is no impact on the profit or loss on account of fixed rate instruments.

Cash flow sensitivity analysis for variable-rate instruments

The sensitivity analysis below have been determined based on exposure to interest rate. For floating rate liabilities, analysis is prepared assuming the amount of liability outstanding at the end of the reporting period was outstanding for the whole year. With all other variables held constant, the Group's profit before tax is affected through the impact on floating rate borrowings, as follows:

Particulars	Currency	Effect on profit before tax				
		31 March 2018	31 March 2017	31 March 2016 Proforma	31 March 2015 Proforma	31 March 2014 Proforma
Increase of 100 basis points	INR	47.97	36.36	31.13	25.69	21.58
Decrease in 100 basis points	INR	(47.97)	(36.36)	(31.13)	(25.69)	(21.58)

(v) Foreign currency risk

The Group is exposed to currency risk on certain transactions that are denominated in a currency other than the entity's functional currency, hence exposures to exchange rate fluctuations arise. The risk is that the functional currency value of cash flows will vary as a result of movements in exchange rates. The Group uses forward exchange contracts to hedge its currency risk, most with a maturity of less than one year from the reporting date.

Foreign currency (FC) risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group evaluates the impact of foreign exchange rate fluctuations by assessing its exposure to exchange rate risks. It hedges a part of these risks by using derivative financial instruments. The information on derivative instruments is as follows.

						Proforma					
Particulars	Currency	As at 31 March 2018		As at 31 March 2017		As at 31 March 2016		As at 31 March 2015		As at 31 March 2014	
		Amount in FC	Amount in ₹	Amount in FC	Amount in ₹	Amount in FC	Amount in ₹	Amount in FC	Amount in ₹	Amount in FC	Amount in ₹
Forward contract (to hedge trade receivables)	USD	1.75	114.06	-	-	-	-	-	-	0.35	21.32
No. of Contracts		14.00	-	-	-	-	-	-	-	1.00	-
Forward contract (to hedge trade receivables)	EUR	1.63	131.31	1.25	86.59	0.25	18.75	1.50	97.23	-	-
No. of Contracts		12.00	-	8.00	-	1.00	-	6.00	-	-	-

The Group's exposure to the risk of changes in foreign exchange rates relates primarily to its operating activities when revenue and expense is denominated in a foreign currency.

(Amount in ₹ millions)

The following table presents foreign currency risk from financial instruments as of:

Particulars	Currency	31 March 2018		31 March 2017		Proforma 31 March 2016		Proforma 31 March 2015		Proforma 31 March 2014	
		Foreign currency	Amount	Foreign currency	Amount	Foreign currency	Amount	Foreign currency	Amount	Foreign currency	Amount
Trade receivables	USD	5.75	374.78	6.32	409.99	7.04	466.82	7.16	447.22	3.41	207.7
	EUR	5.36	432.45	5.77	399.62	6.23	467.51	4.66	309.81	3.52	290.71
Cash and cash equivalents	USD	1.43	93.35	0.29	19.20	0.38	24.91	0.07	4.49	0.76	45.62
	EUR	0.65	52.89	0.30	21.12	0.37	27.69	0.07	4.78	0.12	9.7
Trade payables	USD	0.76	49.84	0.6	38.73	0.32	21.01	0.08	4.71	0.11	6.82
	EUR	0.32	25.52	1.03	71.29	0.89	66.74	0.11	7.13	0.09	7.55
	JPY	0.87	0.53	7.77	4.50	5.42	3.20	17.4	9.07	0.78	45.96
	GBP	0.01	0.09	0.03	2.45	0.01	0.66	0	0	-	0
	SGD	0.07	3.52	0	-	0	-	0.07	0.14	-	0
Other liabilities	USD	9.49	618.20	5.93	384.52	7.6	504.05	0	0	1.84	110.53
	EUR	12.15	981.56	8.83	611.24	12.31	908.27	0	0	-	0
Total	**USD**	**(3.07)**	**(199.91)**	**0.08**	**5.94**	**(0.50)**	**(33.33)**	**7.15**	**447.00**	**2.22**	**135.97**
	EUR	**(6.46)**	**(521.74)**	**(3.79)**	**(261.79)**	**(6.60)**	**(479.81)**	**4.62**	**307.46**	**3.55**	**292.86**
	JPY	**(0.87)**	**(0.53)**	**(7.77)**	**(4.50)**	**(5.42)**	**(3.20)**	**(17.40)**	**(9.07)**	**(0.78)**	**(45.96)**
	GBP	**(0.01)**	**(0.09)**	**(0.03)**	**(2.45)**	**(0.01)**	**(0.66)**	**-**	**-**	**-**	**-**
	SGD	**(0.07)**	**(3.52)**	**-**	**-**	**-**	**-**	**(0.07)**	**(0.14)**	**-**	**-**

Sensitivity analysis

(Amount in ₹ millions)

Particulars	Percentage movement	Effect on profit before tax		Effect on equity	
		Strengthening	Weakening	Strengthening	Weakening
31 March 2018					
USD	4%	(8.00)	8.00	(5.23)	5.23
EURO	4%	(20.87)	20.87	(13.65)	13.65
JPY	6%	(0.03)	0.03	(0.02)	0.02
GBP	1%	-	-	-	-
SGD	7%	(0.25)	0.25	(0.16)	0.16
31 March 2017					
USD	2%	0.12	(0.12)	0.08	(0.08)
EURO	1%	(2.62)	2.62	(1.71)	1.71
JPY	13%	(0.59)	0.59	(0.39)	0.39
GBP	12%	(0.29)	0.29	(0.19)	0.19
1 April 2016					
USD	7%	(2.33)	2.33	(1.52)	1.52
EURO	6%	(28.79)	28.79	(18.83)	18.83
JPY	1%	(0.03)	0.03	(0.02)	0.02
GBP	1%	(0.01)	0.01	(0.01)	0.01
31 March 2015					
USD	1%	4.47	(4.47)	2.92	(2.92)
EURO	6%	18.45	(18.45)	12.06	(12.06)
JPY	9%	(0.82)	0.82	(0.54)	0.54
GBP	1%	-	-	-	-
SGD	4%	(0.01)	0.01	(0.01)	0.01
31 March 2014					
USD	11%	14.96	(14.96)	9.78	(9.78)
EURO	16%	46.86	(46.86)	30.64	(30.64)
JPY	8%	(3.68)	3.68	(2.41)	2.41
GBP	13%	-	-	-	-

45 Capital management

The Group's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors the return on capital employed.

The Group manages capital risk by maintaining sound/optimal capital structure through monitoring of financial ratios, such as debt-to-equity ratio and net borrowings-to-equity ratio and implements capital structure improvement plan when necessary.

The Group uses debt ratio as a capital management index and calculates the ratio as net debt divided by total equity. Net debt and total equity are based on the amounts stated in the financial statements.

(Amount in ₹ millions)

Particulars	**As at 31 March 2018**	**As at 31 March 2017**	**As at 31 March 2016 Proforma**	**As at 31 March 2015 Proforma**	**As at 31 March 2014 Proforma**
Gross debt*	5,393.65	3,943.91	3,173.63	2,642.24	2,164.60
Less : Cash and cash equivalent	343.37	106.16	371.89	46.61	73.33
Adjusted net debt (A)	**5,050.28**	**3,837.75**	**2,801.74**	**2,595.63**	**2,091.27**
Total equity (B)	**6,010.18**	**5,133.55**	**4,474.42**	**3,698.99**	**3,098.91**
Debt ratio (A / B)	**0.84**	**0.75**	**0.63**	**0.70**	**0.67**

* Gross debt includes non current borrowing, current borrowing and current maturities of non current borrowing and finance lease obligations.

46 Segment information **(Amount in ₹ millions)**

Information reported to the chief operating decision maker (CODM) for the purposes of resource allocation and assessment of segment performance focuses on the types of goods or services delivered or provided. The Group is in the business of manufacture and sale of automobile components, which in the context of Indian Accounting Standard 108 'Segment Information' represents single reportable business segment. The entire operations are governed by the same set of risk and returns. Accordingly, these operations represent a single segment. The revenues, total expenses and net profit as per the statement of profit and loss represents the revenue, total expenses and the net profit of the sole reportable segment.

(i) Geographical information

Geographic segmentation is based on business sourced from specific geographic regions. Other foreign countries comprises all other places except India, Europe and USA.

(a) Revenue from operations

Particulars	**For the year ended 31 March 2018**	**For the year ended 31 March 2017**	**For the year ended 31 March 2016 Proforma**	**For the year ended 31 March 2015 Proforma**	**For the year ended 31 March 2014 Proforma**
India	9,317.84	7,722.37	6,782.24	5,977.45	5,122.20
Europe	3,166.59	1,462.83	1,178.68	1,002.48	763.10
USA	954.34	908.77	893.85	916.64	360.48
Other foreign countries	142.49	90.11	155.76	243.40	166.76
	13,581.26	**10,184.08**	**9,010.53**	**8,139.97**	**6,412.54**
Reconciling items:					
- taxes	258.96	787.78	705.18	569.14	493.50
Total revenue from operations as per statement of profit and loss	**13,840.22**	**10,971.86**	**9,715.71**	**8,709.11**	**6,906.04**

(b) Non current assets

Particulars	**As at 31 March 2018**	**As at 31 March 2017**	**As at 31 March 2016 Proforma**	**As at 31 March 2015 Proforma**	**As at 31 March 2014 Proforma**
India	7,616.80	6,484.19	5,153.82	4,123.29	3,384.31
Other foreign countries	494.85	-	-	-	-
	8,111.65	**6,484.19**	**5,153.82**	**4,123.29**	**3,384.31**
Reconciling items:					
Non-current loans	256.69	119.87	81.67	40.72	42.83
Other non-current financial assets	1.10	5.37	1.10	-	-
Total non current assets	**8,369.44**	**6,609.43**	**5,236.59**	**4,164.01**	**3,427.14**

(ii) The Group's revenue from its major products are as follows:

Particulars	**For the year ended 31 March 2018**	**For the year ended 31 March 2017**	**For the year ended 31 March 2016 Proforma**	**For the year ended 31 March 2015 Proforma**	**For the year ended 31 March 2014 Proforma**
Connecting rods	5,212.74	2,643.27	2,115.64	1,827.18	1,335.57
Crank shaft assembly	2,125.09	2,039.06	1,924.91	1,796.22	1,406.37
Gear shifters	1,000.53	819.57	785.82	702.88	496.01
Rocker arms	2,853.56	2,487.19	2,445.88	2,444.57	2,110.54
Others*	1,674.85	1,614.88	1,192.15	1,000.30	755.09
	12,866.77	**9,603.97**	**8,464.40**	**7,771.15**	**6,103.58**
Reconciling items:					
- taxes	252.76	761.04	680.93	538.58	468.72
Total revenue from sale of products	**13,119.53**	**10,365.01**	**9,145.33**	**8,309.73**	**6,572.30**

* Individual items of these are less than 10% of sale of products.

(iii) Revenue from sale of products from four customers of the group is ₹ 7,265.48 (31 March 2017: three customers ₹ 5,500.16; 31 March 2016: three customers ₹ 5,151.47; 31 March 2015: two customers ₹ 3,975.00 and 31 March 2014: two customers ₹ 3,578.21) which is more than 10% of the Group's sale of products.

47 Additional Information pursuant to paragraph 2 of division II of Schedule III to Companies Act, 2013 'General Instruction for preparation of Consolidated Financial Statements

(Amount in ₹ millions)

Name of the Entity	As at/for the year ended 31 March 2018							
	Net Assets		Share in profit/(loss)		Share in other comprehensive income (OCI)		Share in Total Comprehensive Income	
	As % of consolidated net assets	Amount	As % of consolidated loss	Amount	As % of consolidated (OCI)	Amount	As % of consolidated total comprehensive	Amount
Parent								
Sansera Engineering Private Limited	99.68%	5,990.72	113.89 %	989.10	1121.36 %	(11.55)	112.69%	977.55
Subsidiary								
Sansera Sweden AB	0.73 %	43.78	(20.18)%	(175.28)	0.00%	0.00	(20.21)%	(175.28)
Sansera Engineering Private Limited, Mauritius	(10.06)%	(604.89)	0.18 %	1.59	0.00%	0.00	0.18%	1.59
Fitwel Tools and Forgings Private Limited	4.04 %	243.05	5.91 %	51.34	(83.50)%	0.86	6.02%	52.20
Non-controlling interest	1.13 %	67.99	1.78 %	15.42	(25.24)%	0.26	1.81%	15.68
Elimination on account of Consolidation	4.48 %	269.53	(1.58)%	(13.68)	(912.62)%	9.40	(0.49)%	(4.28)
Consolidated net assets/loss after tax	**100.00%**	**6,010.18**	**100.00%**	**868.49**	**100.00%**	**(1.03)**	**100.00%**	**867.46**

Name of the Entity	As at/for the year ended 31 March 2017							
	Net Assets		Share in profit/(loss)		Share in other comprehensive income (OCI)		Share in Total Comprehensive Income	
	As % of consolidated net assets	Amount	As % of consolidated loss	Amount	As % of consolidated (OCI)	Amount	As % of consolidated total comprehensive	Amount
Parent								
Sansera Engineering Private Limited	97.34%	4,996.75	100.96%	644.16	(78.99)%	(0.94)	100.62%	643.22
Subsidiary								
Fitwel Tools and Forgings Private Limited	3.72%	190.85	(1.08)%	(6.88)	178.99 %	2.13	(0.74)%	(4.75)
Non-controlling interest	1.02%	52.33	(0.43)%	(2.73)	53.78%	0.64	(0.33)%	(2.09)
Elimination on account of Consolidation	(2.07)%	(106.38)	0.55 %	3.49	(53.78)%	(0.64)	0.45 %	2.85
Consolidated net assets/loss after tax	**100.01%**	**5,133.55**	**100.00%**	**638.04**	**100.00%**	**1.19**	**100.00%**	**639.23**

(Amount in ₹ millions)

Name of the Entity	As at/for the year ended 31 March 2016 (Proforma)							
	Net Assets		Share in profit/(loss)		Share in other comprehensive income (OCI)		Share in Total Comprehensive Income	
	As % of consolidated net assets	Amount	As % of consolidated loss	Amount	As % of consolidated (OCI)	Amount	As % of consolidated total comprehensive	Amount
Parent								
Sansera Engineering Private Limited	96.85%	4,333.63	99.32%	633.02	154.11 %	(4.87)	99.04%	628.15
Subsidiary								
Fitwel Tools and Forgings Private Limited	4.37%	195.60	0.65 %	4.16	(54.11)%	1.71	0.93 %	5.87
Non-controlling interest	1.22%	54.42	0.27 %	1.71	(16.14)%	0.51	0.35 %	2.22
Elimination on account of Consolidation	(2.44)%	(109.23)	(0.24)%	(1.51)	16.14 %	(0.51)	(0.32)%	(2.02)
Consolidated net assets/loss after tax	**100.00%**	**4,474.42**	**100.00%**	**637.38**	**100.00%**	**(3.16)**	**100.00%**	**634.22**

Name of the Entity	As at/for the year ended 31 March 2015 (Proforma)							
	Net Assets		Share in profit/(loss)		Share in other comprehensive income (OCI)		Share in Total Comprehensive Income	
	As % of consolidated net assets	Amount	As % of consolidated loss	Amount	As % of consolidated (OCI)	Amount	As % of consolidated total comprehensive	Amount
Parent								
Sansera Engineering Private Limited	96.36%	3,564.26	95.86%	614.81	100.49 %	(6.11)	95.82%	608.70
Subsidiary								
Fitwel Tools and Forgings Private Limited	5.13%	189.73	0.33 %	2.14	(0.49)%	0.03	0.34 %	2.17
Non-controlling interest	1.41 %	52.20	1.32 %	8.44	(0.16)%	0.01	1.33 %	8.45
Elimination on account of Consolidation	(2.90)%	(107.20)	2.49 %	15.96	0.16 %	(0.01)	2.51 %	15.95
Consolidated net assets/loss after tax	**100.00%**	**3,698.99**	**100.00%**	**641.35**	**100.00%**	**(6.08)**	**100.00%**	**635.27**

Name of the Entity	As at/for the year ended 31 March 2014 (Proforma)							
	Net Assets		Share in profit/(loss)		Share in other comprehensive income (OCI)		Share in Total Comprehensive Income	
	As % of consolidated net assets	Amount	As % of consolidated loss	Amount	As % of consolidated (OCI)	Amount	As % of consolidated total comprehensive	Amount
Parent								
Sansera Engineering Private Limited	95.38%	2,955.66	96.40%	407.38	325.00 %	(0.65)	96.29%	406.73
Subsidiary								
Fitwel Tools and Forgings Private Limited	6.05%	187.56	7.85 %	33.16	(220.00)%	0.44	7.95 %	33.60
Non-controlling interest	2.55%	78.94	2.29 %	9.68	(110.00)%	0.22	2.34 %	9.90
Elimination on account of Consolidation	(3.98)%	(123.25)	(6.54)%	(27.64)	105.00 %	(0.21)	(6.59)%	(27.85)
Consolidated net assets/loss after tax	**100.00%**	**3,098.91**	**100.00%**	**422.58**	**100.00%**	**(0.20)**	**99.99%**	**422.38**

48 Expenditure on Corporate Social Responsibility

As per Section 135 of the Companies Act, 2013, a company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. A CSR committee has been formed by the Group as per the Act. The funds are allocated to the activities which are specified in Schedule VII of the Companies Act, 2013.

(Amount in ₹ millions)

Particulars	**For the year ended 31 March 2018**	**For the year ended 31 March 2017**	**For the year ended 31 March 2016 Proforma**	**For the year ended 31 March 2015 Proforma**	**For the year ended 31 March 2014 Proforma**
(a) Gross amount required to be spent during the year	29.62	11.36	6.08	4.02	0.04
(b) Amount spent during the year on:					
i) Construction/acquisition of any asset	12.35	-	-	-	-
ii) On purpose other than (i) above	14.80	14.30	6.08	4.02	2.78
	27.15	**14.30**	**6.08**	**4.02**	**2.78**

49 Cash flow disclosures

Reconciliation between opening and closing balances in the balance sheet for liabilities and financial assets arising from financing activities:

Particulars	Opening balance	Cash flows		Non-cash movements	Closing balance
	1 April 2017	Proceeds	Repayments	Fair value changes	31 March 2018
Non current borrowings	1,605.58	1,354.89	(461.10)	-	2,499.37
Current borrowings	2,338.33	30,962.64	(30,406.69)	-	2,894.28
Derivative liability	-	-	-	2.42	2.42
Total liabilities from financing activities	**3,943.91**	**32,317.53**	**(30,867.79)**	**2.42**	**5,396.07**

50 Acquisition of Subsidiary - Sansera Sweden AB

On 14 April 2017, the Group acquired 100 % of the voting interest in MAPE Sweden AB (name changed to Sansera Sweden AB w.e.f 2 May 2017) through Sansera Engineering Pvt. Ltd., Mauritius (an entity incorporated by the parent entity 'Sansera Engineering Private Limited' in Mauritius). Sansera Sweden AB is engaged in design, manufacture and sale of precision metal products in engineering and vehicle industries.

The business acquisition was executed through a share purchase agreement for cash consideration of ₹ 242.62 million. Through the share purchase agreement, the Group has the power to appoint a majority of the board of directors and has the ability to direct the activities that affect the return from the entity.

Identifiable assets acquired and liabilities assumed:

The purchase price has been allocated based on the independent appraisal of fair values as follows: **(Amount in ₹ millions)**

Asset description	Acquiree's carrying	Fair value adjustment	Total
Net assets	27.33	-	27.33
Intangible assets, net of taxes	-	32.49	32.49
	27.33	**32.49**	**59.82**
Goodwill	-	-	182.80
Total purchase price	**27.33**	**32.49**	**242.62**

Goodwill represents the excess of purchase consideration over net asset value of acquired subsidiary on the date of such acquisition. Such goodwill is tested for impairment annually or more frequently, if there are indicators for impairment. An amount of ₹ 182.80 million has been recognised as Goodwill as per the requirements of Ind AS 103, Business Combinations.

51 Upto 30 June 2017, Revenue from operations included the applicable excise duty which was also shown as operating expense. Post the applicability of Goods and Services Tax (GST) with effect from 1 July 2017, revenue from operations is disclosed net of GST. Accordingly, the revenue from operations and excise duty expense for the year ended on 31 March 2018 are not exactly comparable with the previous years presented in the financial information.

52 Impairment

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to the cash generating units (CGU) or groups of CGU's, which benefit from the synergies of the acquisition. The chief operating decision maker reviews the goodwill for any impairment at each entity level, which is represented as separated CGU's.

The carrying value of goodwill, entity wise is as follows: **(Amount in ₹ millions)**

Entity acquired	**As at 31 March 2018**	**As at 31 March 2017**	**As at 31 March 2016 Proforma**	**As at 31 March 2015 Proforma**	**As at 31 March 2014 Proforma**
Fitwel Tools and Forgings Private Limited ('Fitwel')	146.72	146.72	146.72	146.72	146.72
Sansera Sweden AB ('Sansera Sweden')	182.80	-	-	-	-
Exchange differences on translation of foreign operations	13.44	-	-	-	-
Total carrying value	**342.96**	**146.72**	**146.72**	**146.72**	**146.72**

The recoverable amount of a cash-generating unit is the higher of its fair value less costs of disposal and its value in use. For the purpose of impairment test, fair value of a CGU is determined based on the market capitalization and the value in use is determined based on specific calculations. The recoverable amount of all CGU's has been determined based on value in use calculations. These calculations use pre-tax cash flow projections based on financial budgets approved by management covering a five-year period and an average of the range of each assumption mentioned below:

Particulars	**As at 31 March 2018**	
	Fitwel	**Sansera Sweden**
Discount rate*	15%	16%
Terminal growth rate **	5%	2%
EBITDA	9% - 12%	7% - 10%

*These discount rate(s) are based on the Weighted Average Cost of Capital (WACC). These estimates are likely to differ from future actual results of operations and cash flows.

** The cash flow projections include specific estimates for five years and a terminal growth rate thereafter. The terminal growth rate has been determined based on management's estimates of the long-term compound annual EBITDA growth rate, consistent with the assumptions that a market participant would make.

As of 31 March 2018, the estimated recoverable amount of each of the CGU's exceeded its carrying amount by approximately ₹ 22.57 million (Fitwel Tools and Forgings Private Limited) ₹ 66.18 million (Sansera Sweden AB) and , hence impairment is not triggered. The carrying amount of the CGU was computed by allocating the net assets to operating segments for the purpose of impairment testing.

53 F R Singhvi, director was included in the list of disqualified directors, issued by the RoC in relation to a violation of Section 164(2)(a) of the Companies Act, by Mulder Trading Private Limited, a Company in which F R Singhvi was a director. We understand that Mulder Trading Private Limited never commenced any operations and an application was subsequently filed for its closure.

F R Singhvi filed a writ petition before the High Court of Karnataka against the said disqualification. The High Court of Karnataka issued an interim stay order dated December 15, 2017 on the disqualification of F R Singhvi from acting as a director. The matter is currently pending. Further, F R Singhvi has also initiated proceedings before NCLT, Bengaluru to revive Mulder Trading Private Limited and rectify the violation of Section 164(2)(a) of the Companies Act, 2013.

Sansera Engineering Limited (erstwhile Sansera Engineering Private Limited)
Annexure A - VII
Statement of Adjustments to Audited Consolidated Financial Statements

First time adoption of India and Indian Accounting Standards (Ind AS)
Explanation to transition to Ind AS
The statutory financial statements for the year ended 31 March 2018, are the first, the Group has prepared in accordance with Ind AS. For the periods up to and including the year ended 31 March 2017, the Group prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP). Accordingly, the Group has prepared its financial statements to comply with Ind AS for the year ended 31 March 2018, together with comparative data as at and for the year ended 31 March 2017, as described in the summary of significant accounting policies.

For the purpose of this restated consolidated financial statatements, the Group has elected to present all five years as per Ind AS/ Proforma Ind AS, instead of Indian GAAP. The restated consolidated financial statements for the years ended 31 March 2016, 2015 and 2014 has been prepared on Proforma basis (i.e. "Proforma Consolidated Ind AS financial information") in accordance with requirements of SEBI Circular SEBI/HO/CFD/DIL/CIR/P/2016/47 dated March 31, 2016 ("SEBI Circular") and Guidance note on reports in Company prospectuses issued by ICAI. For the purpose of Proforma Ind AS Consolidated financial information for the year ended 31 March 2016, 2015 and 2014, the Group has followed the same accounting policy and accounting policy choices (both mandatory exceptions and optional exemptions availed as per Ind AS 101) as initially adopted on transition date i.e. April 1, 2015. Accordingly, suitable restatement adjustments (both re-measurements and reclassifications) in the accounting heads are made to the Proforma Ind AS Consolidated financial information as of and for the years ended 31 March 2016, 2015, and 2014 following accounting policies and accounting policy choices (both mandatory exceptions and optional exemptions) consistent with that used at the date of transition to Ind AS (i.e. April 1, 2016).

In preparing the statutory consolidated financial statements for the year ended 31 March 2018, the Group's opening balance sheet was prepared as at 1 April 2016, the Group's date of transition to Ind AS. This note explains the principal adjustments made by the Group in restating its previous GAAP consolidated financial statements for the five years ended 31 March 2018.

Optional exemptions and mandatory exceptions:
In preparing these restated consolidated financial statements, the Group has applied the below mentioned optional exemptions and mandatory exceptions:
a. Optional exemptions availed:

i. Property plant and equipment and intangibles assets
As per Ind AS 101 an entity may elect to:
a) measure an item of property, plant and equipment at the date of transition at its fair value and use that fair value as its deemed cost at that date; or
b) use a previousGAAP revaluation of an item of property, plant and equipment at or before the date of transition as deemed cost at the date of the revaluation, provided the revaluation was, at the date of the revaluation, broadly comparable to:
- fair value;
- or cost or depreciated cost under Ind AS adjusted to reflect, for example, changes in a general or specific price index

The elections under (a) and (b) above are also available for intangible assets that meets the recognition criteria in Ind AS 38, Intangible Assets, (including reliable measurement of original cost); and criteria in Ind AS 38 for revaluation (including the existence of an active market); or
(c) use carrying values of property, plant and equipment and intangible assets as on the date of transition to Ind AS (which are measured in accordance with previous GAAP and after making adjustments relating to decommissioning liabilities prescribed under Ind AS 101) if there has been no change in its functional currency on the date of transition.

As permitted by Ind AS 101, the Group has elected to apply the exemption available under Ind AS 101 to continue the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind ASs, measured as per the Indian GAAP and used it as deemed cost as at the date of transition 1 April 2016/ 1 April 2013.

ii) Investments in subsidiaries
Ind AS 101 provides an exemption to the first-time adopter to measure an investment in subsidiaries and associates at:
a) cost determined in accordance with Ind AS 27; or
b) deemed cost, which shall be its:
    i) fair value at the entity's date of transition to Ind ASs in its separate financial statements; or
    ii) previous GAAP carrying amount at that date.
The Group has chosen to avail the exemption provided by Ind AS 101 and value all its investments in subsidiaries at cost as per Ind AS 27.

iii) Leases

Ind AS 17 requires a lease of land to be assessed as an operating or finance lease at the commencement of the lease. However, Ind AS 101 provides the option to assess the same based on facts and circumstances existing on the date of transition. The Group has elected to avail the exemption available under Ind AS 101 and assess for the classification of lease as on the date of transition only.

i**v) Business combination**

Ind AS 101 provides that all the business combinations on or after the date of transition should be accounted for in accordance with Ind AS 103. In respect of business combinations before the date of transition, the Group has the following choices:
a) restate all of these business combinations;
b) restate all business combinations after a particular date;
c) do not restate any of these business combinations.
Based on the above exemptions provided in Ind AS 101, the Group has opted to apply Ind AS 103 only in respect of business combinations occurred on or after the date of transition i.e. 1 April 2016.
In respect of the business combinations occurred before the date of transition, the Group will continue to follow the accounting it did under previous GAAP and accordingly has not restated such business combinations in accordance with Ind AS 103.

b. Mandatory exceptions availed:

Ind AS 101 also allows first-time adopters certain mandatory exceptions to be applied for retrospective application of certain requirements under Ind AS for transition from the previous GAAP:

i) Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification of financial assets on the basis of facts and circumstances existing as on the date of transition. Further, the standard permits measurement of financial assets accounted at amortised cost based on facts and circumstances existing at the date of transition if retrospective application is impracticable.

Accordingly, the Group has determined the classification of financial assets based on facts and circumstances that exist on the date of transition. Measurement of the financial assets accounted at amortised cost has been done retrospectively except where the same is impracticable.

ii) Estimates

As per Ind AS 101, an entity's estimates in accordance with Ind AS at the date of transition to Ind AS at the end of the comparative period presented in the entity's first Ind AS financial statements, as the case may be, should be consistent with estimates made for the same date in accordance with the previous GAAP unless there is objective evidence that those estimates were in error.

However, the estimates should be adjusted to reflect any differences in accounting policies. As per Ind AS 101, where application of Ind AS requires an entity to make certain estimates that were not required under previous GAAP, those estimates should be made to reflect conditions that existed at the date of transition (for preparing opening Ind AS balance sheet) or at the end of the comparative period (for presenting comparative information as per Ind AS).

The Group's estimates under Ind AS are consistent with the above requirement. Key estimates considered in preparation of the financial statements that were not required under the Indian GAAP are listed below:

- Fair valuation of financial instruments carried at FVTPL.
- Impairment of financial assets based on the expected credit loss model.
- Determination of the discounted value for financial instruments carried at amortised cost

iii) Non controlling interest (NCI)

Ind AS 110 requires that total comprehensive income should be attributed to the owners of the parent and the NCI even if this results in the NCI having a negative balance. Ind AS 101 requires this requirement to be applied prospectively from the date of transition to Ind AS. However, if an entity elects to apply Ind AS 103 retrospectively to past business combinations, it has to also apply Ind AS 110 from the same date.

The Group has elected to apply Ind AS 103 prospectively to business combinations that occurred on or after 1 April 2016 / 1 April 2013.

Sansera Engineering Limited (erstwhile Sansera Engineering Private Limited)
Annexure A - VII
Statement on Adjustments to Audited Consolidated Financial Statements

(i) Statement of equity reconciliation between the previous GAAP and restated Ind AS **(Amount in ₹ millions)**

Particulars	Notes	Balance sheet as at 31 March 2017			
		Previous GAAP*	Ind AS adjustment	Restatement	Restated (Ind AS)
ASSETS					
Non-current assets					
Property, plant and equipment	f	5,515.91	260.84	-	5,776.75
Capital work-in-progress		328.56	-	-	328.56
Goodwill		146.72	-	-	146.72
Other intangible assets		1.92	-	-	1.92
Financial assets					
(i) Loans	i	125.75	(5.88)	-	119.87
(ii) Other financial assets		5.37	-	-	5.37
Income tax assets, net	m	88.23	-	24.14	112.37
Other non-current assets	i	113.49	4.38	-	117.87
Total non-current assets		**6,325.95**	**259.34**	**24.14**	**6,609.43**
Current assets					
Inventories		1,441.53	-	-	1,441.53
Financial assets				-	
(i) Current investments	c	0.10	4.71	-	4.81
(ii) Trade receivables	g	2,096.54	(20.11)	7.15	2,083.58
(iii) Cash and cash equivalents		106.16	-	-	106.16
(iv) Bank balances other than cash and cash equivalents		72.57	-	-	72.57
(v) Other financial assets	d	161.88	(1.94)	-	159.94
Other current assets	i	559.14	0.88	-	560.02
Assets classified as held for sale		5.01	-	-	5.01
Total current assets		**4,442.93**	**(16.46)**	**7.15**	**4,433.62**
Total assets		**10,768.88**	**242.88**	**31.29**	**11,043.05**
EQUITY AND LIABILITIES					
Equity					
Equity share capital	b	6.47	-	-	6.47
Instruments entirely equity in nature	b	105.00	-	-	105.00
Other equity	l	4,977.09	(43.56)	36.22	4,969.75
Total equity attributable to owners of Sansera Engineering Limited		5,088.56	(43.56)	36.22	5,081.22
Non-controlling Interest	m	57.26	-	(4.93)	52.33
Total equity		**5,145.82**	**(43.56)**	**31.29**	**5,133.55**
Liabilities					
Non-Current Liabilities					
Financial liabilities					
(i) Non-current borrowings		1,172.94	-	-	1,172.94
Non-current provisions		38.43	-	-	38.43
Deferred tax liabilities (net)	j	306.83	25.61	-	332.44
Other non-current liabilities	f	-	231.42	-	231.42
Total non-current liabilities		**1,518.20**	**257.03**	**-**	**1,775.23**
Current liabilities					
Financial Liabilities					
(i) Current borrowings		2,338.33	-	-	2,338.33
(ii) Trade payables		891.46	-	-	891.46
(iii) Other current financial liabilities		726.79	-	-	726.79
Income tax liabilities, net		51.84	-	-	51.84
Other current liabilities	f	53.79	29.42	-	83.21
Current provisions		42.64	-	-	42.64
Total current liabilities		**4,104.85**	**29.42**	**-**	**4,134.27**
Total equity and liabilities		**10,768.87**	**242.89**	**31.29**	**11,043.05**

*The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose to this note.

Sansera Engineering Limited (erstwhile Sansera Engineering Private Limited)
Annexure A - VII
Statement on Adjustments to Audited Consolidated Financial Statements

(Amount in ₹ millions)

Particulars	Notes	Balance sheet as at 31 March 2016 (Proforma)			
		Previous GAAP*	Ind AS adjustment	Restatement	Restated (Ind AS)
ASSETS					
Non-current assets					
Property, plant and equipment	f	4,253.64	124.94	-	4,378.58
Capital work-in-progress		336.74	-	-	336.74
Goodwill		146.72	-	-	146.72
Other intangible assets		5.05	-	-	5.05
Financial assets				-	
(i) Loans	i	87.73	(6.06)	-	81.67
(ii) Other financial assets		1.10	-	-	1.10
Income tax assets, net	m	91.05	-	24.14	115.19
Other non-current assets	i	166.68	4.86	-	171.54
Total non-current assets		**5,088.71**	**123.74**	**24.14**	**5,236.59**
Current assets					
Inventories		1,312.27	-	-	1,312.27
Financial assets				-	
(i) Current investments	c	0.10	2.87	-	2.97
(ii) Trade receivables	g	1,705.50	(20.11)	-	1,685.39
(iii) Cash and cash equivalents		371.89	-	-	371.89
(iv) Bank balances other than cash and cash equivalents		71.53	-	-	71.53
(v) Other financial assets		95.56	-	-	95.56
Other current assets	i	437.29	0.73	-	438.02
Assets classified as held for sale		-	-	-	-
Total current assets		**3,994.14**	**(16.51)**	**-**	**3,977.63**
Total assets		**9,082.85**	**107.23**	**24.14**	**9,214.22**
EQUITY AND LIABILITIES					
Equity					
Equity share capital	b	6.47	-	-	6.47
Instruments entirely equity in nature	b	105.00	-	-	105.00
Other equity	l	4,277.79	1.67	29.07	4,308.53
Total equity attributable to owners of Sansera Engineering Limited		4,389.26	1.67	29.07	4,420.00
Non-controlling Interest	m	59.35	-	(4.93)	54.42
Total equity		**4,448.61**	**1.67**	**24.14**	**4,474.42**
Liabilities					
Non-Current Liabilities					
Financial liabilities					
(i) Non-current borrowings		786.35	-	-	786.35
Non-current provisions		46.51	-	-	46.51
Deferred tax liabilities (net)	j	240.17	(19.47)	-	220.70
Other non-current liabilities	f	-	115.16	-	115.16
Total non-current liabilities		**1,073.03**	**95.69**	**-**	**1,168.72**
Current liabilities					
Financial Liabilities					
(i) Current borrowings		2,002.93	-	-	2,002.93
(ii) Trade payables		836.24	-	-	836.24
(iii) Other current financial liabilities	d	644.78	0.10	-	644.88
Income tax liabilities, net		-	-	-	-
Other current liabilities	f	42.09	9.78	-	51.87
Current provisions		35.16	-	-	35.16
Total current liabilities		**3,561.20**	**9.88**	**-**	**3,571.08**
Total equity and liabilities		**9,082.84**	**107.24**	**24.14**	**9,214.22**

*The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose to this note.

Sansera Engineering Limited (erstwhile Sansera Engineering Private Limited)
Annexure A - VII
Statement on Adjustments to Audited Consolidated Financial Statements

(Amount in ₹ millions)

Particulars	Notes	Balance sheet as at 31 March 2015 (Proforma)			
		Previous GAAP*	Ind AS adjustment	Restatement	Restated (Ind AS)
ASSETS					
Non-current assets					
Property, plant and equipment	f	3,171.44	109.64	-	3,281.08
Capital work-in-progress		457.10	-	-	457.10
Goodwill		146.72	-	-	146.72
Other intangible assets		7.70	-	-	7.70
Financial assets				-	
(i) Loans	i	47.29	(6.57)	-	40.72
(ii) Other financial assets		-	-	-	-
Income tax assets, net		108.83	-	-	108.83
Other non-current assets	i	116.27	5.59	-	121.86
Total non-current assets		**4,055.35**	**108.66**	**-**	**4,164.01**
Current assets					
Inventories		1,351.62	-	-	1,351.62
Financial assets					
(i) Current investments	c	0.10	2.86	-	2.96
(ii) Trade receivables	g	1,493.73	(17.78)	-	1,475.95
(iii) Cash and cash equivalents		46.61	-	-	46.61
(iv) Bank balances other than cash and cash equivalents		66.58	-	-	66.58
(v) Other financial assets	d	43.50	0.66	-	44.16
Other current assets	i	303.95	0.73	-	304.68
Assets classified as held for sale		-	-	-	-
Total current assets		**3,306.09**	**(13.53)**	**-**	**3,292.56**
Total assets		**7,361.44**	**95.13**	**-**	**7,456.57**
EQUITY AND LIABILITIES					
Equity					
Equity share capital	b	6.47	-	-	6.47
Instruments entirely equity in nature	b	105.00	-	-	105.00
Other equity	l	3,493.76	36.63	4.93	3,535.32
Total equity attributable to owners of Sansera Engineering Limited		3,605.23	36.63	4.93	3,646.79
Non-controlling Interest	m	57.13	-	(4.93)	52.20
Total equity		**3,662.36**	**36.63**	**-**	**3,698.99**
Liabilities					
Non-Current Liabilities					
Financial liabilities					
(i) Non-current borrowings		531.65	-	-	531.65
Non-current provisions		31.43	-	-	31.43
Deferred tax liabilities (net)	j	237.05	(51.14)	-	185.91
Other non-current liabilities	f	-	92.12	-	92.12
Total non-current liabilities		**800.13**	**40.98**	**-**	**841.11**
Current liabilities					
Financial Liabilities					
(i) Current borrowings		1,861.65	-	-	1,861.65
(ii) Trade payables		509.25	-	-	509.25
(iii) Other current financial liabilities		453.42	-	-	453.42
Income tax liabilities, net		2.90	-	-	2.90
Other current liabilities	f	48.35	17.52	-	65.87
Current provisions		23.38	-	-	23.38
Total current liabilities		**2,898.95**	**17.52**	**-**	**2,916.47**
Total equity and liabilities		**7,361.44**	**95.13**	**-**	**7,456.57**

*The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose to this note.

Sansera Engineering Limited (erstwhile Sansera Engineering Private Limited)
Annexure A - VII
Statement on Adjustments to Audited Consolidated Financial Statements

(Amount in ₹ millions)

Particulars	Notes	Balance sheet as at 31 March 2014 (Proforma)			
		Previous GAAP*	Ind AS adjustment	Restatement	Restated (Ind AS)
ASSETS					
Non-current assets					
Property, plant and equipment	f	2,887.11	83.19	-	2,970.30
Capital work-in-progress		181.28	-	-	181.28
Goodwill		110.48	-	-	110.48
Other intangible assets		7.24	-	-	7.24
Financial assets					
(i) Loans	i	44.48	(1.65)	-	42.83
(ii) Other financial assets		-	-	-	-
Income tax assets, net		41.85	-	-	41.85
Other non-current assets	i	71.92	1.24	-	73.16
Total non-current assets		**3,344.36**	**82.78**	**-**	**3,427.14**
Current assets					
Inventories		1,151.15	-	-	1,151.15
Financial assets					
(i) Current investments	c	0.10	1.48	-	1.58
(ii) Trade receivables	g	1,302.81	(15.33)	-	1,287.48
(iii) Cash and cash equivalents		73.33	-	-	73.33
(iv) Bank balances other than cash and cash equivalents		92.03	-	-	92.03
(v) Other financial assets	d	26.21	-	0.19	26.40
Other current assets	i	209.68	0.23	-	209.91
Assets classified as held for sale		-	-	-	-
Total current assets		**2,855.31**	**(13.62)**	**0.19**	**2,841.88**
Total assets		**6,199.67**	**69.16**	**0.19**	**6,269.02**
EQUITY AND LIABILITIES					
Equity					
Equity share capital	b	6.47	-	-	6.47
Instruments entirely equity in nature	b	105.00	-	-	105.00
Other equity	l	2,956.55	(20.07)	(27.98)	2,908.50
Total equity attributable to owners of Sansera Engineering Limited		3,068.02	(20.07)	(27.98)	3,019.97
Non-controlling Interest	m	91.68	-	(12.74)	78.94
Total equity		**3,159.70**	**(20.07)**	**(40.72)**	**3,098.91**
Liabilities					
Non-Current Liabilities					
Financial liabilities					
(i) Non-current borrowings		562.78	-	-	562.78
Non-current provisions	m	1.24	-	22.72	23.96
Deferred tax liabilities (net)	j	148.41	5.15	-	153.56
Other non-current liabilities	f	-	73.80	-	73.80
Total non-current liabilities		**712.43**	**78.95**	**22.72**	**814.10**
Current liabilities					
Financial Liabilities					
(i) Current borrowings		1,290.48	-	-	1,290.48
(ii) Trade payables		524.98	-	-	524.98
(iii) Other current financial liabilities	m, d	468.96	0.89	12.34	482.19
Income tax liabilities, net		29.30	-	-	29.30
Other current liabilities	f	8.23	9.39	-	17.62
Current provisions		5.59	-	5.85	11.44
Total current liabilities		**2,327.54**	**10.28**	**18.19**	**2,356.01**
Total equity and liabilities		**6,199.67**	**69.16**	**0.19**	**6,269.02**

Sansera Engineering Limited (erstwhile Sansera Engineering Private Limited)
Annexure A - VII
Statement on Adjustments to Audited Consolidated Financial Statements

(ii) Statement of profit or loss reconciliation between the previous GAAP and restated Ind AS **(Amount in ₹ millions)**

			Year ended 31 March 2017		
Particulars	**Notes**	**Previous GAAP***	**Ind AS adjustment**	**Restatement**	**Restated (Ind AS)**
Revenue					
Revenue from operations	e	10,184.08	787.78	-	10,971.86
Other income	c,d,f,i	51.56	13.15	-	64.71
Total income		**10,235.64**	**800.93**	**-**	**11,036.57**
Expenses					
Cost of material consumed		4,408.94	-	-	4,408.94
Excise duty	e	-	787.78	-	787.78
Changes in inventory of finished goods and work in progress		(124.07)	-	-	(124.07)
Conversion charges		258.59	-	-	258.59
Consumption of stores and spares		1,008.27	-	-	1,008.27
Power and fuel		546.92	-	-	546.92
Employee benefit expenses	a,h,k	1,904.13	11.61	-	1,915.74
Finance costs		329.43	-	-	329.43
Depreciation and amortisation expense	f	454.49	12.54	-	467.03
Other expenses	i	487.86	0.76	(7.15)	481.47
Total expenses		**9,274.56**	**812.69**	**(7.15)**	**10,080.10**
Profit before tax and exceptional items		**961.08**	**(11.76)**	**7.15**	**956.47**
Exceptional items		-	-	-	-
Profit before tax		**961.08**	**(11.76)**	**7.15**	**956.47**
Tax expenses:					
Current tax/ Minimum Alternate Tax (MAT)		220.43	-	-	220.43
Deferred tax		53.55	44.45	-	98.00
Total tax expenses		**273.98**	**44.45**	**-**	**318.43**
Profit for the year		**687.10**	**(56.21)**	**7.15**	**638.04**
Other comprehensive income/(expense)					
Items that will not to be reclassified to profit or loss					
Re-measurement of the net defined benefit liability/asset	a,k	-	1.82	-	1.82
Income tax relating to items that will not be reclassed to profit and loss	j	-	(0.63)	-	(0.63)
Net other comprehensive income not to be reclassified subsequently to profit or loss		**-**	**1.19**	**-**	**1.19**
Items that will be reclassified subsequently to profit or loss					
Exchange differences in translating financial statements of foreign operations		-	-	-	-
Net other comprehensive income to be reclassified subsequently to profit or loss		-	-	-	-
Other comprehensive income for the year, net of income tax		**-**	**1.19**	**-**	**1.19**
Total comprehensive income for the year		**687.10**	**(55.02)**	**7.15**	**639.23**

*The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose to this note.

Sansera Engineering Limited (erstwhile Sansera Engineering Private Limited)
Annexure A - VII
Statement on Adjustments to Audited Consolidated Financial Statements

(Amount in ₹ millions)

		Year ended 31 March 2016 (Proforma)			
Particulars	**Notes**	**Previous GAAP***	**Ind AS adjustment**	**Restatement**	**Restated (Ind AS)**
Revenue					
Revenue from operations	e	9,010.53	705.18	-	9,715.71
Other income	c,d,f,i	48.14	8.60	-	56.74
Total income		**9,058.67**	**713.78**	**-**	**9,772.45**
Expenses					
Cost of material consumed		3,773.90	-	-	3,773.90
Excise duty	e		705.18	-	705.18
Changes in inventory of finished goods and work in progress		(27.29)	-	-	(27.29)
Conversion charges		251.48	-	-	251.48
Consumption of stores and spares		913.33	-	-	913.33
Power and fuel		489.95	-	-	489.95
Employee benefit expenses	a,h,k	1,703.01	25.19	-	1,728.20
Finance costs		321.70	-	-	321.70
Depreciation and amortisation expense	f	361.51	8.84	-	370.35
Other expenses	i	358.42	3.06	-	361.48
Total expenses		**8,146.01**	**742.27**	**-**	**8,888.28**
Profit before tax and exceptional items		**912.66**	**(28.49)**	**-**	**884.17**
Exceptional items		-	-	-	-
Profit before tax		**912.66**	**(28.49)**	**-**	**884.17**
Tax expenses:					
Current tax/ Minimum Alternate Tax (MAT)	m	235.90	-	(24.14)	211.76
Deferred tax	j	46.09	33.34	-	79.43
MAT entitlement credit		(44.40)	-	-	(44.40)
Total tax expenses		**237.59**	**33.34**	**(24.14)**	**246.79**
Profit for the year		**675.07**	**(61.83)**	**24.14**	**637.38**
Other comprehensive income/(expense)					
Items that will not to be reclassified to profit or loss					
Re-measurement of the net defined benefit liability/asset	a,k	-	(4.83)	-	(4.83)
Income tax relating to items that will not be reclassed to profit and loss		-	1.67	-	1.67
Net other comprehensive income not to be reclassified subsequently to profit or loss		**-**	**(3.16)**	**-**	**(3.16)**
Items that will be reclassified subsequently to profit or loss					
Exchange differences in translating financial statements of foreign operations		-	-	-	-
Net other comprehensive income to be reclassified subsequently to profit or loss		-	-	-	-
Other comprehensive income for the year, net of income tax		**-**	**(3.16)**	**-**	**(3.16)**
Total comprehensive income for the year		**675.07**	**(64.99)**	**24.14**	**634.22**

*The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose to this note.

Sansera Engineering Limited (erstwhile Sansera Engineering Private Limited)
Annexure A - VII
Statement on Adjustments to Audited Consolidated Financial Statements

(Amount in ₹ millions)

Particulars	Notes	Year ended 31 March 2015 (Proforma)			
		Previous GAAP*	**Ind AS adjustment**	**Restatement**	**Restated (Ind AS)**
Revenue					
Revenue from operations	e	8,139.97	569.14	-	8,709.11
Other income	c,d,f,i	7.23	8.18	(0.19)	15.22
Total income		**8,147.20**	**577.32**	**(0.19)**	**8,724.33**
Expenses					
Cost of material consumed		3,516.30	-	-	3,516.30
Excise duty	e		569.14	-	569.14
Changes in inventory of finished goods and work in progress		(71.24)	-	-	(71.24)
Conversion charges		211.85	-	-	211.85
Consumption of stores and spares		769.93	-	-	769.93
Power and fuel		422.22	-	-	422.22
Employee benefit expenses	a,h,k	1,367.71	(9.31)	(39.27)	1,319.13
Finance costs	m	228.61	-	(1.64)	226.97
Depreciation and amortisation expense	f	330.74	6.56	-	337.30
Other expenses	i	514.39	1.20	-	515.59
Total expenses		**7,290.51**	**567.59**	**(40.91)**	**7,817.19**
Profit before tax and exceptional items		**856.69**	**9.73**	**40.72**	**907.14**
Exceptional items		-	-	-	-
Profit before tax		**856.69**	**9.73**	**40.72**	**907.14**
Tax expenses:					
Current tax/ Minimum Alternate Tax (MAT)		241.30	-	-	241.30
Tax relating to earlier years		-		-	-
Deferred tax		77.55	(53.06)	-	24.49
Total tax expenses		**318.85**	**(53.06)**	**-**	**265.79**
Profit for the year		**537.84**	**62.79**	**40.72**	**641.35**
Other comprehensive income/(expense)					
Items that will not to be reclassified to profit or loss					
Re-measurement of the net defined benefit liability/asset	a,k	-	(9.31)	-	(9.31)
Income tax relating to items that will not be reclassed to profit and loss		-	3.23	-	3.23
Net other comprehensive income not to be reclassified subsequently to profit or loss		**-**	**(6.08)**	**-**	**(6.08)**
Items that will be reclassified subsequently to profit or loss					
Exchange differences in translating financial statements of foreign operations		-	-	-	-
Net other comprehensive income to be reclassified subsequently to profit or loss		-	-	-	-
Other comprehensive income for the year, net of income tax		**-**	**(6.08)**	**-**	**(6.08)**
Total comprehensive income for the year		**537.84**	**56.71**	**40.72**	**635.27**

*The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose to this note.

Sansera Engineering Limited (erstwhile Sansera Engineering Private Limited)
Annexure A - VII
Statement on Adjustments to Audited Consolidated Financial Statements

(Amount in ₹ millions)

Particulars	Notes	Year ended 31 March 2014 (Proforma) Previous GAAP*	Ind AS adjustment	Restatement	Restated (Ind AS)
Revenue					
Revenue from operations	e	6,412.54	493.50	-	6,906.04
Other income	c,d,f,i	64.06	4.50	0.19	68.75
Total income		**6,476.60**	**498.00**	**0.19**	**6,974.79**
Expenses					
Cost of material consumed		2,783.75	-	-	2,783.75
Excise duty	e		493.50	-	493.50
Changes in inventory of finished goods and work in progress		(105.21)	-	-	(105.21)
Conversion charges		171.04	-	-	171.04
Consumption of stores and spares		613.35	-	-	613.35
Power and fuel		362.44	-	-	362.44
Employee benefit expenses	a,h,k	1,044.15	(0.32)	14.20	1,058.03
Finance costs	m	293.92	-	1.64	295.56
Depreciation and amortisation expense	f	355.55	4.66	-	360.21
Other expenses	i	342.08	4.29	-	346.37
Total expenses		**5,861.07**	**502.13**	**15.84**	**6,379.04**
Profit before tax and exceptional items		**615.53**	**(4.13)**	**(15.65)**	**595.75**
Exceptional items		16.06	-	-	16.06
Profit before tax		**599.47**	**(4.13)**	**(15.65)**	**579.69**
Tax expenses:					
Current tax/ Minimum Alternate Tax (MAT)		142.88	-	-	142.88
Tax relating to earlier years	m	0.27	-	(0.27)	-
Deferred tax		13.81	0.02	-	13.83
Wealth tax		0.40	-	-	0.40
Total tax expenses		**157.36**	**0.02**	**(0.27)**	**157.11**
Profit for the year		**442.11**	**(4.15)**	**(15.38)**	**422.58**
Other comprehensive income/(expense)					
Items that will not to be reclassified to profit or loss					
Re-measurement of the net defined benefit liability/asset	a,k	-	(0.32)	-	(0.32)
Income tax relating to items that will not be reclassed to profit and loss		-	0.12	-	0.12
Net other comprehensive income not to be reclassified subsequently to profit or loss		**-**	**(0.20)**	**-**	**(0.20)**
Items that will be reclassified subsequently to profit or loss					
Exchange differences in translating financial statements of foreign operations		-	-	-	-
Net other comprehensive income to be reclassified subsequently to profit or loss		-	-	-	-
Other comprehensive income for the year, net of income tax		**-**	**(0.20)**	**-**	**(0.20)**
Total comprehensive income for the year		**442.11**	**(4.35)**	**(15.38)**	**422.38**

*The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose to this note.

(iii) There were no significant reconciliation items between cash flows prepared under previous GAAP and those prepared under Ind AS.

Sansera Engineering Limited (erstwhile Sansera Engineering Private Limited)
Annexure A - VII
Statement on Adjustments to Audited Consolidated Financial Statements

Summarized below are the restatement adjustments made to the audited financial statements for the year ended 31 March 2017, 31 March 2016, 31 March 2015 and 31 March 2014 and their impact on the profit / (loss): Statement on Adjustments to Audited consolidated financial statements

(Amount in ₹ millions)

Particulars	Notes	For the year ended			
		31 March 2017	31 March 2016 Proforma	31 March 2015 Proforma	31 March 2014 Proforma
A. Net profit after tax and associates share of profit as per audited financial statements prepared under previous GAAP		687.10	675.07	537.84	442.11
B. Ind AS Adjustments					
Fair valuation impact of investment in Equity shares	c	1.84	0.01	1.38	0.56
Fair valuation of security deposit	i	(0.15)	(0.22)	(0.06)	(0.05)
Impairment loss on financial assets	g	-	(2.33)	(2.45)	(4.07)
Fair valuation of ESOP	h	(9.79)	(30.02)	-	-
Fair valuation of derivative contracts	d	(1.84)	(0.76)	1.55	(0.89)
Deferred tax adjustments	j	(45.08)	(31.67)	56.29	0.10
C. Net profit after tax as per Ind AS		**632.08**	**610.08**	**594.55**	**437.76**
D. Restatement adjustments					
Tax adjustments - pertaining to earlier years	m	-	24.14	-	0.27
Bad debts recovered	m	7.15	-	-	-
Employee benefits expense	m	-	-	39.27	(14.20)
Interest expense	m	-	-	1.64	(1.64)
Interest income	m	-	-	(0.19)	0.19
Total		**7.15**	**24.14**	**40.72**	**(15.38)**
E. Total restated comprehensive income for the year		**639.23**	**634.22**	**635.27**	**422.38**

Reconciliation of statement of equity as previously reported under IGAAP and restated Ind AS financial statements

Particulars	Notes	As at				
		31 March 2017	31 March 2016 Proforma	31 March 2015 Proforma	31 March 2014 Proforma	31 March 2013 Proforma
Total equity as per Indian GAAP		5,145.82	4,448.61	3,662.36	3,159.70	1,933.31
Ind AS adjustments						
Deferred taxes	j	(25.61)	19.47	51.14	(5.15)	(5.25)
Fair valuation impact of investment in equity shares	c	4.71	2.87	2.86	1.48	0.92
Fair valuation of security deposit	i	(0.62)	(0.47)	(0.25)	(0.18)	(0.13)
Fair valuation of derivative contracts	d	(1.94)	(0.10)	0.66	(0.89)	-
Impairment loss on financial assets	g	(20.11)	(20.11)	(17.78)	(15.33)	(11.26)
Total equity as per Ind AS		**5,102.25**	**4,450.27**	**3,698.99**	**3,139.63**	**1,917.59**
Restatement adjustments						
Rectification of prior period errors	m	-	-	-	(40.72)	(25.07)
Tax adjustments	m	24.14	24.14	-	-	(0.27)
Bad debts recovered	m	7.15	-	-	-	-
Total restatement adjustments		**31.29**	**24.14**	**-**	**(40.72)**	**(25.34)**
Total equity		**5,133.55**	**4,474.42**	**3,698.99**	**3,098.91**	**1,892.25**

Notes to the reconciliation

(a) Remeasurement of net defined benefit liability/ asset
Under Ind AS, all actuarial gains and losses are recognised in other comprehensive income. Under previous GAAP, the Group has recognised actuarial gains and losses in profit or loss. However, this has no impact in the total comprehensive income and total equity as on 1 April 2013, 31 March 2014, 31 March 2015, 31 March 2016 and 31 March 2017.

(b) Compulsorily convertible preference shares
As per the guidance note on Schedule III, instruments which are entirely equity in nature such as compulsory convertible preference shares shall be presented as a separate line item on face of balance sheet under equity after 'equity share capital'. The compulsory convertible preference shares is considered as equity instrument rather than financial liability because the Company does not have contractual obligation to deliver cash or financial asset and the preference shares on expiry of the completion date is converted into a fixed number of its own equity instruments.

(c) Investment in equity instruments
Under the previous GAAP, investments in equity shares were classified as non-current investments or current investments based on the intended holding period and realisability. Non-current investments were carried at cost less provision for other than temporary decline in the value of such investments. Current investments were carried at lower of cost and fair value. Under Ind AS, these investments are required to be measured at fair value. The resulting fair value changes of these investments have been recognised in retained earnings as at the date of transition 1 April 2013 and subsequently in the statement of profit or loss for the year ended 31 March 2014, 31 March 2015, 31 March 2016 and 31 March 2017.

(d) Fair value of forward contracts
Under previous GAAP, premium / discount on forward exchange contracts, which are not intended for trading or speculation purposes, were amortised over the period of the contracts if such contracts relate to monetary items as at the balance sheet date. Under Ind AS, forward exchange contracts are derivative financial instruments which are measured at fair value. On the date of transition, the derivative instruments are classified as fair value through statement of profit and loss. The net effect of these changes is in equity as on transition date and subsequently measured through statement of profit or loss.

(e) Excise duty
Under previous GAAP, revenue from sale of goods was presented net of the excise duty on sales. Under Ind AS, revenue from sale of goods is presented inclusive of excise duty. Excise duty is presented in the statement of profit and loss as an expense.

(f) Government grants
The Government grant related to property, plant and equipment was offset with the cost under previous GAAP.
Under Ind AS the government grant related to property, plant and equipment is recognized as deferred income and is being amortized over the useful life of the asset in proportion in which the related depreciation expense is recognized.

(g) Loss allowance on trade receivables
Under previous GAAP, the Group has created loss allowance of receivables based on incurred loss model. Under Ind AS, the Group is required to apply expected credit loss model. As a result, on the date of transition, loss allowances on trade receivables have been recognised in retained earnings.

(h) Share based payments
Under the previous GAAP, the cost of equity-settled employee share-based plan were recognised using the intrinsic value method. Under Ind AS, the cost of equity settled share-based plan is recognised based on the fair value of the options as at the grant date. Accordingly, all the unvested options on the date of transition are measured at fair value.

The excess of stock compensation expense measured using fair value over the cost recognized under previous GAAP has been adjusted in 'Share Options Outstanding Account', with the corresponding impact taken to the retained earnings as on the transition date. The change does not affect total equity, but subsequently it will be measured through profit and loss account.

(i) Security deposit
Under the previous GAAP, interest free security deposits are recorded at their transaction value. Under Ind AS, all financial assets are required to be recognised at fair value. Accordingly, the Group has fair valued these security deposits under Ind AS. Difference between the fair value and transaction value of the security deposit has been recognised as prepayments for rent. The resulting fair value changes of these investments have been recognised in retained earnings as at the date of transition 1 April 2013 and subsequently in the statement of profit or loss for the years ended 31 March 2014, 31 March 2015, March 2016 and 31 March 2018.

(j) Deferred Taxes
Indian GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12, Income taxes requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under Indian GAAP. In addition, the various transitional adjustments lead to temporary differences. According to the accounting policies, the Group has to account for deferred tax on such differences. Deferred tax adjustments are recognised in correlation to the underlying transaction either in retained earnings or a separate component of equity. Guidance note on Division II- Ind AS Schedule III to of Companies Act, 2013 requires Minimum alternate tax credit to be classified as deferred tax.

(k) Other comprehensive income
Under Ind AS, all items of income and expense recognised in a period should be included in statement of profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit and loss as 'other comprehensive income' includes remeasurements of defined benefit plans. The concept of other comprehensive income did not exist under previous GAAP.

(l) Other equity
Adjustments to retained earnings and other comprehensive income has been made in accordance with Ind AS, for the above mentioned line items.

(m) Restatement adjustments
Tax adjustments pertaining to earlier periods
In the audited financial statements for the years ended 31 March 2018 and 31 March 2014 the Group had accounted for tax for earlier years. Accordingly, in the preparation of the Restated Consolidated financial information, the effect of the prior period items has been appropriately adjusted to the results of the respective year to which these items pertain to.

Prior period expenses
During financial year 2014-15, the group had material prior period expenses recorded in the financials statements under the previous GAAP. These expenses primarily in the nature of employee benefit expenses including gratuity and compensated absences, interest expenses and interest income. These expenses have been considered in the respective year to which it originates and the amounts which pertains to period prior to 1 April 2013 have been adjusted to retained earnings.

Bad debts recovered
During the financial year 2017-18, certain bad debts written off during the financial year 2016-17 were recovered. Accordingly the amount has been reduced from the bad debts recorded during 2016-17.

(n) Reconciliation of total equity as per audited Group financial statements with total equity as per restated Consolidated financial information as at 31 March 2016

The Proforma financial information of the Group as at and for the year ended March 31, 2016, 2015 and 2014, is prepared in accordance with requirements of SEBI Circular SEBI/HO/CFD/DIL/CIR/P/2016/4 dated March 31, 2016 ("SEBI Circular"). As envisaged by the SEBI Circular, the Group has followed the same accounting policy choices (both mandatory exceptions and optional exemptions availed as per Ind AS 101) as initially adopted on its Ind AS transition date (i.e. April 1, 2016) while preparing the proforma financial information for the FY 2015-16, 2014-2015 and 2013-2014 and accordingly suitable restatement adjustments in the accounting heads has been made in the proforma financial information. As specified in the Guidance Note, the equity balance computed under Proforma Ind AS financial statements for the year ended March 31, 2016 (i.e. equity under Indian GAAP as at April 1, 2015, 2014 and 2013 adjusted for impact of Ind AS 101 items and after considering profit or loss for the year ended March 31, 2016, 2015 and 2014 with adjusted impact due to Ind- AS principles applied on proforma basis) and equity balance computed in opening Ind AS Balance sheet as at transition date (i.e. April 1, 2016), prepared for filing under Companies Act, 2013, differs due to restatement adjustments made as at April 1, 2015, 2014 and 2013. Accordingly, the closing equity balance as at March 31, 2016 of the Proforma Ind AS financial statements has not been carried forward to opening Ind AS Balance sheet as at transition date already adopted for reporting under Companies Act, 2013.

(o) From April 1, 2014, Schedule II of the Companies Act, 2013 has become applicable to the Group. Accordingly, the Group has revised the estimated useful life of its assets. The written down value of fixed assets as at April 1, 2014 is being depreciated on prospective basis. These changes are considered as a change in the estimates and consequently no retrospective adjustments have been made.

(p) Material regroupings

Appropriate adjustments have been made in the restated consolidated summary statements of assets and liabilities, restated standalone summary statement of profit and loss and restated standalone summary cash flows, wherever required, by a reclassification of the corresponding items of income, expenses, assets, liabilities and cash flows in order to bring them in line with the groupings as per the audited financials of the Group as at and for the year ended 31 March 2018, prepared in accordance with the Act, the Rules, the ICDR Regulations and the Guidance Note.

(q) Non-adjusting items

Certain qualifications in the Auditor's report in the financial statements for the years ended 31 March 2014, 2015 and 2016 which do not require any quantitative adjustment in the restated consolidated financial information are as follows:

FY : 2013 - 2014

The subsidiary Companies i.e., Gearock Forge Private Limited and Fitwel Tools and Forgings Private Limited have not accounted for provision for gratuity and compensated absences based on actuarial valuation as required under AS-15 on "Employee benefits".

Management comments:

The Qualification has been removed in a subsequent financial year i.e. FY 2014-15, on resolution/conclusion of this issue.

FY : 2014 - 2015

1) The fixed assets of subsidiary Fitwel Tools and Forgings Private Limited have not been physically verified by the management.
2) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Holding Company and its subsidiary companies incorporated in India and the nature of its business, for the sale of goods/services and for the purchase of fixed assets and inventory, except for internal control system for the subsidiary, Fitwel Tools and Forgings Private Limited, for purchase of fixed asset which needs to be strengthened.
3) The Holding Company and its subsidiary companies incorporated in India do not have any accumulated losses at the end of the financial year and have not incurred cash losses in the financial year and in the immediately preceding financial year except Gearock Forge Private Limited, a subsidiary company, wherein. the company has accumulated loss exceeding 50% of net worth and its net worth has completely eroded.

Management comments:

1) The Company has done physical verification during the FY 2015-16 and observed no material discrepancies.
2) The Qualification has been subsequently rectified in FY 2017-18.
3) The subsidiary Gearock Forge Private Limited is merged with the holding company Sansera Engineering Limited from 1 April 2017.

FY : 2015 - 2016

According to the information and explanation given to us, one of the subsidia1y company, Fitwel Tools and Forgings Private Limited (Fitwel) incorporated in India has not established its internal financial control over financial reporting on criteria based on or considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. Our opinion, in so far as it relates to internal financial control over financial reporting of the said subsidiary, is disclaimed.

Management comments:

The qualification has been subsequently rectified in FY 2017-18.

FY : 2016 - 2017

According to the information and explanations given to us and based on our audit, the following material weakness has been identified in one of the subsidiary company, Fitwel Tools and Forgings Private Limited as at 31 March 2017:
a) The subsidiary company did not have an adequate internal control system documented with regard to procurement of property, plant and equipment and intangible assets which could potentially result in material misstatement in the balances of property, plant and equipment and intangible assets as on 31 March 2017.
b) The subsidiary company did not have an adequate internal control system with regard to joining and exit formalities of employees. Further, there are no adequate internal control towards payroll processing and recording of the employee benefit expenses. These could potentially result in material misstatement of employee benefit expenses for the year ended 31 March 2017.

Management comments:

The Qualification has been subsequently rectified in FY 2017-18.

Sansera Engineering Limited (erstwhile Sansera Engineering Private Limited)
Annexure A - VIII

Restated statement of dividend paid **(Amount in ₹ millions)**

Particulars	**For the year ended 31 March**				
	2018	**2017**	**2016**	**2015**	**2014**
Number of fully paid equity shares	64,740	64,740	64,740	64,740	64,740
Equity share capital	6.47	6.47	6.47	6.47	6.47
Face value (Rs.)	100.00	100.00	100.00	100.00	100.00
Rate of dividend %	-	-	-	-	-
Dividend on equity share capital	-	-	-	-	-

Notes:
1. The Group has not paid any Dividend for the above years.
2. To be read together with summary of significant accounting policies in Annexure A-V, notes to the restated consolidated financial information in Annexure A-VI and impact of adjustments to consolidated audited financials in Annexure A-VII.

Sansera Engineering Limited (erstwhile Sansera Engineering Private Limited)
Annexure A - IX
Restated statement of secured and unsecured borrowings

Details of security, repayment terms and interest rate for long term and short term borrowings: **(Amount in ₹ millions)**

Terms of repayment	Nature of Security	Interest rate	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016 Proforma	As at 31 March 2015 Proforma	As at 31 March 2014 Proforma
1. Term loan from banks							
(i) Citi Bank							
-Repayable in 20 equal quarterly installments of ₹25.31 million per quarter starting from October 2015 and to be settled by July 2020.	Secured against all Property, plant and equipment.	9.85% p.a.	253.09	356.40	456.58	-	-
-Repayable in 60 monthly installments of ₹2 million starting from June 2011 and to be settled by December 2016.	Secured against first pari passu charge on tangible assets.	11.25% p.a.	-	-	17.87	42.26	66.52
- FCNR Term loan repayable in 20 equal quarterly installments of ₹20.00 million per quarter starting from August 2017 and to be settled by July 2022.	Secured against all Property, plant and equipment.	2% p.a.	368.15	-	-	-	-
(ii) State Bank of India							
-Repayable in 9 monthly installments of Rs 2.00 million per month, 3 monthly installments of Rs 4.00 million per month and 12 monthly installments of Rs 5.00 million per month starting from June 2012 and to be settled by May 2015.	Secured against first pari passu charge on tangible assets.	Base rate + 1.25% p.a.	-	-	-	10.14	70.82
Repayable in 36 monthly installments of Rs 3.33 million per month starting from September 2011 and to be settled by September 2014	Secured against first pari passu charge on tangible assets.	Base rate + 1.25% p.a.	-	-	-	-	19.48
Repayable in 66 monthly installments of Rs 4.55 million per month starting from October 2011 and to be settled by March 2015	Secured against first pari passu charge on tangible assets.	Base rate + 1.25% p.a.	-	-	-	-	164.39
(iii) HDFC Bank							
-Repayable in 20 equal quarterly installments of ₹12.50 million per quarter starting from April 2016 and to be settled by March 2021.	Secured against all Property, plant and equipment.	9.50% p.a.	160.70	209.45	125.20	-	-
-Repayable in 20 equal quarterly installments of ₹12.50 million per quarter starting from June 2017 and to be settled by March 2022.	Secured against all Property, plant and equipment.	8.20% p.a.	201.46	250.00	-	-	-
-Repayable in 20 equal quarterly installments of ₹21 million per quarter starting from February 2018 and to be settled by August 2023.	Secured against all Property, plant and equipment.	8.20% p.a.	422.82	-	-	-	-
-Repayable in 60 monthly installments of ₹ 0.46 million per month starting from June 2016 and to be settled by July 2021.	Exclusive charge on movable fixed assets both present and future. Second charge on all current assets.	8.5% p.a.	19.36	24.52	-	-	-

Sansera Engineering Limited (erstwhile Sansera Engineering Private Limited)
Annexure A - IX
Restated statement of secured and unsecured borrowings

Details of security, repayment terms and interest rate for long term and short term borrowings: **(Amount in ₹ millions)**

Terms of repayment	Nature of Security	Interest rate	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016 Proforma	As at 31 March 2015 Proforma	As at 31 March 2014 Proforma
-Repayable in 60 monthly installments of ₹ 0.37 million per month starting from June 2016 and to be settled by July 2021.	Exclusive charge on movable fixed assets both present and future. Second charge on all current assets.	8.5% p.a.	14.48	19.62	-	-	-
-Repayable in 57 monthly installments of ₹ 0.18 million per month starting from August 2015 and to be settled by May 2020..	Exclusive charge on movable fixed assets both present and future. Second charge on all current assets.	8.60% p.a.	4.63	6.79	8.89	-	-
-Repayable in 57 monthly installments of ₹ 0.18 million per month starting from August 2015 and to be settled by May 2020.	Exclusive charge on movable fixed assets both present and future. Second charge on all current assets.	8.60% p.a.	4.80	7.04	9.53	-	-
-Repayable in 57 monthly installments of ₹ 0.18 million per month starting from August 2015 and to be settled by May 2020.	Exclusive charge on movable fixed assets both present and future. Second charge on all current assets.	8.60% p.a.	4.80	7.04	9.53	-	-
-Repayable in 57 monthly installments of ₹ 0.18 million per month starting from August 2015 and to be settled by May 2020.	Exclusive charge on movable fixed assets both present and future. Second charge on all current assets.	8.60% p.a.	8.80	12.90	16.90	-	-
-Repayable in 60 monthly installments of ₹ 0.34 million per month starting from 9th July 2014 and to be settled by September 2019.	Exclusive charge on movable fixed assets both present and future. Second charge on all current assets.	8.60% p.a.	3.14	10.56	14.66	18.47	-

Sansera Engineering Limited (erstwhile Sansera Engineering Private Limited)
Annexure A - IX
Restated statement of secured and unsecured borrowings

Details of security, repayment terms and interest rate for long term and short term borrowings: **(Amount in ₹ millions)**

Terms of repayment	Nature of Security	Interest rate	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016 Proforma	As at 31 March 2015 Proforma	As at 31 March 2014 Proforma
-Repayable in 60 monthly installments of ₹ 0.34 million per month starting from 9th July 2014 and to be settled by September 2019.	Exclusive charge on movable fixed assets both present and future. Second charge on all current assets.	8.60% p.a.	6.31	10.18	14.20	18.18	-
-Repayable in 60 monthly installments of ₹ 0.17 million per month starting from 9th July 2014 and to be settled by September 2019.	Exclusive charge on movable fixed assets both present and future. Second charge on all current assets.	8.60% p.a.	6.09	5.17	7.22	9.15	-
-Repayable in 52 monthly installments of ₹ 0.24 million per month starting from August 2012 and to be settled by November 2017.	Exclusive charge on movable fixed assets both present and future. Second charge on all current assets.	11.5% p.a.	-	1.97	4.88	7.69	10.83
- Repayable in 54 monthly installments of ₹ 0.46 million per month starting from Nov 2017 and to be settled by March 2023.	Exclusive charge on movable fixed assets both present and future. Second charge on all current assets.	8.50% p.a.	23.04	-	-	-	-
-Repayable in 60 monthly installments of Rs 0.17 million per month starting from November 2012 and to be settled by November 2017.	Exclusive charge on movable fixed assets both present and future. Second charge on all current assets.	11.5% p.a.	-	1.35	3.38	5.33	7.33
-Repayable in 60 monthly installments of Rs 0.42 million per month starting from August 2011 and to be settled by August 2016.	Exclusive charge on movable fixed assets both present and future. Second charge on all current assets.	11.5% p.a.	-	-	2.12	7.08	12.08

Sansera Engineering Limited (erstwhile Sansera Engineering Private Limited)
Annexure A - IX
Restated statement of secured and unsecured borrowings

Details of security, repayment terms and interest rate for long term and short term borrowings: **(Amount in ₹ millions)**

Terms of repayment	Nature of Security	Interest rate	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016 Proforma	As at 31 March 2015 Proforma	As at 31 March 2014 Proforma
-Repayable in 57 monthly installments of Rs 0.18 million per month starting from October 2011 and to be settled by August 2016.	Exclusive charge on movable fixed assets both present and future. Second charge on all current assets.	11.5% p.a.	-	-	0.71	2.81	4.91
-Repayable in 57 monthly installments of Rs 0.19 million per month starting from March 2011 and to be settled by August 2016.	Exclusive charge on movable fixed assets both present and future. Second charge on all current assets.	11.5% p.a.	-	-	0.95	3.21	5.47
-Repayable in 57 monthly installments of Rs 0.18 million per month starting from October 2011 and to be settled by August 2016.	Exclusive charge on movable fixed assets both present and future. Second charge on all current assets.	11.5% p.a.	-	-	0.89	2.98	5.09
-Repayable in 60 monthly installments of Rs 0.5 million per month starting from June 2009 and to be settled by June 2015.	Exclusive charge on movable fixed assets both present and future. Second charge on all current assets.	Base rate + 3.45%	-	-	-	1.50	7.50
-Repayable in 60 monthly installments of Rs 0.25 million per month starting from November 2011 and to be settled by November 2015.	Exclusive charge on movable fixed assets both present and future. Second charge on all current assets.	Base rate + 3.45%	-	-	-	2.00	5.00
(iv) HSBC Bank							
-Repayable in 18 equal quarterly installments of ₹13.89 million per quarter starting from September 2017 and to be settled by November 2022.	Secured against all Property, plant and equipment.	8.05% p.a.	250.00	-	-	-	-
-Repayable in 20 equal quarterly installments of ₹11.11 million per quarter starting from April 2017 and to be settled by April 2022.	Secured against all Property, plant and equipment.	8.20% p.a.	197.21	-	-	-	-

Sansera Engineering Limited (erstwhile Sansera Engineering Private Limited)
Annexure A - IX
Restated statement of secured and unsecured borrowings

Details of security, repayment terms and interest rate for long term and short term borrowings: (Amount in ₹ millions)

Terms of repayment	Nature of Security	Interest rate	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016 Proforma	As at 31 March 2015 Proforma	As at 31 March 2014 Proforma
2. Vehicle Loan							
HDFC Bank Vehicle Loan -Repayable in 60 monthly installments of ₹ 0.06 million per month starting from November 2017 and to be settled by October 2022.	Hypothecation of vehicle	8.25% p.a.	2.75	-	-	-	-
HDFC Bank Car Loan -Repayable in 60 monthly installments of Rs 0.08 million per month starting from January 2014 and to be settled by January 2019.	Hypothecation of vehicle	10.00% p.a.	0.49	1.37	2.45	2.87	3.53
HDFC Bank Car Loan -Repayable in 60 monthly installments of Rs 0.01 million per month starting from May 2011 and to be settled by May 2016.	Hypothecation of vehicle	Base rate + 2%	-	-	-	0.19	0.34
HDFC Bank Car Loan -Repayable in 60 monthly installments of Rs 0.03 million per month starting from January 2012 and to be settled by January 2017.	Hypothecation of vehicle	Base rate + 2%	-	-	-	0.52	0.76
3. Term loan from financial institutions							
Bajaj Finance Limited							
-Repayable in 60 equal monthly installments of ₹4.32 million starting from February 2014 and to be settled by January 2019.	Secured against first pari passu charge on tangible assets.	10.75% p.a.	39.41	86.04	127.07	163.87	196.66
-Repayable in 54 monthly installments of ₹9.47 million starting from October 2012 and to be settled by March 2017.	Secured against first pari passu charge on tangible assets.	10.75% p.a.	-	-	110.26	206.75	293.41
-Repayable in 60 equal monthly instalments of ₹3.33 million starting from August 2014 and to be settled by July 2019.	Secured against all Property, plant and equipment.	11.25% p.a.	87.52	137.68	176.86	201.87	-
-Repayable in 60 equal monthly instalments of ₹2.57 million starting from September 2017 and to be settled by March 2022.	Secured against all Property, plant and equipment.	9.70% p.a.	135.84	150.00	-	-	-
-Repayable in 60 monthly installments of ₹ 15.65 million per month starting from May 2018 and to be settled by April 2023.	Pari Passu charge on moveable and immovable assets and current assets.	9.25% p.a.	55.85	-	-	-	-

Sansera Engineering Limited (erstwhile Sansera Engineering Private Limited)
Annexure A - IX
Restated statement of secured and unsecured borrowings

Details of security, repayment terms and interest rate for long term and short term borrowings: **(Amount in ₹ millions)**

Terms of repayment	Nature of Security	Interest rate	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016 Proforma	As at 31 March 2015 Proforma	As at 31 March 2014 Proforma
4. Cash Credit							
-Citi Bank	Secured against all Inventory and Receivables	10.50% p.a	49.75	12.44	-	0.53	164.03
-SBI Bank	Secured against all Inventory and Receivables	9.50% p.a.	90.11	390.53	6.88	62.52	333.78
-Yes Bank	Pari Pasu charge on all current assets and all moveable fixed assets (present and future) of the borrower.	6 month MCLR plus 0.20% p.a.	21.97	28.72	-	-	-
-HDFC Bank	Secured against all Inventory and Receivables	8.75% p.a	-	3.70	-	-	(27.12)
5. Working capital loan							
-HDFC Bank	Secured against all Inventory and Receivables	8.20% p.a	100.00	100.00	-	-	-
-HDFC Bank	Secured against all Inventory and Receivables	8.50% p.a	156.29	154.90	134.90	137.20	91.55
-SBI Bank	Secured against all Inventory and Receivables	8.00% p.a	200.00	-	-	-	-
-Citi Bank	Secured against all Inventory and Receivables	10.65% p.a	-	-	-	300.00	100.00
-Handelsbanken bank	Secured against all Inventory and Receivables	5.95%	58.79	-	-	-	-
6. Foreign currency loan							
-Citi Bank	Secured against all Inventory and Receivables	1%	495.62	460.05	-	300.00	-
7. Packing credit							
-Citi Bank	Secured against all Inventory and Receivables	4.5%.	675.43	431.84	265.50	422.05	29.76
-SBI Bank	Secured against all Inventory and Receivables	7.51%	60.60	103.87	809.63	235.37	80.77
8. Bill discounting facility from banks							
-SBI Bank	Secured against all Inventory and Receivables	9.15%	411.18	324.75	507.45	225.08	331.91
-HDFC Bank	Secured against all Inventory and Receivables	8.50%	23.31	26.72	27.50	27.50	27.36
9. Unsecured Loans repayable on demand							
-HDFC Bank	Unsecured	8.20%	100.00	100.00	100.00	-	-
-Bajaj Finance	Unsecured	8.50%	451.23	200.81	151.07	151.40	152.14
10. Loans and advances from directors	Unsecured		-	-	-	-	6.30
11. Finance lease obligation	Hypothecation of plant and machinery taken on lease	18.00%	228.63	307.50	60.55	73.72	-
Total			**5,393.65**	**3,943.91**	**3,173.63**	**2,642.24**	**2,164.60**

Sansera Engineering Limited (erstwhile Sansera Engineering Private Limited)
Annexure A - X

Restated statement of other income **(Amount in ₹ millions)**

Particulars	**For the year ended 31 March**				
	2018	**2017**	**2016**	**2015**	**2014**
Other income, as restated	129.36	64.71	56.74	15.22	68.75
Net profit before tax (2)	1,452.94	956.47	884.17	907.14	579.29
Percentage	**9%**	**7%**	**6%**	**2%**	**12%**

Notes:

1. As per Guidance note on reports in Company prospectus all cases where other income (net of related expenses) exceeds 20% of the net profit before tax, then the details of such income is also required to be disclosed. As per the above working the other income does not exceed 20% of the net profit before tax, hence details of other income is not disclosed.

2. Net profit after tax is considered after exceptional items.

Sansera Engineering Limited (erstwhile Sansera Engineering Private Limited)
Annexure A - XI

Restated statement of accounting ratios **(Amount in ₹ million except equity share, per equity share data and net asset value per share)**

S. No.	Particulars	As at/ for the year ended				
		31 March 2018	31 March 2017	31 March 2016 Proforma	31 March 2015 Proforma	31 March 2014 Proforma
1	Restated profit attributable to equity holder	852.57	640.77	635.67	632.91	412.90
2	Weighted average number of basic equity shares outstanding during the year	64,740	64,740	64,740	64,740	64,740
3	Weighted average number of diluted equity shares outstanding during the year	72,483	72,483	72,483	70,866	70,866
4	Number of equity shares outstanding at the end of the year	64,740	64,740	64,740	64,740	64,740
5	Net worth for equity shareholders	5,942.19	5,081.22	4,420.00	3,646.79	3,019.97
6	**Accounting Ratios:**					
	Earnings / (loss) per share (refer note no. 2 below)					
	Basic	13,169.14	9,897.59	9,818.81	9,776.18	6,377.82
	Diluted	11,762.34	8,840.28	8,769.92	8,931.08	5,826.49
	Return on net worth for equity shareholders (1)/(5)	14.35%	12.61%	14.38%	17.36%	13.67%
	Net asset value per share (₹) (5)/(4)	91,785	78,487	68,273	56,330	46,648

Note:

1. The above ratios are calculated as under:

a) Basic earnings per share = Net profit attributable to equity shareholders / weighted average number of shares outstanding during the period/ year.

b) Diluted earnings per share = Net profit attributable to equity shareholders / weighted average number of diluted potential shares outstanding during the period/ year. The number of equity shares used in computing diluted earnings per share comprises the weighted average shares considered for deriving basic earnings per share, and also the weighted average number of equity shares, which would have been issued on conversion of all potentially dilutive equity shares. Potential dilutive equity shares are deemed converted as of the beginning of the year, unless they have been issued at a later date. The potentially dilutive equity shares have been adjusted for the proceeds receivable had the shares been actually issued at a fair value (i.e. the average market value of the outstanding shares). In computing dilutive earnings per share, only potential equity shares that are dilutive and that reduces profit per share are included.

c) Return on net worth (%) = Net profit attributable to equity shareholders / net worth as at the end of period/ year.

d) Net asset value (Rs) = Net worth / number of equity shares as at the end of period/ year.

2. Earning per shares (EPS) calculation is in accordance with Indian Accounting Standard (Ind AS) 33 "Earnings per share" prescribed by the Companies (Indian Accounting Standards) Rules, 2015.

3.The above ratios have been computed on the basis of the Restated Consolidated Summary Statements- Annexure A-I & Annexure A-II.

Sansera Engineering Limited (erstwhile Sansera Engineering Private Limited)

Annexure A - XI
Restated statement of accounting ratios (continued)

4. **Proforma accounting ratio disclosure**

Subsequent to 31 March 2018, the capital structure of the Group has changed due to the following transactions:-

i) Pursuant to the approval of the shareholders granted at its extraordinary general meeting held on 28 July 2018, the Company has sub-divided the equity shares in the ratio of 1:50. As on 28 July 2018, 64,740 shares were outstanding of Rs. 100 each, which on sub division, became 3,237,000 equity shares of Rs. 2 each.

ii) Further, as per the approval of the shareholders granted in above extraordinary general meeting the Company has issued bonus shares in the ratio of 2:27. Accordingly 43,699,500 equity shares were issued as bonus shares against 3,237,000 equity shares. Post bonus issue 46,936,500 equity shares are outstanding as of 28 July 2018.

The impact of the above post balance sheet adjustments to equity share capital on the accounting ratios has been provided below:

Computation of proforma equity shares:-

Particulars	No. of equity shares
Number of equity shares outstanding as on 31 March 2018	64,740
Equity shares issued as per note 4 (i) above - sub division of equity share in the ratio of 50 equity shares for every two equity share held	3,237,000
Add: Bonus shares issued in the ratio of twenty seven equity shares for every two equity share held as per note 4 (ii) above	43,699,500
Proforma basic number of equity shares outstanding after impacting the above post balance sheet adjustment	**46,936,500**
Add: Dilutive effect of ESOPs	1,172,325
Add: Dilutive effect of Compulsory Convertible Preference Shares (CCPS) Series: A	4,439,900
Add: Dilutive effect of Compulsory Convertible Preference Shares (CCPS) Series: B	1,450
Proforma diluted number of equity shares outstanding after impacting the above dilutive effect	**52,550,175**

Proforma statement of accounting ratios

Particulars	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016 Proforma	As at 31 March 2015 Proforma	As at 31 March 2014 Proforma
Proforma Net asset value per share based on the equity shares outstanding, after impacting the post balance sheet adjustment	126.60	108.26	94.17	77.70	64.34
Proforma Basic earnings per share after impacting the post balance sheet adjustments	18.16	13.65	13.54	13.48	8.80
Proforma Diluted earnings per share after impacting the post balance sheet adjustment and dilutive effect of ESOPs and CCPS.	16.22	12.19	12.10	12.32	8.04

Sansera Engineering Limited (erstwhile Sansera Engineering Private Limited)
Annexure A - XII

Restated statement of capitalisation **(Amount in ₹ millions)**

Particulars	Pre-issue as at 31 March 2018
Long term borrowings	1,824.50
Short term borrowings	2,894.28
Current portion of secured long-term borrowings, included in other current liabilities	674.87
Total borrowings (A)	**5,393.65**
Equity share capital	111.47
Other equity	5,830.72
Total equity (B)	**5,942.19**
Total borrowings / equity (A/B)	**90.77%**

Note :

i) To be read together with summary of significant accounting policies in Annexure A-V, impact of adjustments to standalone audited financials in Annexure A-VII and notes to the restated consolidated financial information in Annexure A-VI.

ii) The corresponding Post IPO capitalisation data in the above table is not determinable at this stage pending the completion of the Book Building Process and hence the same has not been provided in the above statement.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion of our financial condition and results of operations together with our Restated Consolidated Financial Statements and Restated Standalone Financial Statements, which are included in this Draft Red Herring Prospectus. The following discussion and analysis of our financial condition and results of operations for the fiscal years ended March 31, 2018, 2017 and (pro forma) 2016 is based on our Restated Consolidated Financial Statements, including the related notes and reports, which have been prepared under Ind AS, in accordance with the requirements of the Companies Act and applicable ICAI guidance, and restated in accordance with the SEBI ICDR Regulations, which differ in certain material respects from IFRS, U.S. GAAP and GAAP in other countries. Accordingly, the degree to which our Restated Consolidated Financial Statements will provide meaningful information to a prospective investor in countries other than India is dependent on the reader's level of familiarity with Ind AS.

This discussion and analysis contains forward-looking statements that reflect our current views with respect to future events and our financial performance, which are subject to numerous risks and uncertainties. Our actual results may differ materially from those anticipated in these forward-looking statements. As such, you should also read "Risk Factors" and "Forward Looking Statements" beginning on pages 17 and 16, respectively, which discuss a number of factors and contingencies that could affect our financial condition and results of operations.

Unless otherwise indicated or context requires otherwise, the financial information included herein is based on our Restated Consolidated Financial Statements included in this Draft Red Herring Prospectus. Wherever any financial information is presented from our Restated Standalone Financial Statements, it has been specifically mentioned.

Until June 30, 2017, our revenues were presented including applicable excise duty. Following the implementation of GST with effect from July 1, 2017, our revenues are presented net of GST. We therefore present the numbers without excise duties for comparison purposes.

We define Sale Of Products (Net Of Excise Duties), Revenue From Operations (Net Of Excise Duties) and Total Income (Net Of Excise Duties) as, sale of products, revenue from operations and total income reduced by excise duty in each case. Prospective investors should note that these figures are not required by, nor presented in accordance with, Ind AS or Indian GAAP.

Our fiscal year ends on 31 March of each year. Accordingly, all references to a particular fiscal year, or "fiscal", are to the 12 months ended 31 March of that year.

Overview

We are an engineering-led integrated manufacturer of complex and high-quality precision components for the automotive and aerospace sectors, primarily supplying to OEMs in India and internationally. We manufacture and supply a wide range of precision forged and machined components that are critical for engine, transmission and other systems for the two-wheeler, passenger vehicle and light and heavy commercial vehicle verticals in the automotive sector. We also supply our components to the aerospace sector and for off-road vehicles as well as for other segments including tractors, generator sets, stationary engines and other non-automotive applications.

We are a leading supplier to the two-wheeler and passenger vehicle verticals in India. Specifically, we are one of the leading Indian manufacturers of (i) connecting rods, crankshafts, rocker arms and gear shifter forks for two-wheelers and (ii) connecting rods, rocker arms and gear shifter forks for passenger vehicles (*Source: CRISIL Report*). We are among the top two and top three manufacturers of two-wheeler and passenger vehicle connecting rods in India, respectively; among the top two manufacturers and the largest manufacturer of two-wheeler and passenger vehicle rocker arms in India, respectively; and among the top three manufacturers of two-wheeler gear shifter forks in India (*Source: CRISIL Report*). We supply most of our products directly to OEMs and in forged and machined condition, resulting in higher value addition by us.

We have longstanding relationships with several well-known Indian and global OEMs. Specifically, (i) in the two-wheeler vertical we have relationships of over 20 years with Bajaj, over 20 years with Yamaha and over 15 years with HMSI, the fourth, fifth and second largest two-wheeler Indian OEMs in terms of domestic production volume for fiscal 2018, respectively (*Source: CRISIL Report*); and (ii) in the passenger vehicle vertical we have relationships of over 30 years with Maruti Suzuki, the leading Indian passenger vehicle OEM in terms of domestic production volume for fiscal 2018 (*Source: CRISIL Report*), and over eight years with FCA, a leading European passenger vehicle OEM. We have regularly been recognised by our customers for the quality of our products and we are the single source supplier in certain product categories for some of our key customers. We added 21 new customers (including customers in the aerospace sector) between fiscals 2014 and 2018. Bajaj, our largest customer, contributed 21.13% and 25.05% of our consolidated and standalone revenues from the Sale Of Products (Net Of Excise Duties), respectively, in fiscal 2018.

As of May 31, 2018, we had 15 manufacturing facilities in close proximity to the production facilities of certain of our OEM customers, enabling faster supply times. 14 of these facilities are situated in India at various locations, namely, Bengaluru, Manesar, Pune, Pantnagar and Tumkur, and one facility is situated at Trollhattan, Sweden, in Europe. Our largest greenfield facility in Bidadi, Karnataka has recently commenced commercial production.

Our manufacturing operations are (i) integrated across the product cycle with the entire manufacturing process (encompassing forging, heat treatment and machining) being carried out in-house and (ii) coordinated through concurrent design and engineering, machine building and automation. This enables us to streamline our production processes, achieve shorter product development and delivery times, exercise greater control over key inputs and processes, reduce inventories and manage capital expenditure.

As of May 31, 2018, a team of over 150 personnel supported our Company's design, engineering, machine building and automation functions. Our Company's design and engineering capabilities comprise product, process, machine, tool and fixture design as well as advanced engineering. Our Company has a facility in Bengaluru dedicated to machine building and machine design which employed 45 personnel as of May 31, 2018 and manufactured an average of approximately eight machines per month during fiscal 2018. As of May 31, 2018 we had built over 700 CNC SPMs which are deployed across our manufacturing facilities. Our Company's automation division included a team of 16 personnel as of May 31, 2018 who work concurrently with machine and fixture design and have implemented multiple automation projects intended to increase our productivity and control labour costs.

We were incorporated on December 15, 1981 with our Registered Office and Corporate Office located in Bengaluru. We are promoted by S. Sekhar Vasan, F.R. Singhvi, Unni Rajagopal K and D. Devaraj. We commenced commercial production of passenger vehicle components in 1986 for Maruti Suzuki (formerly known as Maruti Udyog Limited). We then grew our precision components manufacturing business organically in India by commencing supplies to the two-wheeler vertical in 1996, for off road vehicles in 2009 and to the light commercial vehicle vertical in 2011. We set up a manufacturing facility dedicated to high precision aluminium and titanium machined aerospace components in 2013. In April 2017, we acquired a 100% stake in Sansera Sweden AB ("**Sansera Sweden**"), which has facilitated our entry into the heavy commercial vehicle vertical in the automotive sector, expanded our customer base and improved geographical access to OEMs outside India. For further details, see "*History and Certain Corporate Matters – Summary of Key Agreements for our Company*" on page 194. In fiscal 2018, our standalone and consolidated business in India accounted for 75.68% and 68.61%, respectively, of our Revenue From Operations (Net Of Excise Duties).

We are an employee driven, professionally managed organisation and none of our Promoters' family members are involved in any executive capacity with our Company. Our management is led by a professional team comprising of a CEO, head of operations and a CFO. The majority of our management team has been with our Company for more than 10 years and has led the expansion of our product and customer base over the last several years, resulting in business growth and diversification. Our management team has ownership stakes in our Company through ESOP schemes with a view to aligning their interests with our performance.

Over the years, we have established a strong track record of growth and financial performance. This has been driven by an increase in the share of business from our customers for our existing product supplies and consistent track record of new customer and product additions. From fiscal 2014 to fiscal 2018, our revenues from customers in India grew at a CAGR of 16.14% and our revenues from customers in Europe grew at a CAGR of 42.73%.

Our Total Income (Net Of Excise Duties) for fiscal 2018 was ₹13,710.62 million and grew at a CAGR of approximately 20.60% between fiscal 2014 and fiscal 2018. Our Average RoCE and Net Debt to Equity Ratio for fiscal 2018 was 18.90% and 0.84 respectively.

As of July 2018, our long-term bank facilities were domestically rated ICRA AA-/Positive and our short-term bank facilities were domestically rated ICRA A1+. We have enjoyed steadily improving domestic credit ratings, which has helped us to manage our cost of funding more effectively. Our ICRA rating history is as follows:

Rating history	Fiscal 2014	Fiscal 2015	Fiscal 2016	Fiscal 2017	Fiscal 2018
Long-term bank facilities	[ICRA] A+ (Stable)	[ICRA] A+ (Stable)	[ICRA] AA- (Stable)	[ICRA] AA- (Stable)	[ICRA] AA- (Positive)
Short-term bank facilities	[ICRA] A1	[ICRA] A1	[ICRA] A1+	[ICRA] A1+	[ICRA] A1+

Our key lenders include Citibank, HDFC Bank, HSBC and SBI.

Significant Factors Affecting our Results of Operations

Our results of operations have been, and will be, affected by many factors, some of which are beyond our control. The following is a discussion of certain factors that have had, and will continue to have, a significant effect on our financial condition and results of operations:

Market and economic conditions

We derive a significant portion of our revenue from sales of complex and high-quality precision components for the automotive and aerospace sectors, primarily supplying to OEMs in India and internationally. The level of demand for precision forged and machined components depends primarily on conditions in the automotive and aerospace sectors in our target markets which, in turn, depend to a large extent on general economic conditions in these markets. General economic factors that can affect demands in the automotive and aerospace sectors, therefore, demands for the precision components that we manufacture, include, among others:

- global oil prices, which impact the automotive and aerospace sectors and consequently the components industry;
- global and local economic or fiscal instability;
- global and local political and regulatory measures and developments, such as tax incentives or other subsidies, environmental policies, the phasing out of older vehicles or other developing trends, such as the move towards electrification and emissions reduction;
- global and local fiscal and monetary dynamics, such as rises or falls in interest rates (resulting in greater or lesser ability by customers to borrow money, including for automotive purchases), foreign exchange rates and inflation rates;
- general levels of GDP growth in a country or region, and growth in personal disposable income in that country or region;
- demographic conditions and population dynamics, such as the absolute size of a market and the growth rates of the population in that market; and
- economic development, shifting of wealth in India, in particular growth in the middle class, and change in customer preferences in favour of more fuel efficient and environmentally friendly vehicles.

Stronger economic indicators tend to correlate with higher demand for automotive and aerospace components, while weaker economic indicators tend to correlate with lower demand for such components.

The cyclical nature of general economic conditions and, therefore, of the automotive and aerospace sectors means that our results of operations can fluctuate substantially from period to period. We expect that these economic factors and conditions in our industry, particularly changes in consumer confidence, employment levels, fuel prices, consumer spending on two-wheelers and passenger vehicles, urbanisation, changes in customer preferences, government policies and interest rates, will continue to be the most important factors affecting our revenues and results of operations. Other factors, such as our competitiveness, quality and pricing, have an effect on our market share and our ability to win customers in competitive situations.

Purchasing pattern of our major customers and terms of supply arrangements

Our ability to manage and sustain customer relationships is critical. Our OEM customers include some of the largest Indian and global OEMs such as Bajaj, FCA, Harley Davidson, Hero, HMSI, Honda Cars, Maruti Suzuki, Polaris, Royal Enfield, Toyota, UTAS and Yamaha. We depend on our major OEM customers in India and globally for a significant portion of our revenues. Our top five customers accounted for 66.88%, 64.41% and 62.37% of our revenues from Sale Of Products (Net Of Excise Duties) for fiscals 2016, 2017 and 2018, respectively. The loss of any key customers including as a result of a dispute with or disqualification by them may materially affect our business and results of operations.

The demand from our top customers determines our revenue levels and results of operations, and our sales are directly affected by production and inventory levels of our customers. New investments or increased sales by our customers tend to increase our revenue and results of operations, while a slow-down in demand for our customers' products tends to have an adverse impact on our revenues and results of operations. We would expect successful new model launches by these customers to likely increase our revenues and results of operations. Accordingly, our operations have generally grown with our customers' businesses over time. Our customers, in turn, are dependent on general trends in the automotive and aerospace industries. See "***- Market and economic conditions***" above. Foreign exchange fluctuations may also subdue exports for some of our customers, in turn affecting the volumes that we supply.

Our sales to our customers also depend largely on the number and type of products that we supply to them and our ability to increase our overall share of our customers' purchases. It is difficult for us to predict with certainty when our customers will decide to increase or decrease inventory levels or levels of production, which strategic direction they will pursue, when they might launch new models or open new facilities, or whether future inventory levels will be consistent with historical levels. For instance, some OEMs are pursuing a strategy of localisation of production for each market, while others are consolidating their global platforms in one low-cost manufacturing jurisdiction for eventual distribution to other countries. In addition, certain OEMs are seeking to consolidate their suppliers, particularly with suppliers who are able to manufacture complex and high quality components, scale up production and supply products across a number of geographies.

Moreover, the long lead times for automobile models and the related programmes for the development and manufacture of these products make it difficult to predict the exact timing and exact levels of sales that we will derive from these arrangements. Any increases or decreases in the levels of inventory and activity by our customers, in turn, are likely to have a positive or negative effect on our revenues and our results of operations.

We do not generally have firm commitment supply agreements with most of our customers and instead rely on purchase orders that set out the volume and other terms of our sales of products. Most of our customers provide us with forecasts of order volumes, generally for an initial month and with a tentative delivery schedule for the following month, that help us predict our production volumes for that particular product. Our actual production volumes may differ from our estimates due to variations in customer demand for the related vehicles. When actual production volumes differ significantly from our estimates, we generally seek to make up any shortfalls through new orders, either with existing or with new customers, which may or may not materialise.

Raw material and labour costs

Raw Material Costs which consist of cost of material consumed, changes in inventory of finished goods and work-in-progress and conversion charges constitute the most significant portion of our expenses. Our Raw Material Costs for fiscals 2016, 2017 and 2018 were ₹3,998.09 million, ₹4,543.46 million and ₹6,200.75 million, representing 44.09%, 44.33% and 45.23% of our Total Income (Net Of Excise Duties) for the respective year. Cost of materials consumed primarily consists of (i) the cost of raw materials that we consume in the manufacture of our products (our primary raw materials are steel round bars, castings, forgings, ferrous alloys and non-ferrous alloys such aluminium, nickel, copper and titanium); and (ii) the cost of assembled components such as roller bearings, screws, crank pins, bolts, bushes and sintered tips.

We primarily purchase raw materials back-to-back and in line with the terms and prices that are agreed with our customers, either from suppliers stipulated by our customers or those suggested by us and approved by our customers.

Prices for these raw materials can be volatile and depend on commodity prices in the markets, which, in turn, depend on changes in global economic conditions, industry cycles, supply-and-demand dynamics, attempts by individual producers to capture market share, and market speculation, among other factors. In addition to market fluctuations, our average raw material prices can be affected by contractual arrangements and hedging strategies, if any. While we enter into general purchase agreements with our suppliers, we do not enter into any firm commitment for long-term contracts. See "*Risk Factors – We depend on third parties with whom we do not have long-term supply contracts for the supply of raw materials. A loss of suppliers or interruptions in the delivery of raw materials or volatility in the prices of raw materials on which we rely may have a material adverse effect on our business and results of operations*" on page 23.

While in practice we have passed the increase in the cost of raw materials onto our domestic customers, our cash flows may still be adversely affected due to any gap in time between the date of procurement of those raw materials and the date on which we can reset the component prices for our customers so as to account for the increase in the prices of such raw materials. In addition, we may not be able to pass all of our raw material price increases to our customers. Our ability to adjust pricing terms with customers varies based on our specific customer relationships, market practice with respect to the particular raw material or component and other factors such as raw material content and whether medium-term price fluctuations have been factored into our component prices at the time of price finalisation. As a result, for some of our export customers, we may in some instances bear the risk of price increases that occur. Further, an increase in raw material prices may result in increased prices for our customers' products, which may in turn result in decreased demand for their products and, consequently, the components that we supply for their products.

Employee benefit expenses comprise our second largest expense after cost of material consumed. In fiscals 2016, 2017 and 2018, our employee benefit expenses represented 19.06%, 18.69% and 18.03% of our Total Income (Net Of Excise Duties) respectively. We seek to improve our operational efficiency by reducing our employee benefit expenses as a percentage of our total incomes, notwithstanding that we are continuing to expand our business and production facilities. We also regularly negotiate wage settlement agreements for our trade union employees which provide for the terms and conditions of employment including wages and allowance, increments and promotions or incentives. As a material portion of our overall manpower is located in India, rising wages in India as well as any change in applicable labour laws, may have a material impact on our costs.

Operating costs and efficiencies

Given the nature of our business, operating costs and efficiencies are critical to maintaining our competitiveness and profitability. Our profitability is partially dependent on our ability to spread fixed production costs over higher production volumes. In addition, we face substantial pressure from our customers to reduce prices, and in order to maintain our profitability, we must be able to reduce our operating expenses.

Our operations are integrated across the product cycle and coordinated through concurrent engineering and design, machine building and automation. This vertical integration of our operations has enabled us to streamline our production processes, achieve shorter development and delivery times, exercise greater control over key inputs and processes, enhance quality control and increase supply security. We continually undertake efforts to reduce our costs, such as negotiating volume discounts, outsourcing non-critical processes, reducing energy usage and rationalising our labour. Our ability to reduce our operating costs in line with customer demand is subject to risks and uncertainties, as our costs depend, in part, on external factors beyond our control.

We also incur certain costs in order to ensure that the products that we supply to our customers are of high quality and free of defects. Such costs relate to matters such as capital expenditure, testing and validation, systems deployment and rejection and re-working of products. Quality control is critical to our operations and a failure to prevent the passing down of defects to our customers may lead to significant financial penalties.

Exchange rates

Although our Company's reporting currency is in Indian Rupees, we transact a significant portion of our business in several other currencies. Our subsidiary, Sansera Sweden, primarily undertakes its operations in the Swedish Krona ("**SEK**") and reports its financial results in SEK, which is then translated to Indian Rupees for purposes of consolidation. However, our subsidiary, Sansera Engineering Private Limited Mauritius ("**Sansera Mauritius**"), undertakes operations in Euro and reports its financial results in Euro, which is then translated to Indian Rupees for purpose of consolidation.

We consolidate our offshore assets and liabilities on our balance sheet based on the year-end closing exchange rate, and we consolidate our offshore operations in our profit and loss statement on the basis of average exchange rate for the year. Hence, the carrying value of our offshore assets on our balance sheet as well as the value of our revenue and expenses from our offshore operations on our profit and loss statement depend significantly on the underlying Rupee-to-SEK and Rupee-to-Euro exchange rate movements.

Further, a part of our revenues is derived from sales to customers based outside of India. In fiscals 2018, 2017 and 2016, based on the Restated Standalone Financial Statements, our sales to customers based outside of India were ₹2,790.13 million, ₹2,461.71 million and ₹2,228.29 million, respectively, which represented 24.32%, 25.47% and 26.42% of our Revenue From Operations (Net Of Excise Duties), respectively. The exchange rate between the Indian Rupee and the currencies in which we receive payments for such exports, i.e. primarily the USD and Euro, has fluctuated in the past and our results of operations have been impacted by such fluctuations in the past and may be impacted by such fluctuations in the future. For example, during times of strengthening of the Indian Rupee, we expect that our overseas sales and revenues will generally be negatively impacted as foreign currency received will be translated into fewer Indian Rupees. However, the converse positive effect on depreciation of the Indian Rupee may not be sustained or may not show an appreciable impact in our results of operations in any given financial period due to other variables impacting our results of operations during the same period. Moreover, we expect that our cost of borrowing as well as our cost of imported raw materials, imported stores and spares, overseas professional costs, freight and other expenses incurred by us may rise during a sustained depreciation of the Indian Rupee against USD or Euro.

Certain portions of our income and expenses are generated or incurred in other currencies and certain portions of our assets (trade receivables and cash and cash equivalents) and liabilities (trade payables and borrowings) are in other currencies, such as USD, SEK and Euro. Therefore, our exchange rate risk primarily arises from (i) currency mismatches between our income and our expenditure which we seek to mitigate by matching income currency to expenditure currency to the extent possible; (ii) our foreign currency loans, in respect of which we selectively hedge currency exchange rate risk; and (iii) currency translations for the purpose of preparing our consolidated financial statements on account of our operations in Sweden.

In India, we take a portion of our short-term borrowings in foreign currency, which provides us with a natural hedge against our exposure to exchange rate movements arising in our exports. In addition, we enter into multiple forward contracts to hedge our foreign exchange risk exposure to movements in the Rupee-to-USD and Rupee-to-Euro exchange rate.

While we seek to hedge our foreign currency risk by entering into forward exchange contracts, any steps undertaken to hedge the risks on account of fluctuations in currencies may not adequately hedge against any losses we incur due to such fluctuations. Our net foreign exchange gains for fiscals 2018, 2017 and 2016 amounted to ₹79.11 million, ₹42.49 million and ₹34.24 million, respectively. As of March 31, 2018, our total unhedged foreign currency receivables amounted to ₹789.65 million, our total unhedged foreign currency loans amounted to ₹495.62 million, our total unhedged foreign currency payables amounted to ₹75.98 million, and the total value of our outstanding forward exchange contracts amounted to ₹245.37 million, on a standalone basis.

Funding Mix and Cost of Funding

We rely primarily on internal cash generated from our operations and third-party debt to fund our working capital and capital expenditure requirements. Interest expenses on our borrowings have historically formed a material part of our expenses. Most of our borrowings bear interest at floating rates, and to the extent that interest rates decrease over time, this has a positive impact on our expenses (assuming constant levels of borrowings). Conversely, rising interest rates result in increasing expenses, unless we reduce the overall level of our borrowings.

In order to reduce our finance costs, we have sought to refinance higher cost loans in India at lower costs. We have been able to do this as our credit rating in India has steadily improved, allowing us to access more cost-effective credit. Our ICRA rating history is as follows:

Rating history	Fiscal 2014	Fiscal 2015	Fiscal 2016	Fiscal 2017	Fiscal 2018
Long-term bank facilities	[ICRA] A+ (Stable)	[ICRA] A+ (Stable)	[ICRA] AA- (Stable)	[ICRA] AA- (Stable)	[ICRA] AA- (Positive)
Short-term bank facilities	[ICRA] A1	[ICRA] A1	[ICRA] A1+	[ICRA] A1+	[ICRA] A1+

Our acquisition of Sansera Sweden

In April 2017, we acquired a 100% stake in Sansera Sweden which is primarily engaged in manufacturing of critical engine components for heavy commercial vehicles and stationary engines in the European market. Our acquisition of Sansera Sweden has facilitated (i) our entry into the heavy commercial vehicle vertical in the automotive sector, (ii) the expansion of our customer base and (iii) our geographical expansion resulting in proximity to several existing customers in Europe.

Our acquisition of Sansera Sweden had an impact on our results of operations for fiscal 2018. The manufacturing operations of Sansera Sweden are currently being moved to a greenfield facility as the lease agreement for the existing manufacturing facility had lapsed and was consequently terminated. In addition to the actual cost being incurred on physical movement of plant and machinery and production of buffer stock to meet customer requirements during the move, we are incurring expenditure towards multiple initiatives such as re-engineering of the manufacturing and material handling process; designing the layout of the new plant; and improving automation to increase productivity. Following the completion of the move by the end of 2018, there will be a period of transition following which the operations of Sansera Sweden are expected to stabilise.

As a result of this acquisition, our revenue and various expense items, such as raw materials costs, employee benefit expenses, and depreciation all increased. Further, there are exceptional costs in relation to the move to greenfield premises as described above. Our balance sheet and cash flows also have been impacted as we had to borrow to fund the acquisition and provide funding support for non-recurring expenses relating to the move to greenfield premises as described above as well as lease deposit to the new landlord for the new facility.

Basis of preparation of financial statements

The restated consolidated financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as prescribed under Section 133 of Companies Act, 2013 (to the extent applicable) read with Companies (Indian Accounting Standards) Rules, 2015.

The audited consolidated financial statements for the year ended March 31, 2018 (including comparative of March 31, 2017) have been prepared under Ind AS. The audited consolidated financial statements as at and for the years ended March 31, 2016, March 31, 2015 and March 31, 2014 were prepared under previous generally accepted accounting principles followed in India ("**Previous GAAP**" or "**Indian GAAP**"), and have been translated into figures as per the Ind AS to align with accounting policies, exemptions and disclosures as adopted by the Company on its first time adoption of Ind AS on April 1, 2016 ("**transition date**").

The restated consolidated financial statements include the results of the following subsidiaries:

S. No.	Name of the Entity	Country of incorporation	Effective shareholding (%)

1	Fitwel Tools and Forgings Private Limited	India	70
2	Sansera Sweden AB	Sweden	100
3	Sansera Engineering Private Limited Mauritius	Mauritius	100

Critical Accounting Policies

The preparation of our restated consolidated financial information in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the restated consolidated financial information is included in lease classification. Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the fiscal ended March 31, 2018 are described below.

Revenue recognition

We recognise revenue to the extent that it is probable that the economic benefits will flow to our Group and the revenue can be reliably measured, regardless of when the payment is being made. We measure revenue at fair value of consideration received or receivable.

We recognise revenue from sale of products (including sale of scrap) when the significant risk and rewards of ownership have been transferred to the buyer.

Sale of products is disclosed net of GST, returns, trade discounts, and volume rebates. Sale of products is presented gross of excise duties to the extent applicable.

We recognise revenue from sale of services when the related services are rendered unless significant future contingencies exist.

We recognise export incentives in the restated consolidated summary statement of profit and loss account when the right to receive credit as per the terms of the entitlement is established in respect of export made.

We recognise dividend income in the restated consolidated summary statement of profit and loss on the date on which the right to receive payment is established.

We recognise interest on the deployment of funds using the time-proportion method, based on underlying interest rates.

Depreciation of property, plant and equipment

We provide depreciation on a straight-line method over the useful lives of property, plant and equipment as prescribed under Part C of Schedule II of the Companies Act, 2013. Depreciation for assets purchased/sold during a period is proportionately charged. The useful lives for property, plant and equipment is as follows:

Asset category	Estimated useful life (in years)
Plant and machinery	15
Building	30
Furniture and fixtures	10
Jigs and fixtures	15
Electrical installations	10
Office equipment	5
Vehicles	10

Computers (including software)	3-6
Assets taken on lease (plant and machinery)	Over the lease period or estimated useful life whichever is lower

Freehold land is not depreciated. Leasehold land is depreciated over the period of lease. We review depreciation method, useful lives and residual values at each fiscal end and make adjustments if appropriate.

Inventories

We measure inventories at the lower of cost and net realisable value ("**NRV**"). Cost comprises purchase price and all expenses incurred in bringing the inventory to its present location and condition. We determine cost as follows:

Raw material, stores and spares	on weighted average basis
Work-in-progress	includes cost of conversion
Finished goods	includes cost of conversion

We allocate fixed production overheads on the basis of normal capacity of production facilities. The comparison of cost and NRV is made on an item-by-item basis. We capitalise spare parts that meet the definition of asset at their respective carrying amounts. We determine the NRV of work-in-progress with reference to NRV of related finished goods.

Raw materials and other supplies held for use in production of inventories are not written down below cost except in cases where material prices have declined, and we estimate that the cost of the finished products will exceed their NRV.

We assess provision for inventory obsolescence periodically and make provisions as we consider necessary.

Taxes

Deferred tax

We recognise deferred tax in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. We do not recognise deferred tax for temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss.

We measure deferred tax at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted at the reporting date.

We offset deferred tax assets and liabilities if there is a legally enforceable right to offset current tax liabilities and assets and they relate to taxes levied by the same tax authority on the same taxable entity.

We recognise a deferred tax asset for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. We review deferred tax assets at each reporting date and they are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Employee benefits

Gratuity

Our gratuity plan is a defined benefit plan. The present value of obligation under such defined benefit plan is determined based on actuarial valuation carried out by an independent actuary using the projected unit credit method. The obligation is measured at the present value of estimated future cash flows. The discount rates used for determining the present value of obligation under defined benefit plan is based on the market yields on Government securities as at the balance sheet date, having maturity periods approximating to the terms of related obligations. We recognise actuarial gains and losses immediately in the restated consolidated summary statement of assets and liabilities with a corresponding debit or credit to retained earnings in the period in which they occur.

Compensated absences

Our employees are entitled to compensated absences. The employees can carry forward a portion of the unutilised accumulating compensated absence and utilise it in future periods or receive cash compensation at retirement or termination of employment. We record an obligation for compensated absences in the period in which the employee renders the services that increases this entitlement. We measure the expected cost of compensated absence as the additional amount that we expect to pay as a result of the unused entitlement that has accumulated at the balance sheet date. The calculation of our obligation is performed annually by an independent actuary using the projected unit credit method as at the reporting date. We recognise non-accumulating compensated absences in the period in which the absences occur. We recognise actuarial gains and losses immediately in the restated consolidated summary statement of profit and loss

Impairment

Impairment of financial instruments

We recognise loss allowances for expected credit losses (ECL) on financial assets measured at amortised cost. At each reporting date, we assess whether financial assets carried at amortised cost are credit impaired. A financial asset is ‘credit-impaired’ when one or more event that have a detrimental impact on the estimated future cash flows of the financial assets have occurred.

We follow ‘simplified approach’ for recognition of impairment loss allowance on trade receivables. The application of simplified approach does not require us to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. For recognition of impairment loss on other financial assets and risk exposure, we determine that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If in subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12 month ECL.

Impairment of non-financial assets

Our non-financial assets, other than inventories and deferred tax assets, are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, we determine the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash-generating unit (CGU) to which the asset belongs.

If we consider such assets impaired, we recognise the impairment in the restated consolidated summary statement of profit and loss measured by the amount by which the carrying value of the asset exceeds the estimated recoverable amount of the asset.

An impairment loss in respect of goodwill is not subsequently reversed. In respect of assets for which impairment loss has been recognised in prior periods, we review at each reporting date whether there is any indication that the loss has decreased or no longer exists. We reverse an impairment loss in the restated consolidated summary statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount.

The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

First time adoption of Ind AS

The financial statements for fiscal 2018 are the first time that we have prepared our financial statements in accordance with Ind AS. For the periods up to and including fiscal 2017, we prepared our financial statements in accordance with Indian GAAP. Accordingly, we have prepared our financial statements to comply with Ind AS for fiscal 2018, together with comparative data for fiscal 2017. In preparing these financial statements, our opening balance sheet was prepared as at April 1, 2016, the date of first transition to Ind AS.

We have elected to present all five years (fiscals 2018 - 2014) as per Ind AS/ Proforma Ind AS, instead of Indian GAAP. The restated consolidated financial statements for fiscals 2016, 2015 and 2014 has been prepared on a proforma basis (the "**Proforma Ind AS Restated Consolidated Financial Information**") in accordance with requirements of SEBI Circular SEBI/HO/CFD/DIL/CIR/P/2016/47 dated March 31, 2016 ("**SEBI Circular**") and Guidance note on reports in company prospectuses issued by ICAI. For the purpose of the Proforma Ind AS Restated Consolidated Financial Information, we have followed the same accounting policy and accounting policy choices (both mandatory exceptions and optional exemptions availed as per Ind AS 101) as initially adopted on transition date (April 1, 2016). Accordingly, suitable restatement adjustments (both re-measurements and reclassifications) in the accounting heads have been made to the Proforma Ind AS Restated Consolidated Financial Information following accounting policies and accounting policy choices (both mandatory exceptions and optional exemptions) consistent with that used at the date of transition to Ind AS (April 1, 2016).

For principal adjustments we made in restating our Indian GAAP financial statements, see Annexure A-VII to our Restated Consolidated Financial Statements on page 370.

Recent Accounting Pronouncements

On March 28, 2018, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2018, notifying amendments to Ind AS 40, 'Investment Property', Ind AS 21, 'The Effects of Changes in Foreign Exchange Rates, Ind AS 12, 'Income Taxes', Ind AS 28, 'Investments in Associates and Joint Ventures', 'Ind AS 112, ' Disclosure of Interests in Other Entities' and Ind AS 115, 'Revenue from contracts with customers'. These amendments maintain convergence with IFRS by incorporating amendments issued by the International Accounting Standards Board (IASB) into Ind AS. The amendments are applicable to us from April 1, 2018.

Amendment to Ind AS 40, Investment Property

The amendment to Ind AS 40 lays down the principle regarding when a company should transfer to, or from, investment property. Accordingly, a transfer is made only when:

(i) There is an actual change of use i.e. an asset meets or ceases to meet the definition of investment property.
(ii) There is evidence of the change in use.

The impact of the abovestated amendment to us is nil as the same is not applicable to us.

Amendment to Ind AS 21, The Effects of Changes in Foreign Exchange Rates

Appendix B to Ind AS 21, Foreign currency transactions and advance consideration clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency.

We are in process of evaluating the effect of this on the restated consolidated financial information and expect the impact to be not material.

Amendment to Ind AS 12, Income Taxes

The amendment to Ind AS 12 considers that:

(i) Tax law determines which deductions are offset against taxable income in determining taxable income in determining taxable profits.
(ii) No deferred tax asset is recognised if the reversal of the deductible temporary difference will not lead to tax deductions.

We are evaluating the effect of this on the restated consolidated financial information and expect the impact to be not material.

Amendment to Ind AS 28, Investments in Associates and Joint Ventures

The amendment to Ind AS 28 clarifies that a venture capital organisation, or a mutual fund, unit trust and similar entities may elect, at initial recognition, to measure investments in an associate or joint venture at fair value through profit or loss separately for each associate or joint venture.

The impact of the abovestated amendment to us is nil as the same is not applicable to us.

Amendment to Ind AS 112, Disclosure of Interests in Other Entities

The amendment to Ind AS 112 provide that the disclosure requirements for interests in other entities also apply to interests that are classified (or included in a disposal group that is classified) as held for sale or as discontinued operations in accordance with Ind AS 105, Non-current Assets Held for Sale and Discontinued Operations.

The impact of the abovestated amendment to us is nil as the same is not applicable to us.

Ind AS 115, Revenue from Contracts with Customers

Ind AS 115 establishes a comprehensive framework for determining whether, how much and when revenue should be recognised. It replaces existing revenue recognition guidance, including Ind AS 18 Revenue, Ind AS 11 Construction Contracts and Guidance Note on Accounting for Real Estate Transactions. Ind AS 115 is effective for annual periods beginning on or after April 1, 2018 and will be applied accordingly.

The standard permits two possible methods of transition:

- Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors

- Retrospectively with cumulative effect of initially applying the standard recognised at the date of initial application (Cumulative catch - up approach)

We have completed an initial assessment of the potential impact of the adoption of Ind AS 115 on accounting policies followed in our restated consolidated financial information. The quantitative impact of adoption of Ind AS 115 on our restated consolidated financial information in the period of initial application is not reasonably estimable as at present.

Sale of goods

We currently recognise revenue from sale of products when the goods are delivered to the customers' premises, which is the point in time at which the customer accepts the goods and the related risks and rewards of ownership are transferred. We recognise revenue at this point provided that the revenue and the costs can be measured reliably, the recovery of the consideration is probable and there is no continuing management involvement with the goods.

Under Ind AS 115, revenue will be recognised when a customer obtains control of the goods. For some made-to-order product contracts, the customer controls all of the work-in-progress as the products are being manufactured. Revenue from these contracts will be recognised as the products are being manufactured. Our initial assessment indicates that this will result in revenue, and some associated costs, for these contracts being recognised earlier than at present – i.e. before the goods are delivered to the customers' premises.

For certain contracts that permit the customer to return an item, we currently recognise revenue when a reasonable estimate of the returns can be made, provided that all other criteria for revenue recognition are met. If a reasonable estimate cannot be made, then revenue recognition is deferred until the return period lapses or a reasonable estimate of returns can be made.

Under Ind AS 115, revenue will be recognised for these contracts to the extent that it is probable that a significant reversal in the amount of cumulative revenue recognised will not occur. As a consequence, for those contracts for which we are unable to make a reasonable estimate of return, revenue is expected to be recognised sooner than when the return period lapses or a reasonable estimate can be made. A refund liability and an asset for recovery will be recognised for these contracts and presented separately in the restated consolidated summary statement of assets and liabilities.

Rendering of services

We are involved in providing forging and other related services. We recognise revenue from sale of services in the restated consolidated summary statement of profit and loss in proportion to the stages of completion of the transaction at the reporting date.

If the services under a single arrangement are rendered in different reporting periods, then the consideration is allocated on a relative fair value basis between the different services. Under Ind AS 115, the total consideration in the service contracts will be allocated to all services based on their stand-alone selling prices. The stand-alone selling prices will be determined based on the list prices at which we sell the services in separate transactions.

Based on our initial assessment, the fair value and the stand-alone selling prices of the services are broadly similar.

Transition

We plan to apply Ind AS 115 using the cumulative catch-up transition method, with the effect of initially applying this standard recognised at the date of initial application (i.e. April 1, 2018) in retained earnings. Accordingly comparatives for the year ending or ended March 31, 2018 will not be retrospectively adjusted.

Description of Key Components of our Consolidated Statement of Profit and Loss

Revenue

Our total income consists of revenue from operations and other income.

Revenue from operations

Our revenue from operations is primarily generated from (i) sale of products, (ii) sale of services, (iii) scrap sales, (iv) tooling income and (v) export incentive benefit.

Sale of products

We generate revenue through the sale of products primarily to OEMs, in both the domestic and export markets. Our products include precision forged and machined components that are critical for engine, transmission and other systems for the two-wheeler, passenger vehicle, light and heavy commercial vehicle verticals in the automotive sector. We also supply our components to the aerospace sector and for off-road vehicles as well as for other segments.

Sale of services

Our revenue from sale of services primarily includes revenues that we generate by providing machining operation services for a leading tier-1 customer that supplies forgings to us.

Scrap sales

Our revenue from scrap sales includes from sale of items such as component scrap, forging scrap, boring scrap, end bits, lubricants, waste packing materials, used consumables, inserts, and fully depreciated equipment.

Tooling income

Prior to placing a purchase contract, our customers undertake a selection process which includes multiple inspections and review of the prototypes. Our tooling income includes amounts paid to us by our customers for the development of such prototypes.

Export incentive benefit

Export incentive benefit consists of various incentives available for export of goods under applicable schemes such as DDS and MEIS.

Other income

Our other income primarily consists of certain recurring items such as interest income from banks and others, net gain on foreign currency transactions (including on account of exchange rate difference, both realised and unrealised arising on receivables, payables and loans and cancellation of forward contracts) income from government grants, and certain non-recurring items such as net profit on sale of property, plant and equipment.

Expenses

Our total expenses consists of (i) Raw Material Costs, which includes cost of materials consumed, changes in inventory of finished goods and work-in-progress and conversion charges, (ii) excise duty on sale of goods, (iii) consumption of stores and spares, (iv) power and fuel costs, (v) employee benefit expenses, (vi) finance costs, (vii) depreciation and amortisation expense and (viii) other expenses.

Raw Material Costs

We define Raw Material Costs as the sum of (i) cost of material consumed, (ii) change in inventories of finished goods and work in progress and (iii) conversion charges.

Cost of material consumed primarily consists of (i) the cost of raw materials that we consume in the manufacture of our products (our primary raw materials are steel round bars, castings, forgings, ferrous alloys and non-ferrous alloys such as aluminium, nickel, copper and titanium); and (ii) the cost of assembled components such as roller bearings, screws, crank pins, bolts, bushes and sintered tips. Our cost of material consumed also includes costs of carriage inwards.

Change in inventories of finished goods and work in progress indicates the difference between our opening and closing inventory of finished goods and work-in-progress.

Conversion charges refer to the processing charges that we pay to third parties in respect of certain work outsourced, generally for conversion of raw material to forgings, chrome plating, DLC coating, buffing, painting, among others.

Excise duty

We pay excise duty with respect to products manufactured by our Indian operations arising from the sale of such products.

Until June 30, 2017, revenue from operations included the applicable excise duty which was also shown as operating expense. Post the applicability of Goods and Services Tax (GST) with effect from July 1, 2017, revenue from operations is disclosed net of GST. Accordingly, the revenue from operations and excise duty expense for the year ended on March 31, 2018 are not exactly comparable with the previous years presented in the financial information.

Consumption of stores and spares

Consumption of stores and spares includes costs of cutting tools, stores consumables, maintenance spares, fixtures and gauges.

Power and fuel

This consists of power and fuel costs for our manufacturing operations.

Employee benefit expenses

Our employee benefit expenses comprise employee salaries, wages and bonuses, contribution to provident and other funds, staff welfare expenses and employee stock compensation expenses based on an ESOP scheme instituted in fiscal 2015. For further details on our employee stock option schemes, see "*Capital Structure*" on page 79.

Finance costs

Finance costs primarily consist of (i) interest expense on our fixed-period term loans, short term loans and factoring, (ii) foreign exchange loss to the extent considered as interest and (iii) other borrowing costs, such as bank charges.

Depreciation and amortisation expense

Depreciation and amortisation expense consists of depreciation of tangible assets, including our building, plant and machinery, furniture, office equipment and vehicles, and amortisation of intangible assets.

Other expenses

Other expenses include administrative expenses (which primarily consist of legal and professional charges, travelling and conveyance expenses, security, insurance charges, repairs and maintenance, rent, CSR and other miscellaneous expenses), and selling expenses (which comprise freight outwards and selling and advertisement expenses).

Exceptional items

Exceptional items primarily consist of one-time costs incurred in relation to the relocation of Sansera Sweden's operations to a new greenfield facility.

Tax expenses

Taxes primarily comprise current and deferred taxes and MAT credit entitlements.

Our Results of Operations

The following table sets certain data from our statement of consolidated profit and loss for the years indicated:

		Year ended March 31,	
	2016	**2017**	**2018**
	(in ₹ millions)	(in ₹ millions)	(in ₹ millions)
Revenue:			
Revenue from operations	9,715.71	10,971.86	13,840.22
Other income	56.74	64.71	129.36
Total income	**9,772.45**	**11,036.57**	**13,969.58**

Expenses:			
Cost of material consumed	3,773.90	4,408.94	6,080.77
Changes in inventory of finished goods and work in progress	(27.29)	(124.07)	(235.25)
Excise duty	705.18	787.78	258.96
Conversion charges	251.48	258.59	355.23
Consumption of stores and spares	913.33	1,008.27	1,096.19
Power and fuel	489.95	546.92	718.51
Employee benefit expenses	1,728.20	1,915.74	2,471.99
Finance costs	321.70	329.43	440.03
Depreciation and amortisation expense	370.35	467.03	607.73
Other expenses	361.48	481.47	600.41
Total expenses	**8,888.28**	**10,080.10**	**12,394.57**
Profit before tax and exceptional items	884.17	956.47	1,575.01
Exceptional items	-	-	(122.07)
Profit before tax	**884.17**	**956.47**	**1,452.94**
Tax expenses:			
Current tax/ Minimum Alternate Tax (MAT)	211.76	220.43	400.91
Deferred tax	79.43	98.00	183.54
MAT entitlement credit	(44.40)	-	-
Profit for the year	**637.38**	**638.04**	**868.49**

The following table sets certain data from our statement of standalone profit and loss for the years indicated:

	Year ended March 31,		
	2016	**2017**	**2018**
	(in ₹ millions)	(in ₹ millions)	(in ₹ millions)
Revenue:			
Revenue from operations	9,074.23	10,392.55	11,717.76
Other income	55.92	63.18	126.69
Total income	**9,130.15**	**10,455.73**	**11,844.45**
Expenses:			
Cost of materials consumed	3,482.52	4,125.17	4,785.43
Excise duty	638.70	725.81	243.36
Changes in inventory of finished goods and work in progress	(32.08)	(128.67)	(201.29)
Conversion charges	335.62	403.87	427.98
Consumption of stores and spares	878.84	953.81	1,037.52
Power and fuel	410.32	477.65	614.86
Employee benefit expenses	1,563.55	1,740.33	1,933.07
Finance costs	289.12	298.31	396.20
Depreciation and amortisation expense	349.62	444.54	538.72
Other expenses	337.58	451.69	520.85
Total expenses	**8,253.79**	**9.492.51**	**10,296.70**
Profit before exceptional items and tax	876.36	963.22	1,547.75
Exceptional items	-	-	-
Profit before tax	**876.36**	**963.22**	**1,547.75**
Tax expenses:			
Current tax/ Minimum Alternate Tax (MAT)	207.99	220.43	379.76
Deferred tax	79.73	98.69	170.39
MAT entitlement credit	(44.40)	-	-
Profit for the year	**633.04**	**644.10**	**997.60**

Fiscal 2018 compared to fiscal 2017

Revenue

Until June 30, 2017, revenue from operations included applicable excise duty. Following the implementation of GST with effect from July 1, 2017, revenue from operations is presented net of GST.

Revenue from operations

Sale of products

Our Sale Of Products (Net Of Excise Duties) increased by 33.97% to ₹12,866.77 million in fiscal 2018 from ₹9,603.97 million in fiscal 2017. Fiscal 2018 included full year sales of Sansera Sweden, as compared to fiscal 2017 which did not have any such contribution as the acquisition of Sansera Sweden was completed in April 2017. Accordingly, our Sale Of Products (Net Of Excise Duties) from the LCV/HCV vertical increased by 399.60% to ₹1,988.04 million in fiscal 2018 from ₹397.92 million in fiscal 2017, primarily as a result of this acquisition.

In addition, the increase was attributable to an increase in our sales to the two-wheeler and passenger vehicle verticals. Our Sale Of Products (Net Of Excise Duties) from the two-wheeler vertical increased by 14.97% to ₹6,082.25 million in fiscal 2018 from ₹5,290.20 million in fiscal 2017, primarily due to (i) the commencement of supplies of crankshafts and an increase in the share of business in existing components being supplied to a leading two-wheeler OEM and (ii) an increase in outsourcing of certain components by a leading OEM to us which were previously being manufactured in-house. The two-wheeler vertical also recovered from relatively lower growth in fiscal 2017 because of currency demonetisation.

Our Sale Of Products (Net Of Excise Duties) from the passenger vehicle vertical increased by 27.97% to ₹3,351.22 million in fiscal 2018 from ₹2,618.77 million in fiscal 2017, primarily due to (i) an increase in our share of business with a leading passenger vehicle OEM and (ii) an increase in supplies of connecting rods for vehicle platforms which were started during fiscal 2017 and commencement of supplies for new vehicle platforms in fiscal 2018 for a leading European OEM.

Sales of services

Sale of services decreased by 19.53% to ₹127.54 million in fiscal 2018 from ₹158.49 million in fiscal 2017.

Scrap sales

Scrap sales increased by 38.93% to ₹421.90 million in fiscal 2018 from ₹303.68 million in fiscal 2017, in line with the increase in our revenues.

Tooling income

Tooling income increased by 15.74% to ₹49.48 million in fiscal 2018 from ₹42.75 million in fiscal 2017, primarily due to increase in development work done for customers.

Export incentive benefit

Export incentive benefit increased by 19.46% to ₹121.77 million in fiscal 2018 from ₹101.93 million in fiscal 2017, primarily due to increased exports when compared to previous year.

Other income

Other income increased by 99.91% to ₹129.36 million in fiscal 2018 from ₹64.71 million in fiscal 2017, primarily due to increases in net gain on foreign currency transactions, profit on sale of property, plant and equipment and income from government grants.

Expenses

Raw Material Costs

Our Raw Material Costs increased by 36.48% to ₹6,200.75 million in fiscal 2018 from ₹4,543.46 million in fiscal 2017. Raw Material Costs in fiscal 2018 included Raw Material Costs of Sansera Sweden, as compared to fiscal 2017 which did not include such costs.

Based on the Restated Standalone Financial Statements, our Raw Material Costs increased by 13.90% to ₹5,012.12 million in fiscal 2018 from ₹4,400.37 million in fiscal 2017, as compared to an increase of 19.23% from fiscal 2017 to fiscal 2018 in our Total Income (Net Of Excise Duties) based on the Restated Standalone Financial Statements. This was primarily due to (a) a change in product mix towards components such as connecting rods, which have a lower proportion of assembled components and (ii) higher Raw Material Costs in fiscal 2017 on account of initial production related issues for a new product line for one of our customers, which were gradually rectified during the year. Our Raw Material Costs accounted for 43.20% of our Total Income (Net Of Excise Duties) in fiscal 2018, compared to 45.23% in fiscal 2017.

Excise duty

Our excise duty decreased by 67.13% to ₹258.96 million in fiscal 2018 from ₹787.78 million in fiscal 2017, primarily due to the implementation of GST. Until June 30, 2017, revenue from operations included applicable excise duty. Following the implementation of GST with effect from July 1, 2017, revenue from operations is presented net of GST.

Consumption of stores and spares

Our consumption of stores and spares increased by 8.72% to ₹1,096.19 million in fiscal 2018 from ₹1,008.27 million in fiscal 2017, primarily due to an increase in our production.

Power and fuel

Our expenses on power and fuel increased by 31.37% to ₹718.51 million in fiscal 2018 from ₹546.92 million in fiscal 2017. Power and fuel costs in fiscal 2018 included costs of Sansera Sweden, as compared to fiscal 2017 which did not include such costs. Power and fuel expenses increased for our standalone operations due to an increase in electricity tariff and addition of new heat treatment facilities at some of our plants.

Employee benefit expenses

Our employee benefit expenses increased by 29.04% to ₹2,471.99 million in fiscal 2018 from ₹1,915.74 million in fiscal 2017. Employee benefit expenses for fiscal 2018 included employee costs of Sansera Sweden, as compared to fiscal 2017 which did not include such cost.

Based on the Restated Standalone Financial Statements, our employee benefit expenses increased by 11.07% to ₹1,933.07 million in fiscal 2018 from ₹1,740.33 million in fiscal 2017, primarily due to an increase in the number of employees to support our business, and increases in salaries and contracted wage increases for some of our unionized employees under the terms of the relevant trade union agreements, as compared to an increase of 19.23% from fiscal 2017 to fiscal 2018 in our Total Income (Net Of Excise Duties) based on the Restated Standalone Financial Statements.

Finance costs

Our finance costs increased by 33.57% to ₹440.03 million in fiscal 2018 from ₹329.43 million in fiscal 2017. Over the same period our total borrowings increased by 36.76% to ₹5,393.65 million in fiscal 2018 from ₹3,943.91 million in fiscal 2017. The increase in total borrowings incurred was on account of (i) funding the acquisition of Sansera Sweden and supporting non-recurring costs in relation to the relocation of Sansera Sweden's operations to a new greenfield facility; and (ii) purchasing plant and machinery to cater to the anticipated growth in revenues.

Our finance costs increased primarily due to an increase in interest on additional borrowings as well as an increase in our net loss on foreign currency transaction and translation arising from higher exchange rate volatility, which was partially offset by lower costs on USD and Euro-denominated loans as compared to Rupee-denominated loans.

Depreciation and amortisation expense

Our depreciation and amortisation expense increased by 30.13% to ₹607.73 million in fiscal 2018 from ₹467.03 million in fiscal 2017, primarily due to an increase in capital expenditure incurred towards purchase of equipment.

Other expenses

Our other expenses increased by 24.70% to ₹600.41 million in fiscal 2018 from ₹481.47 million in fiscal 2017. Other expenses in fiscal 2018 included such costs pertaining to Sansera Sweden, as compared to fiscal 2017 which did not include such costs.

Based on the Restated Standalone Financial Statements, our other expenses increased by 15.31% to ₹520.85 million in fiscal 2018 from ₹451.69 million in fiscal 2017, as compared to an increase of 19.23% from fiscal 2017 to fiscal 2018 in our Total Income (Net Of Excise Duties) based on the Restated Standalone Financial Statements. Our other expenses increased primarily due to an increase in our CSR related expenses, travel expenses and increase in rent in relation to setting up two new facilities during the year.

Exceptional items

We recorded exceptional items of ₹122.07 million in fiscal 2018 as compared to nil in fiscal 2017. Further to our acquisition of Sansera Sweden in April 2017, the manufacturing facility is in the process of moving to a new greenfield location. Sansera Sweden incurred costs on account of this relocation which were recognised as exceptional items.

Tax expenses

Our tax expenses increased by 83.54% to ₹584.45 million in fiscal 2018 from ₹318.43 million in fiscal 2017 due to increases in both current tax and deferred tax arising from an increase in profit before taxes and exceptional items, which increased by 64.67% to ₹1,575.01 million in fiscal 2018 from ₹956.47 million in fiscal 2017.

Profit for the year

Primarily for the reasons stated above, our profit for the year increased by 36.12% to ₹868.49 million in fiscal 2018 from ₹638.04 million in fiscal 2017. Our profit for the year was impacted by exceptional items of ₹122.07 million as indicated above.

Fiscal 2017 compared to fiscal 2016

Revenue

Revenue from operations

<u>Sales of products</u>

Our Sale Of Products (Net Of Excise Duties) increased by 13.46% to ₹9,603.97 million in fiscal 2017 from ₹8,464.40 million in fiscal 2016. The increase was primarily attributable to an increase in our sales to the passenger vehicle vertical, which was partially offset by slower growth in the two-wheeler vertical, which registered muted growth because of the impact of currency demonetisation.

Our Sale Of Products (Net Of Excise Duties) from the passenger vehicle vertical increased by 34.35% to ₹2,618.77 million in fiscal 2017 from ₹1,949.18 million in fiscal 2016, primarily due to (i) an increase of supplies of our multiple steering / suspension / chassis components and connecting rods to Toyota, to whom we started supplying in fiscal 2016 and (ii) an increase in our share of business with a leading European OEM.

According to the CRISIL Report, demonetisation depressed wholesale and retail demand of two-wheelers in fiscal 2017, which resulted in the industry registering a 6.90% on-year growth for the year. Due to demonetisation, the two-wheeler vertical was significantly impacted and consequently our financial performance suffered during fiscal 2017. Our Sale Of Products (Net Of Excise Duties) from the two-wheeler vertical increased by 8.96% to ₹5,290.20 million in fiscal 2017 from ₹4,885.23 million in fiscal 2016. This muted growth of our largest segment by revenue resulted in lower revenue growth and impacted profitability margins during fiscal 2017.

Sales of services

Sale of services increased by 3.17% to ₹158.49 million in fiscal 2017 from ₹153.62 million in fiscal 2016.

Scrap sales

Scrap sales increased by 8.76% to ₹303.68 million in fiscal 2017 from ₹279.23 million in fiscal 2016, in line with increase in our revenues.

Tooling income

Tooling income decreased by 35.85% to ₹42.75 million in fiscal 2017 from ₹66.64 million in fiscal 2016, primarily due to lesser development activity requirement from customers.

Export incentive benefit

Export incentive benefit increased by 43.79% to ₹101.93 million in fiscal 2017 from ₹70.89 million in fiscal 2016, primarily due to higher sales to customers based outside of India.

Other income

Other income increased by 14.05% to ₹64.71 million in fiscal 2017 from ₹56.74 million in fiscal 2016, primarily due to increases in gain on foreign currency transactions and income from government grants.

Expenses

Raw Material Costs

Our Raw Material Costs increased by 13.64% to ₹4,543.46 million in fiscal 2017 from ₹3,998.09 million in fiscal 2016, in line with an increase of 13.03% from fiscal 2016 to fiscal 2017 in our Total Income (Net Of Excise Duties).

Our Raw Material Costs accounted for 44.33% of our Total Income (Net Of Excise Duties) in fiscal 2017, as compared to 44.09% in fiscal 2016. During fiscal 2017, Raw Material Costs were slightly higher on account of initial production related issues for a new product line for one of our customers.

Excise duty

Our excise duty increased by 11.71% to ₹787.78 million in fiscal 2017 from ₹705.18 million in fiscal 2016, largely in line with the increase in our revenues.

Consumption of stores and spares

Our consumption of stores and spares increased by 10.39% to ₹1,008.27 million in fiscal 2017 from ₹913.33 million in fiscal 2016, primarily due to increase in our revenues.

Power and fuel

Our expense on power and fuel increased by 11.63% to ₹546.92 million in fiscal 2017 from ₹489.95 million in fiscal 2016, which was largely in line with the increase in the cost of material consumed.

Employee benefit expenses

Our employee benefit expenses increased by 10.85% to ₹1,915.74 million in fiscal 2017 from ₹1,728.20 million in fiscal 2016. Employee benefit expenses for fiscal 2016 included ₹112.05 million of one-time costs relating to employee stock compensation expense incurred towards options issued at par. Excluding such one-time costs, our employee benefit expenses increased by 17.96% to ₹1,906.43 million in fiscal 2017 from ₹1,616.15 million in fiscal 2016. This was higher than the growth in our revenue from operations which was impacted as a result of demonetisation.

Finance costs

Our finance costs increased by 2.40% to ₹329.43 million in fiscal 2017 from ₹321.70 million in fiscal 2016. Over the same period our total borrowings increase by 24.27% to ₹3,943.91 million in fiscal 2017 from ₹3,173.63 million in fiscal 2016.

Our finance costs increased primarily due to an increase in interest on additional borrowings, which was partially offset by our repayment and refinancing of certain higher-cost loans by taking certain USD and Euro-denominated loans to manage our foreign exchange exposure, as well as a decrease in our net loss on foreign currency transaction and translation arising from lower exchange rate volatility.

Depreciation and amortisation expense

Our depreciation and amortisation expense increased by 26.11% to ₹467.03 million in fiscal 2017 from ₹370.35 million in fiscal 2016, primarily due to an increase in capital expenditure incurred towards purchase of equipment.

Other expenses

Our other expenses increased by 33.19% to ₹481.47 million in fiscal 2017 from ₹361.48 million in fiscal 2016. This was primarily due to an increase in our (i) legal and professional expenses primarily because of due diligence related costs in relation to acquisition of Sansera Sweden and segregation charges in relation to identification of defective components at one of our customers premises and (ii) selling and advertisement expenses primarily due to increase in selling commissions with the addition of new platforms and growth in our export sales.

Exceptional items

We recorded no exceptional items in either fiscal 2017 or fiscal 2016.

Tax expenses

Our tax expenses increased by 29.03% to ₹318.43 million in fiscal 2017 from ₹246.79 million in fiscal 2016 due to increases in both current tax and deferred tax charge. This was primarily due to certain tax benefits enjoyed by one of our manufacturing facilities, which came to end in March 2016.

Profit for the year

Primarily for the reasons stated above, our profit for the year slightly increased by 0.10% to ₹638.04 million in fiscal 2017 from ₹637.38 million in fiscal 2016.

Liquidity and Capital Resources

Our primary sources of liquidity have historically been cash generated from operations and borrowings from banks and financial institutions. Our liquidity requirements primarily relate to capital expenditure and working capital. Additionally, our capital expenditure and working capital requirements have increased in recent years due to the general growth of our business. We expect that cash generated from operations and borrowings will continue to be our primary sources of liquidity.

Cash Flows

The following table sets forth our consolidated cash flows for the years indicated:

	Year ended March 31,		
	2016	**2017**	**2018**
		(in ₹ millions)	
Net cash generated from operating activities	1,464.93	925.82	1,374.34
Net cash used in investing activities	(1,353.59)	(1,632.81)	(2,078.77)
Net cash flow from financing activities	209.69	440.85	979.01
Cash and cash equivalents at the beginning of the year	46.61	371.89	106.16
Effect of exchange differences on translation of foreign currency cash and cash equivalents	4.25	0.41	(47.71)
Effect of cash acquired on acquisition of business	-	-	10.34
Net increase/(decrease) in cash and cash equivalents	321.03	(266.14)	274.58
Cash and cash equivalents at the end of the year	371.89	106.16	343.37

Operating activities

Fiscal 2018

Net cash flow generated from our operating activities was ₹1,374.34 million in fiscal 2018. Our profit before tax from continuing operations was ₹1,452.94 million, which was adjusted for non-cash and other items in a net amount of ₹1,017.83 million, resulting in an operating profit before working capital changes of ₹2,470.77 million.

The key adjustments to operating cash flows included (i) an increase in inventory of ₹480.33 million in line with the growth in our business, increase in raw material prices and higher stocking of raw material driven by anticipated shortage in raw material supply, (ii) an increase in trade receivables of ₹437.09 million due to an increase in sales to customers based in and outside of India and (iii) an increase in trade payables and financial liabilities of ₹384.23 million in line with growth in our business and an increase in inventory levels at year end.

Cash generated from our operations increased to ₹1,751.53 million for fiscal 2018 from ₹1,078.48 million for fiscal 2017. We paid net direct taxes of ₹377.19 million.

Fiscal 2017

Net cash flow generated from our operating activities was ₹925.82 million in fiscal 2017. Our profit before tax from continuing operations was ₹956.47 million, which was adjusted for non-cash and other items in a net amount of ₹806.33 million, resulting in an operating cash flows before working capital changes of ₹1,762.80 million.

The key adjustments to operating cash flows included (i) an increase in trade receivables of ₹415.83 million due to increase in revenue from operations, (ii) an increase in other current and non-current assets and current financial assets of ₹228.37 million due to increase in balances with government authorities, deposits and advances.

Cash generated from our operations decreased to ₹1,078.48 million for fiscal 2017 from ₹1,684.52 million for fiscal 2016. We paid net direct taxes of ₹152.66 million.

Fiscal 2016

Net cash flow generated from our operating activities was ₹1,464.93 million in fiscal 2016. Our profit before tax from continuing operations was ₹884.17 million, which was adjusted for non-cash and other items in a net amount of ₹805.61 million, resulting in an operating profit before working capital changes of ₹1,689.78 million.

The key adjustments in operating cash flows included (i) an increase in trade receivables of ₹200.95 million due to an increase in our revenue from operations (ii) an increase in other current and non-current assets and current financial assets of ₹216.62 million due to increase in balances with government authorities and (iii) an increase in trade payables and financial liabilities of ₹357.19 million due to the impact of advance payments made to a vendor in the preceding year.

Cash generated from our operations increased to ₹1,684.52 million for fiscal 2016 from ₹1,018.89 million for fiscal 2015. We paid net direct taxes of ₹219.59 million.

Investing activities

Fiscal 2018

Net cash used in investing activities was ₹2,078.77 million during fiscal 2018, which was primarily related to purchase of property, plant and equipment of ₹1,845.75 million and payment for acquisition of Sansera Sweden. Our primary capital expenditure in fiscal 2018 was in relation to capacity expansion in India, in particular for additional manufacturing lines for our customers and construction of our Bidadi plant.

Fiscal 2017

Net cash used in investing activities was ₹1,632.81 million during fiscal 2017, which was primarily related to purchase of property, plant and equipment of ₹1,639.49 million. Our primary capital expenditure in fiscal 2017 was in relation to capacity expansion in India, in particular for additional manufacturing lines for our customers.

Fiscal 2016

Net cash used in investing activities was ₹1,353.59 million during fiscal 2016, which was primarily related to purchase of property, plant and equipment of ₹1,369.89 million. Our primary capital expenditure in fiscal 2016 was in relation to capacity expansion in India, in particular for additional manufacturing lines for our customers.

Financing activities

Fiscal 2018

Net cash generated from financing activities was ₹979.01 million during fiscal 2018, which consisted of net proceeds from long-term borrowings of ₹863.09 million and net proceeds from short-term borrowing of ₹555.95 million for capital expenditure and working capital purposes, partially offset by finance costs of ₹440.03 million.

Fiscal 2017

Net cash generated from financing activities was ₹440.85 million during fiscal 2017, which consisted of net proceeds from long-term borrowings of ₹434.88 million and net proceeds from short-term borrowings of ₹335.40 million for capital expenditure and working capital purposes, partially offset by finance costs of ₹329.43 million.

Fiscal 2016

Net cash generated from financing activities was ₹209.69 million during fiscal 2016, which consisted of proceeds from long-term borrowings of ₹390.11 million and proceeds from short-term borrowings of ₹141.28 million for capital expenditure and working capital purposes, partially offset by finance costs of ₹321.70 million.

Borrowings

As at March 31, 2018, we had total borrowings of ₹5,393.65 million which consisted of long-term loans from banks and financial institutions, long-term maturities of finance lease obligations, short-term loans from banks, short-term loans payable on demand and current maturities of long-term borrowings and finance lease obligations.

Our loan agreements generally contain covenants, including limitations on the use of proceeds and restrictions on indebtedness, liens, asset sales, investments, transfer or ownership interests and certain changes in business. These covenants may limit our ability to pay dividends or make loans or advances to us, subject to the lender's waiver or consent. There were no defaults in repayment of principal or interest to lenders during fiscals 2016, 2017 and 2018. See "*Risk Factors – Our financing agreements contain covenants that limit our flexibility in operating our business*" on page 28.

The following table provides the types and amounts of our outstanding indebtedness as at the dates indicated:

	As at March 31,		
	2016	**2017**	**2018**
		(in ₹ millions)	
Long-term borrowings:			
Terms loans			
Secured bank loans	525.01	684.23	1,537.93
Secured loans from financial institutions	217.25	257.40	134.13
Long term maturities of finance lease obligations (secured)(1)	44.09	231.31	152.44
Total long-term borrowings	**786.35**	**1,172.94**	**1,824.50**
Short-term borrowings:			
Loans from banks (secured)	1,751.86	2,037.52	2,343.05
Loans payable on demand (unsecured)	251.07	300.81	551.23
Total short-term borrowings	**2,002.93**	**2,338.33**	**2,894.28**
Other financial liabilities			
Current maturities of long term borrowings	367.89	356.45	598.68
Current maturities of finance lease obligations	16.46	76.19	76.19
Total other financial liabilities	**384.35**	**432.64**	**674.87**
Total borrowings	**3,173.63**	**3,943.91**	**5,393.65**

Note:

(1) *Machines purchased on finance lease and secured by hypothecation of assets taken on lease.*

Secured loans from banks and financial institutions are secured by hypothecation and mortgage of all present and future movable and immovable property, plant and equipment including plant and machinery, furniture and fixtures, and other equipment. We had borrowings with floating interest rates of ₹3,113.08 million, ₹3,636.41 million and ₹4,796.87 million as at March 31, 2016, 2017 and 2018, respectively. For further details of security, repayment terms and interest rates for our long-term and short-term borrowings, see Annexure A-IX to our Restated Consolidated Financial Statements on page 385.

The increases in our borrowings in fiscals 2016, 2017 and 2018 were primarily due to the increased capital expenditures to support our business growth, additional credit facility taken for the acquisition of Sansera Sweden and an increase in loans taken for financing our working capital requirements.

Contractual Obligations and Commercial Commitments

The following table sets forth certain information relating to our contractual maturity of financial liabilities and commitments as at March 31, 2018.

	Payment due by period			
	Total	**Less than 1 year**	**Between 1 and 2 years**	**Later than 2 years**
		(in ₹ millions)		
Short-term borrowings	2,894.28	2,894.28	-	-
Long-term borrowings (including current maturities)	2,736.06	674.87	1,328.52	732.67
Trade payables	1,382.33	1,382.33	-	-
Other financial liabilities	490.25	490.25	-	-
Estimated amount of contracts remaining to be executed on capital account and not provided for(1)	466.10	466.10	-	-
Total	7,969.02	5,907.83	1,328.52	732.67

Note:

(1) Represents our contractual obligations to purchase property, plant and equipment.

Capital Expenditure

Historical capital expenditure

The following table sets forth additions to property, plant and equipment by category of expenditure, for each of the years indicated below. These assets primarily relate to the expansion and maintenance of our manufacturing and engineering facilities.

	Year ended March 31,		
	2016	**2017**	**2018**
		(in ₹ millions)	
Freehold lands	0.03	168.48	4.96
Buildings	180.40	108.13	11.79
Plant and machineries	1,147.33	1,155.88	1,153.05
Furniture and fixtures	15.05	4.02	3.05
Jigs and fixtures	-	-	-
Electrical installations	81.33	60.57	32.16
Office equipment	17.55	4.23	2.19
Vehicles	13.01	25.17	20.66
Computers	15.20	23.62	15.30
Leasehold lands	-	-	-
Leased plant and machineries	3.41	317.49	-
Total	**1,473.31**	**1,867.59**	**1,243.16**

Planned capital expenditure

In fiscal 2019, we expect to incur planned capital expenditures of approximately ₹1,817.00 million in India and Sweden, mostly for capacity expansion, as well as on general capital expenditure, such as IT and efficiency and productivity improvements. Our actual capital expenditures may differ from this estimate due to various factors, including our business plan, our financial performance, market conditions, our outlook for future business conditions, and changing governmental regulations. To the extent that we do not generate sufficient cash from our operations to meet our working capital needs and execute our capital expenditure plans, we may need to revise our capital expenditure plans or seek additional debt or equity financing.

Off-balance Sheet Arrangements and Contingent Liabilities

We do not have any off-balance sheet arrangements or other relationships with any entity that has been established for the purposes of facilitating off-balance sheet arrangements.

The following table sets our contingent liabilities (to the extent not provided for) as at March 31, 2018:

Particulars	**As at March 31, 2018**
Contingent liabilities (claims against our Group not acknowledged as debts)	(in ₹ millions)
Customer claims	159.37
Excise duty and service tax matters	75.76
Income tax matters	5.59
Total	**240.72**

We are subject to legal proceedings and claims which arise in the ordinary course of business. For further details, see "*Outstanding Litigation and Material Developments*" beginning on page 329. Although occasional adverse decision or settlements may occur, the potential loss, if any, cannot be reasonably estimated. We have reviewed all our pending litigations and proceedings and believe that we have adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in our financial statements. We believe that the final disposition of current matters will not have a material adverse effect on our financial position, results of operations or cash flows.

Quantitative and Qualitative Disclosure on Market Risk

We are, during the normal course of business, exposed to various types of market risks. Market risk is the risk of loss related to adverse changes in market prices, including interest rate risk and foreign currency risk. We are exposed to interest rate risk, commodity risk, foreign currency risk and credit risk in the normal course of our business.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Our exposure to the risk of changes in market interest rates relates primarily to our debt obligations with floating interest rates. Moreover, the interest rates on certain of our indebtedness are subject to periodic resets. Fluctuations in interest rates or resets may increase the cost of both existing and new debts. Such changes in interest rates may affect our debt service obligations and our access to funds.

For floating rate liabilities, we have carried out a sensitivity analysis which is prepared assuming the amount of liability outstanding at the end of the reporting period was outstanding for the whole year. With all other variables held constant, our profit before tax was affected through the impact on floating rate borrowing as follows;

Particulars	**Currency**	**Effect on Profit before Tax**		
		Year ended March 31,		
		2016	**2017**	**2018**
			(in ₹ millions)	
Increase of 100 basis points	Indian Rupee	31.13	36.36	47.97
Decrease of 100 basis points	Indian Rupee	(31.13)	(36.36)	(47.97)

Commodity risk

We are exposed to risks in respect of price fluctuation of certain raw materials, which are used as key materials in our production process. The automotive industry has experienced significant volatility with respect to raw materials prices in the recent past, primarily in ferrous and non-ferrous metals. While in practice we have passed the increase in the cost of raw materials onto our domestic customers, there is usually a gap in time between the date of procurement of those raw materials and the date on which we can reset the component prices for our customers so as to account for the increase in the prices of such raw materials. In addition, we may not be able to pass raw material price increases to all our customers as our ability to adjust pricing terms with customers varies based on our specific customer relationships, market practice with respect to the particular raw material or component and other factors such as raw material content and whether medium-term price fluctuations have been factored into our component prices at the time of price finalisation. As a result, for some of our export customers, we may in some instances bear the risk of any price increases that occur. For more details on commodity risk, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations – Significant Factors Affecting our Results of Operations – Raw material and labour costs*" on page 396.

Foreign exchange risk

Although our Company's reporting currency is in Indian Rupees, we transact a significant portion of our business in several other currencies. Our subsidiary, Sansera Sweden, primarily undertakes its operations in SEK and reports its financial results in SEK, which is then translated to Indian Rupees for purposes of consolidation. However, our subsidiary, Sansera Mauritius, undertakes operations in Euro and reports its financial results in Euro, which is then translated to Indian Rupees for purpose of consolidation.

We consolidate our offshore assets and liabilities on our balance sheet based on the year-end closing exchange rate, and we consolidate our offshore operations in our profit and loss statement on the basis of average exchange rate for the year. Hence, the carrying value of our offshore assets on our balance sheet as well as the value of our revenue and expenses from our offshore operations on our profit and loss statement depend significantly on the underlying Rupee-to-SEK and Rupee-to-Euro exchange rate movements.

Further, a part of our revenues is derived from sales to customers based outside of India. In fiscals 2018, 2017 and 2016, based on the Restated Standalone Financial Statements, our sales to customers based outside of India were ₹2,790.13 million, ₹2,461.71 million and ₹2,228.29 million, respectively, which represented 24.32%, 25.47% and 26.42% of our Revenue From Operations (Net Of Excise Duties), respectively. The exchange rate between the Indian Rupee and the currencies in which we receive payments for such exports, i.e. primarily the USD and Euro, has fluctuated in the past and our results of operations have been impacted by such fluctuations in the past and may be impacted by such fluctuations in the future. For example, during times of strengthening of the Indian Rupee, we expect that our overseas sales and revenues will generally be negatively impacted as foreign currency received will be translated into fewer Indian Rupees. However, the converse positive effect on depreciation of the Indian Rupee may not be sustained or may not show an appreciable impact in our results of operations in any given financial period due to other variables impacting our results of operations during the same period. Moreover, we expect that our cost of borrowing as well as our cost of imported raw materials, imported stores and spares, overseas professional costs, freight and other expenses incurred by us may rise during a sustained depreciation of the Indian Rupee against USD or Euro.

Certain portions of our income and expenses are generated or incurred in other currencies and certain portions of our assets (trade receivables and cash and cash equivalents) and liabilities (trade payables and borrowings) are in other currencies, such as USD, SEK and Euro. Therefore, our exchange rate risk primarily arises from (i) currency mismatches between our income and our expenditure which we seek to mitigate by matching income currency to expenditure currency to the extent possible; (ii) our foreign currency loans, in respect of which we selectively hedge currency exchange rate risk; and (iii) currency translations for the purpose of preparing our consolidated financial statements on account of our operations in Sweden.

In India, we take a portion of our short-term borrowings in foreign currency, which provides us with a natural hedge against our exposure to exchange rate movements arising in our exports. In addition, we enter into multiple forward contracts to hedge our foreign exchange risk exposure to movements in the Rupee-to-USD and Rupee-to-Euro exchange rate.

While we seek to hedge our foreign currency risk by entering into forward exchange contracts, any steps undertaken to hedge the risks on account of fluctuations in currencies may not adequately hedge against any losses we incur due to such fluctuations. Our net foreign exchange gains for fiscals 2018, 2017 and 2016 amounted to ₹79.11 million, ₹42.49 million and ₹34.24 million, respectively. As of March 31, 2018, our total unhedged foreign currency receivables amounted to ₹789.65 million, our total unhedged foreign currency loans amounted to ₹495.62 million, our total unhedged foreign currency payables amounted to ₹75.98 million, and the total value of our outstanding forward exchange contracts amounted to ₹245.37 million, on a standalone basis.

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. We are exposed to credit risk from our operating activities, primarily from trade receivables. As at March 31, 2018, we had trade receivables of ₹2,630.71 million. If our customers do not pay us promptly, or at all, we may have to make provisions for or write off such amounts. As at March 31, 2016, 2017 and 2018, ₹20.11 million, ₹21.54 million and ₹23.11 million was provided for doubtful receivables.

Our exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, our management also considers the factors that may influence the credit risk of our customer base, including the default risk associated with the industry and country in which customers operate. We perform credit assessment for customers on an annual basis and recognise credit risk on the basis of expected losses.

Reservations, Qualifications and Adverse Remarks

Our Statutory Auditors have included certain reservations, qualifications and adverse remarks in the audit reports relating to the Restated Consolidated Financial Statements and Restated Standalone Financial Statements in recent fiscals. The qualifications are in relation to our subsidiaries Fitwel for fiscal 2017 and Gearock Forge for fiscal 2014. The management has taken corrective actions to rectify these weaknesses as indicated below. There was no qualification in the audit reports relating to our audited financial statements for fiscal 2018. The Statutory Auditors have stated in their examination reports on the Restated Consolidated Financial Statements that no quantitative adjustment is required to be made pursuant to the audit qualifications.

Qualified Opinion

Restated Consolidated Financial Statements draw reference to Qualified Opinion as follows:

Period/ Year Ended	Reporting /Observations	Impact on Financial Statements	Management/Board Response
2016-17	"According to the information and explanations given to us and based on our audit, the following material weakness has been identified in one of the subsidiary company, Fitwel Tools and Forgings Private Limited as on 31 March 2017.	Nil	"Refer Annexure A to the Independent Auditor's Report of the even date on the consolidated financial statements of Sansera Engineering Private Limited

<table>
<tr><th>Period/ Year Ended</th><th>Reporting /Observations</th><th>Impact on Financial Statements</th><th>Management/Board Response</th></tr>
<tr><td></td><td>(a) The subsidiary company did not have an adequate internal control system documented with regard to procurement of property, plant and equipment and intangible assets which could potentially result in material misstatement in balances of property, plant and equipment and intangible assets as on 31 March 2017.

(b) The subsidiary company did not have an adequate internal control system with regard to joining and exit formalities of the employees. Further, there are no adequate internal controls towards payroll processing and recording of employee benefit expenses. These could potentially result in material misstatement of employee benefit expenses for the year ended 31 March 2017.

A ‘material weakness’ is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that the material misstatement of the company’s annual or interim financial statements will not be prevented or detected on a timely basis.

Our Opinion, in so far as it relates to internal financial control over financial reporting of the said subsidiary, is qualified.

In our opinion, except for the matter described in the above paragraph, the Holding Company, Sansera Engineering Private Limited and its Subsidiary Company, Gearock Forge Private Limited, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on the internal control over financial reporting criteria established by the Group considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

We have considered the effects of the above paragraph in determining the nature, timing and extent of audit tests applied in our audit of Fitwel Tools and Forgings Private Limited, for the 31 March 2017, consolidated financial statements of the Group, and the above matter does not affect our opinion on the consolidated financial statements of the Group”.</td><td></td><td>(“The Holding Company”) and report on the Internal Financial Controls under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 (“the ACT”) to the members-

a. Your Company has appointed M/s Pierian Services Pvt Ltd for handling the financials processes of Fitwel Tools and Forging Private Limited (FTFPL) and they will ensure that the internal control process of Fixed Assets will be further strengthened.

b. With reference to internal control of payroll & human resources processes, the management is committed to bring strong internal control system at Fitwel for the benefit of all stakeholders in the areas of payroll and human resources.”</td></tr>
<tr><td>2013-14</td><td>“Basis for Qualified Opinion:
As stated in the note 37 to the financial statements, the subsidiary companies i.e., Gearock Forge Private Limited and Fitwel Tools and Forgings Private Limited have not accounted for provision for gratuity and compensated absences based on the actuarial valuation as required under AS-15 on “Employee Benefits”. This matter has been qualified by the auditors of the subsidiary companies.

Qualified Opinion:
In our opinion and to the best of our information and according the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinions paragraph, the consolidated financial statements gives the information required by the Act in the manner so required and gives true and fair view in conformity with the accounting principles generally accepted in India:</td><td>Nil</td><td>“The qualifications of the statutory auditors of Gearock Forge Private Limited and Fitwel Tools and Forgings Private Limited were noted and the same was complied with from subsequent financial years”</td></tr>
</table>

Period/ Year Ended	Reporting /Observations	Impact on Financial Statements	Management/Board Response
	(a) In case of the consolidated balance sheet, of the state of affairs of the group as at March 31, 2014; (b) In the case of consolidated statement of profit and loss, of the profit for the year ended on that date; and (c) In the case of consolidated cash flow statement, of the cash flows for the year ended on that date."		

Disclaimer of Opinion

Restated Consolidated Financial Statements draw reference to Disclaimer of Opinion as follows:

Period/ Year Ended	Reporting /Observations	Impact on Financial Statements	Management/Board Response
2015-16	"According to the information and explanations given to us, one pf the subsidiary company, Fitwel Tools and Forgings Private Limited (Fitwel) incorporated in India has not established its internal financial control over financial reporting on criteria based on or considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. Our opinion, in so far as it relates to internal financial controls over financial reporting of the said subsidiary, is disclaimed. In our opinion, except for the matters described in the above paragraph, the Holding Company, Sansera Engineering Private Limited (Sansera) and its subsidiary company, Gearock Forge Private Limited (Gearock), which are companies incorporated in India, have, in all material respects, an adequate internal financial control system over the financial reporting and such internal financial contros over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Group considering the essential components of internal control stated in the Guidance Note issued by the ICAI. We have considered the effects of the following paragraph in determining the nature, timing and extent of audit tests applied in our audit of Fitwel, for the 31 March 2016, consolidated financial statements of the Group, and the above matter does not affect our opinion on the consolidated financial statements of the Group."	Nil	"Refer Annexure A to the Independent Auditor's Report of the even date on the consolidated financial statements of Sansera Engineering Private Limited ("The Holding Company") and report on the Internal Financial Controls under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 ("the ACT") to the members- Your Company has appointed M/s Aneja and Associate, Chartered Accountant, as Internal Auditor for review of internal control process of Fitwel Tools and Forgings Private Limited (FTFPL). The Management is committed to bring strong internal system at Fitwel for the benefit of all stakeholders."

Adverse Remarks

Restated Consolidated Financial Statements draw reference to Adverse Remarks as follows:

Period/ Year Ended	Reporting /Observations	Impact on Financial Statements	Management/Board Response
2017-18	"on the basis of the written representation received from Mr. F. R. Singhvi as on 31 March 2018, and taken on record by the Board of Directors, we report that he is disqualified from being appointed as a director in terms of section 164(2)(a) of the Act. As far as other directors are concerned, on the basis of written	Nil	"Mr. F R Singhvi was disqualified from 01.11.2016 to 31.10.2021 due to non-compliance of Section 164(2) of Companies Act, 2013 by Mulder Trading Private Limited, a Company in

Period/ Year Ended	Reporting /Observations	Impact on Financial Statements	Management/Board Response
	representations received from such directors, and taken on record by the Board of Directors, we report that none of the remaining directors are disqualified as on 31 March 2018 from being appointed as director in terms of Section 164 (2)(a) of the Companies Act, 2013"		which Mr. F R Singhvi was a Director and further, the Hon'ble High Court of Karnataka has given an interim stay for his disqualification vide order dated 15.12.2017. Besides this, Mulder Trading Private Limited has also filed an application for revival of Company with NCLT, the proceedings of which is in progress."
2016-17	"the Holding Company has provided requisite disclosures in its consolidated financial statements as to the holding as well as dealings in the Specified Bank Notes during the period from 8 November 2016 to 30 December 2016 of the Holding Company and its subsidiary companies incorporated in India. However, we are unable to obtain sufficient and appropriate audit evidence to report on whether the disclosure are in accordance with the books of account maintained by the Holding Company and its subsidiary companies and as produced to us by the Management. Refer Note 41 to the Consolidated financial statements."	Nil	"Your Company ensured that all old notes of Rs.500 and Rs.1000 denomination were surrendered to the Authorized Dealer or spent on business expenses within the ambit of the guidance given by Government of India. However, ICAI issued a Guidance Note in March 2017 on what documentation need to be maintained for expenses incurred between November 8, 2016 and December 30, 2016 including denomination of notes, full details, etc., which the Company could not comply with due to circular coming in March 2017 with retrospective effect from November 8, 2016. Your Company had maintained details of all business related expenses but denomination details etc., were not maintained since it was not known to us. This is a one-time compliance and now the Company is fully dealing mostly on electronic payments expenses, thereby mitigating the risk associated with cash payments."
2014-15	"The Holding Company and one of its subsidiary company incorporated in India have a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion the periodicity of the physical verification is reasonable having regard to the size of the Holding Company and its subsidiary companies incorporated in India and the nature of its assets. However, the fixed assets of the subsidiary, Fitwel Tools and Forging Private Limited have not been physically verified by the management and hence, we are unable to comment on the discrepancies, if any."	Nil	"Refer point (i) of the Annexure to the Auditor's Report to the Members: Your Company has appointed an external agency for physical verification of entire fixed assets of Fitwel Tools & Forgings Private Limited (FTFPL) during the current financial year"
2014-15	"In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Holding Company and its subsidiary companies incorporated in India and the nature of its business, for the sale of goods/services and for the purchase of fixed assets and inventory, except for the internal control system for the subsidiary, Fitwel Tools and Forgings Private Limited, for purchase of fixed assets which needs to be strengthened."	Nil	"Refer point (iv) of the Annexure to the Auditor's Report to the Members: Your Company has appointed M/s. Aneja and Associate, Chartered Accountant, as Internal Auditor for review of internal control process of Fitwel Tools & Forgings Private Limited (FTFPL). The Management is committed to bring strong internal system at Fitwel for the benefit of all stakeholders."
2014-15	"The Holding Company and its subsidiary companies incorporated in India do not have any accumulated losses at the end of the financial year and have not incurred cash losses in the financial year and the immediately preceding financial year except Gearock Forge Private Limited, a subsidiary	Nil	"Refer point (viii) of the Annexure to the Auditor's Report to the Members: Though net worth of Gearock Forge Private Limited (GFPL) is substantially

Period/ Year Ended	Reporting /Observations	Impact on Financial Statements	Management/Board Response
	company, wherein, the company has accumulated losses exceeding 50% of the net worth and its net worth has completely eroded."		eroded, no provision for impairment of investment against GFPL is considered necessary by the management taking into consideration the nature of the business and asset valuation report obtained from an independent valuer. Based on this report, the management does not believe that any provision is necessary against exposure in subsidiary. Moreover, the merger of Gearock Forge Private Limited (GFPL) with Sansera Engineering Pvt. Ltd. Has already been initiated through the BIFR process."

Restated Standalone Financial Statements draw reference to Adverse Remarks as follows:

Period/ Year Ended	Reporting /Observations	Impact on Financial Statements	Management/Board Response
2017-18	"on the basis of the written representation received from Mr. F. R. Singhvi as on 31 March 2018, and taken on record by the Board of Directors, we report that he has disqualified from being appointed as a director in terms of section 164(2)(a) of the Act. As far as other directors are concerned, on the basis of written representations received from such directors, and taken on record by the Board of Directors, we report that none of the remaining directors are disqualified as on 31 March 2018 from being appointed as director in terms of Section 164 (2)(a) of the Companies Act, 2013"	Nil	"Mr. F R Singhvi was disqualified from 01.11.2016 to 31.10.2021 due to non-compliance of Section 164(2) of Companies Act, 2013 by Mulder Trading Private Limited, a Company in which Mr. F R Singhvi was a Director and further, the Hon'ble High Court of Karnataka has given an interim stay for his disqualification vide order dated 15.12.2017. Besides this, Mulder Trading Private Limited has also filed an application for revival of Company with NCLT, the proceedings of which is in progress."
2016-17	"The Company has provided requisite disclosures in its standalone financial statements as to the holdings as well as dealings in Specified Bank Notes during the period from 8 November 2016 to 30 December 2016. However, we are unable to obtain sufficient and appropriate evidence to report on whether the disclosures are in accordance with the books of account maintained by the Company and as produced to us by the Management. Refer note 49 to the standalone financial statements".	Nil	"Your Company ensured that all old notes of Rs.500 and Rs.1000 denomination were surrendered to the Authorized Dealer or spent on business expenses within the ambit of the guidance given by Government of India. However, ICAI issued a Guidance Note in March 2017 on what documentation need to be maintained for expenses incurred between November 8, 2016 and December 30, 2016 including denomination of notes, full details, etc., which the Company could not comply with due to circular coming in March 2017 with retrospective effect from November 8, 2016. Your Company had maintained details of all business related expenses but denomination details etc. were not maintained since it was not known to us. This is a one time compliance and now the Company is fully dealing mostly on electronic payments expenses, thereby mitigating the risk associated with cash payments."

We cannot assure you that our audit reports for any future fiscals will not contain qualifications, remarks, comments, emphasis of matters or other observations, or that such qualifications, remarks, comments, emphasis of matters or other observations will not require any adjustment in our financial statements for such future periods or otherwise affect our results of operations in such future periods.

Significant Post-Balance Sheet Events

Except as disclosed in this Draft Red Herring Prospectus, we are not aware of any circumstances that have arisen since March 31, 2018, that materially and adversely affect, or are likely to affect, our operations or profitability, the value of our assets, or our ability to pay our liabilities within the next 12 months.

Unusual or Infrequent Events or Transactions

Other than as described in this section and the sections of this Draft Red Herring Prospectus entitled "*Our Business*", "*Risk Factors*" and "*History and Certain Corporate Matters − Material Agreements*" on pages 144, 17 and 194, respectively, there have been no events or transactions which may be described as "unusual" or "infrequent".

Significant economic changes that materially affected or are likely to affect revenue from operations

Other than as described in this section and the sections of this Draft Red Herring Prospectus entitled "*Our Business*", "*Risk Factors*" and "*Industry Overview*" on pages 144, 17 and 108, respectively, there have been no significant economic changes that materially affected or are likely to affect our revenue from continuing operations.

Known Trends or Uncertainties that have had or are expected to have a Material Adverse Impact on Revenue from Operations or Other Income

In addition to the other factors and trends discussed in this section, we also expect that the domestic and global financial cycles will have a material impact on our financial condition and results of operations, as it impacts the strength of the global economy and demand for automobiles, and consequently demand for our products.

Except as described in this section and "*Risk Factors*" on page 17, to our knowledge, there are no trends or uncertainties that have had, or are expected to have, a material impact on our business or results of operation.

Future Relationships between Costs and Revenue

Other than as described in this section and the sections of this Draft Red Herring Prospectus entitled "*Our Business*" and "*Risk Factors*" on pages 144 and 17, respectively, there are no known factors which will have a material adverse impact on our operations or finances.

Material Increases in Revenues and Sales

Material increases in our revenues and sales are primarily due to the reasons described in *"Management's Discussion and Analysis of Financial Condition and Results of Operations −Our Results of Operations*" above on page 408.

New Product or Business Segments

Other than as described in the section of this Draft Red Herring Prospectus entitled "*Our Business*" on page 144, there are no new products or business segments that are currently proposed to be developed or launched.

Seasonality

Our financial condition and results of operations may be affected by seasonal factors. See "*Risk Factors − Seasonal or economic cyclicality coupled with reduced demand in the precision components industry in which we operate may materially adversely affect our business, results of operations and financial condition*" on page 18.

Suppliers or Customer Concentration

Other than as described in the sections of this Draft Red Herring Prospectus entitled "*Our Business*" on page 144 and "*Risk Factors − Our business is dependent on the sale of our products to certain key customers. The loss of such customers, a significant reduction in purchases by such customers, or a lack of commercial success of a particular component of which we are a major supplier could materially adversely affect our business, results of operations and financial condition*" on page 17 and the discussion of our credit risk in this section "*Management's Discussion and Analysis of Financial Condition and Results of Operations −Credit Risk"* above on page 420, we do not have any material dependence on a single or a few suppliers or customers.

Competitive Conditions

For a description of the competitive conditions in the industries in which we operate, see the section of this Draft Red Herring Prospectus entitled "*Our Business — Competition*" and "*Industry Overview*" beginning on pages 178 and 108, respectively.

FINANCIAL INDEBTEDNESS

Our Company and Subsidiaries avail term loans and working capital facilities in the ordinary course of business. For the Offer, our Company has obtained the necessary consents required under the relevant loan documentations for undertaking activities, including change in its capital structure, change in its shareholding pattern, change or amendment to the constitutional documents of our Company and change in our Board.

Pursuant to our Articles of Association, and in accordance with the provisions of the Companies Act and the rules made thereunder, our Board is authorised to borrow such monies together with the money already borrowed does not exceed the paid up share capital and free reserves of our Company.

As on the date of filing of this Draft Red Herring Prospectus, the overall borrowings of our Company do not exceed the overall limit as specified under Section 180(1)(c) of the Companies Act, 2013.

Set forth below is a brief summary of our aggregate borrowings (borrowings from banks, financial institutions and finance lease obligations) as of May 31, 2018, as certified by Manian and Rao, Chartered Accountants on August 9, 2018:

(₹ in million)

Category of Borrowing	Total Sanctioned Amount (Fund Based and Non Fund Based)	Fund Based Outstanding Amount as on May 31, 2018	Non - Fund Based Outstanding Amount as on May 31, 2018
Sansera Engineering Limited			
Term Loan	2,768.30	2,276.33	-
Working Capital*	3,769.00	2,313.83	29.50
Finance Lease obligation	NA	209.25	
Total (A)	**6,537.30**	**4,799.41**	**29.50**
Fitwel Tools and Forging Private Limited			
Term Loan	238.10	161.89	
Working Capital*	265.00	197.49	13.64
Vehicle Loans	6.95	3.06	-
Total (B)	**510.05**	**362.44**	**13.64**
Sansera Engineering Private Limited (Mauritius)			
Term Loan	-	-	-
Working Capital	-	-	-
Total (C)	-	-	-
Sansera Sweden AB			
Term Loan			
Working Capital**	80.48	20.57	-
Total (D)	**80.48**	**20.57**	**-**
Total (A)+(B)+(C)+(D)	**7,127.83**	**5,182.42**	**43.14**

** The working capital facilities includes, cash credits, working capital demand loans, bills discounting facilities, packing credit facilities, Letter of credits, Bank Guarantees etc.*

*** The Company has obtained two facilities from Handelsbanken bank in Sweden. The details of facilities are as follows:*

(i) Overdraft facility with the sanction limit of SEK 5.35 Million converted into ₹ using exchange rate ₹7.6775 (FEDAI Rate as on May 31, 2018). Outstanding balance in SEK as on May 31, 2018 was 1.15 Million.

(ii) EURO facility with the sanction limit to the tune of EURO 0.50 Million converted into ₹ using exchange rate ₹78.8125 (FEDAI Rate as on May 31, 2018). Outstanding balance in EURO as on May 31, 2018 was 0.15 Million.

Principal terms of the borrowings availed by us and our Subsidiaries from banks and financial institutions:

1. **Interest:** In terms of loans availed by the Company and its subsidiaries, the interest rate is either marginal cost of fund based lending rates (MCLR) of a specified lender and spread per annum or rates negotiated from time to time or rates which are mutually decided between the lender and the company at the time of disbursement. The spread varies among different loans.

2. **Tenor and Repayment:** The tenor and repayment of the facilities availed by our Company and its subsidiaries depends on the nature of facilities and agreement with the lenders. Cash credit facilities (part of working capital) are repayable on demand. The repayment terms of other facilities ranges from 90 days to 5 years as agreed with the lenders.

3. **Security:** In terms of the borrowings where security needs to be created, the company and its subsidiaries are typically required to:

   a) Create a charge on current assets, including stock and book debt, both present and future;

b) Create a charge on movable and immovable fixed assets, both present and future;

c) Create charge on certain immovable properties of the Company;

d) Provide comfort letters;

e) Provide a demand promissory note and letter of continuity;

This is an indicative list and there may be additional requirements for creation of security under the various borrowing arrangements entered into by us.

4. **Events of Default:** Borrowing arrangements entered into by us contains standard events of default, including:

a) The borrower fails to pay any amount under the agreements on or before the due dates or commits breach of any of the terms of covenants or conditions contained in the agreement.

b) If the borrower commits an act of insolvency or if the borrower is declared insolvent or bankrupt or if liquidator, receiver of official assignee is appointed in respect of any property or estate of the borrower or if the borrower makes an application for disclosing himself as insolvent or if an application for disclosing the borrower as insolvent is made or any order is passed by the competent court or authority for taking the borrower in to insolvency; or

c) Any mis-representations suppression of material records by the Borrower in respect of its assets and financial status.

d) Failure to pay any tax impost, duty or other imposition or to comply with any other formalities required for the goods purchased with the facility under law from time to time; or

e) Breach of any of the terms, covenants, stipulations contained in the agreements; or

f) Any material change in the ownership or management of the business which in the opinion of lender would prejudice affect its interests, or the facility is used for purposes other than those stipulated in the Agreement; or

g) Any defect, infirmity in the, guarantee provided by the guarantors which renders the guarantee ineffective, inoperative.

h) A receiver is appointed over the whole or any part of the property of the borrower;

i) Any order of attachment, distress, execution or other similar process is levied on any of the borrower's properties/assets.

j) There exists any other circumstances which in the sole opinion of the lender prejudicially affects or may affect the lenders interest or the borrower's ability to repay the facility.

This is an indicative list and there may be additional terms and conditions that may amount to an event of default under various borrowing arrangements entered into by us. Our Company and its Subsidiaries are required to ensure that the aforementioned events of default and other events of default, as specified under the various binding documents and agreements entered into by our Company or its Subsidiaries, as the case maybe, for the purpose of availing of loans, are not triggered.

5. **Restrictive Covenants:** We are required to intimate the banks or obtain their prior written consent, as the case may be, in the event we intend to undertake the following:

a) Affect any material change in the ownership/management of the business whereby the effective beneficial ownership or control of the borrower shall change, without the prior written consent of the bank.

b) Enter into arrangement, agreement for sale, merger, consolidation, transfer, compromise, reconstruction without prior written consent of the lender.

c) Create or permit the creation of any further charge, lien or other encumbrances on the securities provided under the agreement.

d) The borrower acknowledges and accepts the right of the lender acting through its authorized personnel/ chartered accountant(s) to inspect its books of accounts, documents, records, stock in trade etc. The borrower agrees to extend its full co-operation and also covenants not to thwart or obstruct the entry upon its premises of any authorized person of lender for the purposes at inspection of the borrower's records and the goods purchased under the facility.

e) The borrower covenants to use the facilities only for the purpose specified in the sanction letters/ agreements and agrees and acknowledges that any misuse of the facility shall amount to an event of default under the agreement.

f) To make any amendments in the borrower's memorandum and articles without the prior written consent of the bank.

g) To induct a person, into its board of directors, who is a promoter or director on the board of a company which has been identified as a wilful defaulter or a person who has been declared as a wilful defaulter by any bank/financial institution. In case such a person is already a member of the board of directors, the borrower would take expeditious and effective steps for the removal of that person from the board of directors.

h) To declare any dividend if any installment towards principal or interest remains unpaid on its due date.

i) To create, assume or incur any further indebtedness of a long term nature whether for borrowed money or otherwise, except with the prior written consent of the bank.

This is an indicative list and there may be additional restrictive covenants that require prior intimation/prior consent of the banks.

Prepayment penalty/ prepayment charges: The loans availed by the Company and Subsidiaries typically have prepayment provisions which allows for prepayment of the outstanding loan amount at any given point in time, subject to prepayment penalties as may be decided by the lender at the time of such prepayment. The prepayment penalty is as per the sanction terms.

SECTION VI: LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

Except as stated in this section, there are no (i) outstanding criminal proceedings, (ii) actions taken by statutory or regulatory authorities, (iii) tax proceedings, (iv) material litigation, in each case, involving our Company, our Subsidiaries, our Promoters, or our Directors, and (v) any litigation involving our Company, our Promoters, our Directors or our Subsidiaries or any other person whose outcome could have a material adverse effect on the position of our Company.

For the purpose of material litigation in (iv) above, our Board has considered and adopted the following policy on materiality with regard to outstanding litigation to be disclosed by our Company in the Draft Red Herring Prospectus:

(a) Criminal, tax proceedings and actions by statutory authorities/regulatory authorities: All criminal, tax proceedings and actions by statutory/ regulatory authorities involving our Company, our Promoters, our Directors, or our Subsidiaries shall be deemed to be material;

(b) Pre-litigation notices: Notices received by our Company, our Promoters, our Directors, or our Subsidiaries, from third parties (excluding statutory/regulatory/tax authorities or notices threatening criminal action) shall, in any event, not be evaluated for materiality until such time that our Company, our Promoters, our Directors or our Subsidiaries are impleaded as defendants in litigation proceedings before any judicial forum; and

(c) De minimis monetary threshold for civil litigation: Civil litigation involving our Company, our Promoters, our Directors, or our Subsidiaries before any judicial forum and having a monetary impact exceeding 1% of the restated consolidated profit after tax of the Company for the Financial Year ended March 31, 2018, shall be considered material. However, in the event of civil litigation wherein a monetary liability is not quantifiable, such litigation shall be considered as material only in the event that the outcome of such litigation is material to the operations or performance of the Company or its subsidiaries.

Further, except as stated in this section, there are no matters involving our Company and our Subsidiaries pertaining to violations of securities law; and outstanding dues to material creditors and material small scale undertakings.

Litigation involving our Company

As on the date of this Draft Red Herring Prospectus, there are no outstanding civil or criminal litigations involving our Company. Further, except as set out below, no actions have been initiated against our Company by any statutory or regulatory authorities.

Action by statutory or regulatory authorities

1. The ESIC issued a notice dated August 29, 2006, for a contribution of ₹12,655,320, and calling our Company for producing records in relation to non payment of contribution regarding the labour element involved in expenditure towards "repair and maintenance" and "construction of the building" as plant II and plant III for the period between April 1999 to March 2005. Subsequently, an order dated July 29, 2008 was passed under Section 45-A of the Employees' State Insurance Act, 1948 assessing the contribution to be made by our Company as ₹1.35 million. Our Company filed an ESI application no. 34/2008 for challenging the said order. The ESI Court by an order dated February 29, 2016 allowed the application and modified the order, holding that contribution of ₹0.35 million was required to be paid by our Company. The Assistant Director, ESI Corporation, Regional Office (Karnataka) has filed an appeal before the High Court of Karnataka for challenging the said order. The matter is currently pending.
2. The Senior Assistant Director of Factories, Bangalore Division ("**Authority**") issued a notice dated May 4, 2018 for showing cause for an accident which took place at Plant 9 on March 2, 2018 involving Sri Shivaraj K, a house-keeping worker, aged 28 years, who sustained a cut and crush injury to his right palm while removing scrap struck at the hydraulic cylinder area of a compactor machine at Plant 9. The management immediately shifted him to Sparsh Hospital, Bommasandra for treatment. Our Company filed a response dated May 15, 2018 praying that the Authority take a lenient view. Our Company is yet to receive a response from the Authority.
3. The Senior Assistant Director of Factories, Bangalore Division ("**Authority**") issued a notice dated September 25, 2017 for showing cause for a fire accident which took place at Plant 12 on August 13, 2017 involving Shri Sonu Chowdhari and Shri Arbind Kumar Sharma, both contract workers, who sustained burn injuries while checking the performance of the burner of the hot forging mechanical power press. Our Company filed a response dated October 24, 2017 praying that the Authority take a lenient view. Our Company is yet to receive a response from the Authority.

Tax proceedings

A summary of tax proceedings involving our Company is stated below:

Nature of case	Number of cases	Amount involved (in ₹ million)
Direct Tax	5	21.61*
Indirect Tax	40*	198.61**

**The amount excludes the tax amount already paid by our Company*
***Includes one indirect tax case involving Gearock Forge, which amalgamated with our Company, with effect from April 1, 2017*

Litigation involving our Subsidiaries

As on the date of this Draft Red Herring Prospectus, except as set out below, there are no outstanding civil or criminal or tax litigations involving our Subsidiaries. Further, no actions have been initiated against our Subsidiaries by any statutory or regulatory authorities.

Civil litigation against Fitwel

Karigiriyappa filed a plaint before the Prl. Civil Judge at Tumkur against the managing director of Fitwel, being, D R Subramanya, in relation to land situated at survey no. 47/1b1, Antharasanahally village, kasaba hobli, Tumkur Taluk, Tumkur, Karnataka, seeking, *inter alia*, a declaration that the said property is an ancestral property of the plaintiff and a mandatory injunction directing the managing director of Fitwel to demolish the unauthorised construction over the suit schedule property. Fitwel has filed a written statement in response to the plaint. The matter is currently pending.

Tax proceedings

A summary of tax proceedings involving Fitwel is stated below:

Nature of case	Number of cases	Amount involved (in ₹ million)
Direct Tax	2	5.62
Indirect Tax	4	4.20

Litigation involving our Promoters

Except the action by statutory or regulatory authorities against one of our Promoters, F R Singhvi, details of which are set out below, as on the date of this Draft Red Herring Prospectus, there are no outstanding civil, criminal or tax litigations involving our Promoters. Further, no actions have been initiated against our Promoters by any statutory or regulatory authorities.

Action by statutory or regulatory authorities against F R Singhvi

One of our Promoters, and former joint managing director, F R Singhvi was included in the list of disqualified directors, issued by the RoC, pursuant to the press release September 6, 2017 issued by the Ministry of Corporate Affairs, for initiation of action against directors of shell companies which had not filed their annual returns for three or more years. The said disqualification was in relation to a violation of Section 164(2)(a) of the Companies Act, by Mulder Trading Private Limited, a company in which F R Singhvi was a director. Further, the name of Mulder Trading Private Limited has been struck-off by the RoC. F R Singhvi filed a writ petition before the High Court of Karnataka against the said disqualification. The High Court of Karnataka issued an interim stay order dated December 15, 2017 on the disqualification of F R Singhvi from acting as a director. The matter is currently pending. F R Singhvi has also initiated proceedings before NCLT, Bengaluru to revive Mulder Trading Private Limited and rectify the violation of Section 164(2)(a) of the Companies Act, 2013.

Litigation involving our Directors

As on the date of this Draft Red Herring Prospectus, there are no outstanding civil, criminal or tax litigations involving our Directors. Further, no actions have been initiated against our Directors by any statutory or regulatory authorities.

Compounding application filed by our Company

On July 8, 2013, our Company had registered transfers of (i) an aggregate of 2,800 equity shares of a face value of ₹100 each of our Company ("**Singhvi Family Shares**") from Singhvi Family Shareholders (family members of our Promoter, F R Singhvi) in favour of F R Singhvi; and (ii) 923 equity shares of a face value of ₹100 each of our Company ("**Devaraj HUF Shares**") from D Devaraj HUF in favour of, D Devaraj. Subsequently, F R Singhvi and D Devaraj, each issued declarations of beneficial ownership under Section 186(C)(1) of the Companies Act, 1956, to intimate the Company that F R Singhvi was holding the

Singhvi Family Shares in trust for the Singhvi Family Shareholders and D Devaraj was holding the Devaraj HUF Shares in trust for the D Devaraj HUF, and not in their personal capacities. However, our Company inadvertently failed file a return in form III with the RoC, within the prescribed period. Accordingly, our Company has filed a compounding application dated July 14, 2018 before the Regional Director, South East Region, Hyderabad, seeking compounding of the offence under Section 187C of the Companies Act, 1956 and Section 441 of the Companies Act, 2013, which is currently pending. For details, see "*Risk Factors - Our Company was incorporated in 1981 and therefore we are unable to trace some of our historical secretarial records. We cannot assure you that no legal proceedings or regulatory actions will be initiated against our Company in the future in relation to the missing filings and corporate records, which may impact our financial condition and reputation*" and "*Capital Structure*" on pages 23 and 79, respectively.

Material developments since March 31, 2018

Other than (i) the sub-division of equity shares of ₹100 each of our Company into Equity Shares of ₹2 each; and (ii) the bonus issue of Shares (after adjusting for the sub-division of equity shares), in the ratio of 27 Equity Shares for every two Equity Shares, as disclosed in the section "Capital Structure" on page 79 this Draft Red herring Prospectus, in the opinion of the Board, there has not arisen, since the date of the last balance sheet included in this Draft Red Herring Prospectus, any circumstance that materially and adversely affects or is likely to affect the trading or profitability of our Company taken as a whole or the value of our consolidated assets or our ability to pay our liabilities over the next 12 months.

Outstanding dues to Creditors

The total trade payable of our Company, based on the Restated Consolidated Financial Statements as on March 31, 2018, were ₹1,382.33 million. All creditors of the Company to whom the amount due by the Company exceeds ₹70 million, i.e., 5% of the total trade payables of the Company as on March 31, 2018, on a consolidated basis based on the Restated Financial Statements, shall be considered material.

The material dues owed to small scale undertakings and other creditors as at March 31, 2018, is set out below:

Material Creditors	Number of cases	Amount involved (in ₹ million)
Outstanding dues of micro and small enterprises	Nil	Nil
Other Creditors	2	260.89

The details pertaining to net outstanding dues towards our creditors are available on the website of our Company at http://sanseraindia.com/Creditors.pdf. It is clarified that such details available on our website do not form a part of this Draft Red Herring Prospectus. Anyone placing reliance on any other source of information, including our Company's website, www.sansera.in, would be doing so at their own risk.

GOVERNMENT APPROVALS

Our Company and our Subsidiaries have received the necessary consents, licenses, permissions, registrations and approvals from various governmental agencies and other statutory and/ or regulatory authorities, required for carrying out their present business and except as mentioned below, no further material approvals are required by our Company and our Subsidiaries for carrying out their respective existing businesses. Our Company and our Subsidiaries undertake to obtain all material approvals and licenses and permissions required to operate our present business activities. Unless otherwise stated, these approvals or licenses are valid as of the date of this Draft Red Herring Prospectus and in case of licenses and approvals which have expired, we have either made an application for renewal or are in the process of making an application for renewal. Additionally, we have made or are in the process of making applications for registrations in relation to our proposed Company's manufacturing facilities. For further details, in connection with the applicable regulatory and legal framework, see "Regulations and Policies" on page 183.

I. Incorporation Details of our Company

1. Certificate of incorporation dated December 15, 1981 issued by the RoC to our Company.

2. Certificate of incorporation dated June 29, 2018 issued by the RoC to our Company, pursuant to conversion from a private limited to public limited company

3. Our Company was allotted a corporate identity number U34103KA1981PLC004542.

II. Approvals in relation to the Offer

For details of approvals/consents obtained in relation to the Offer, see "*Other Regulatory and Statutory Disclosures*" and "*The Offer*" on pages 435 and 70, respectively.

III. Approvals in relation to the business operations of our Business Operations

Our Company and our Subsidiaries are required to obtain various approvals and licenses under applicable laws, rules and regulations in order to operate our manufacturing plants situated in the states of Haryana, Karnataka, Maharashtra and Uttarakhand, details of which are set out below:

Plants of our Company

Plants situated in Karnataka

Our Company has obtained certain licenses and approvals in relation to our machining facilities (Plant 1, Plant 2 and Plant 3) situated at Gharvebhavipalya, Bengaluru, Bommasandra, Bengaluru and Jigani Link Road, Bengaluru, respectively, our machining and forging facilities (Plant 7 and Plant 11) situated at Jigani Link Road, Bengaluru and Bidadi, Karnataka, respectively; and our aerospace components manufacturing facility (Plant 9) situated at Jigani Link Road, Bengaluru which include, consent to establish and consent to operate from the state pollution control board under the Air Act, Water Act and Hazardous Waste Rules; licenses from the Inspector of Factories under the Factories Act, 1948 and certifications from the Chief Electrical Inspector under the Electricity Act, 2003 for electrical installation. In addition, one of our machining facilities (Plant2) situated at Bommasandra Bengaluru has obtained license to import and store petroleum by the Joint Chief Controller of Explosives under the Petroleum Act, 1934 and Petroleum Rules, 2002.

Further, we have obtained the required approvals and/or licenses include, among others, licenses from the Inspector of Factories under the Factories Act, 1948 in relation to our corporate office situated at Jigani Link Road, Karnataka (Plant 8).

Our Company has filed an application with the Senior Assistant Director of Factories for the license under the Factories Act, 1948 to work our facility in respect of our machine building facility situated in Jigani Link Road, Karnataka (Plant 10).

We have obtained the necessary permits, license and approvals from the appropriate regulatory and governing authorities required to operate our plants at Karnataka.

Plants situated outside Karnataka

Our Company has obtained certain licenses and approvals in relation to our machining facility situated in Manesar, Haryana (Plant 4) and machining and forging facilities (Plant 5 and Plant 6) situated in Pune, Maharashtra and Panth Nagar, Uttarakhand, respectively, including, among others, consent to establish and consent to operate from the state pollution control board under the Air Act, Water Act and Hazardous Waste Rules, licenses from the Inspector of

Factories under the Factories Act, 1948, certifications from the Chief Electrical Inspector under the Electricity Act, 2003 for electrical installations and certified standing order issued under the Industrial Employment (Standing Orders) Act, 1946. Plant two has also obtained license from the Joint Chief Controller of Explosives under the Gas Cylinder Rules.

We have obtained the necessary permits, licenses and approvals from the appropriate regulatory and governing authorities required to operate our facilities at Haryana, Maharashtra and Uttarakhand.

Plants transferred from Gearock to our Company pursuant to the Scheme of Amalgamation

In light of the merger of Gearock with our Company, pursuant to the Scheme of amalgamation dated March 13, 2018, the assets and liabilities of Gearock have now been transferred to our Company with effect from April 1, 2017. Our Company has filed an application with the Senior Assistant Director of Factories under the Factories Act, 1948 in relation to changing registrations in the name of Gearock to the name of our Company with the respect of the plants situated in Tumkur, Karnataka (Plant 12 and Plant 14). Gearock has obtained the necessary approvals and/or licenses in relation to Plant 12 that include, among others, consent to establish and operate from the state pollution control board under the Air Act, Water Act and Hazardous Waste Rules, license from the Joint Chief Controller of Explosives under the Gas Cylinder Rules, 2004 and licenses from the Inspector of Factories under the Factories Act, 1948. Further, Gearock has received a certified standing order issued under the Industrial Employment (Standing Orders) Act, 1946. Gearock has obtained a consent to establish and operate from the state pollution control board under the Air Act, Water Act and Hazardous Waste Rules for Plant 14.

Plants of Fitwel

Fitwel has three plants situated in the state of Karnataka of which two plants are situated in Tumkur, Bengaluru and one plant situated in Bidadi, Karnataka. In respect of the two plants at Tumkur, Karnataka, we have obtained the required approvals and/or licenses including, among others, consent for operation from the state pollution control board under the Air Act and Water Act, licenses from the Inspector of Factories under the Factories Act, 1948 and certifications from the Chief Electrical Inspector under the Electricity Act, 2003 for electrical installations. Further, Fitwel has received a certified standing order issued under the Industrial Employment (Standing Orders) Act, 1946. Fitwel is in the process of setting up its third plant in Bidadi, Karnataka and has not yet commenced obtaining the requisite approvals and/or licenses for its operation.

Fitwel has obtained the necessary permits, license and approvals from the appropriate regulatory and governing authorities required to operate its plants situated in Karnataka.

A. *Sansera Sweden Plant*

Sansera Sweden has two plants situated in Flygfältsvägen and Stallbackavägen, Trolhattan, Sweden. In respect of these plants, Sansera Sweden has obtained a permit for the manufacturing of metal components, from the Trollhättan municipality under Chapter 9 of the Code in the Environmental Testing Ordinance (SFS 2013:251): 34.70 (B).

B. Approvals under tax laws

1. Our Company and Fitwel are required to register themselves under various national tax laws and state specific tax laws including income tax, goods and services tax and state value added tax legislations. Our Company has obtained the necessary licenses and approvals from the appropriate regulatory and governing authorities in relation to such tax laws.

2. The permanent account number of our Company is AAECS2440M.

3. The tax deduction account number of our Company is BLRS14664G.

4. The importer-exporter code of our Company is 794000649.

5. The goods and services tax registration number of our Company, as per the states where our business operation are spread, are as follows:

State	Registration Number
Haryana	06AAECS2440M1ZB
Karnataka	29AAECS2440M1Z3
Maharashtra	27AAECS2440M1Z7
Uttarakhand	05AAECS2440M1ZD

C. Labour Related Approvals

1. We have obtained the relevant registrations under the Employees' State Insurance Act, 1948, the Payment of Gratuity Act, 1972 and the Contract Labour (Regulation and Abolition) Act, 1970. We have also been allotted a code under the Employees' Provident Funds and Miscellaneous Provisions Act, 1952.

2. Our Company had entered into wage settlement agreements with trade unions for Plant 1, Plant 2, Plant 3, Plant 5 and Plant 7 situated in Karnataka and Maharashtra. Fitwel has entered into wage settlement agreement with trade union for one of its plants situated in Karnataka.

D. Pending Approvals

Certain licensees may have lapsed or are due to lapse under the normal course. Our Company has either made an application to the appropriate authorities for fresh registrations or for renewal of such existing approvals, licenses, registrations and permits or is in the process of making such applications. The following applications are pending before the relevant authorities:

1. Application for renewal of factory license vide number MYB-13851 dated October 26, 2017 made by our Company to the Senior Assistant Director of Factories for a period of three years (2018-2020) for our plant situated at Plot no. 1, Bommasandra – Jigani Link Road, Industrial Area, Anekal Taluk, Bengaluru, Karnataka in accordance with provisions of the Factories Act, 1948.

2. Application for renewal of factory license vide number MYB-16863 dated October 24, 2017 made by our Company to the Senior Assistant Director of Factories for a period of three years (2018-2020) for our plant situated at plot no. 143-A, 4th Phase, Bommasandra Industrial Area, Bengaluru, Karnataka, in accordance with provisions of the Factories Act, 1948.

3. Application for renewal of factory license vide number MYB-20172 dated October 24, 2017 made by our Company to the Senior Assistant Director of Factories for a period of three years (2018-2020) for our plant situated at plot no. 100, Bommasandra Jigani Link Road, Industrial Area, Jigani Hobli, Bommasandra, Bengaluru, Karnataka in accordance with provisions of the Factories Act, 1948.

4. Application for renewal of factory license dated March 15, 2018 made by our Company to the Deputy Director of Factories for a period of three years (2018-2020) for our plant situated at plot no. 143/A, Jigani Link Road, Bengaluru, Karnataka in accordance with provisions of the Factories Act, 1948.

5. Application for renewal of factory license vide number MYB-233 dated October 31, 2017 made by our Company to the Deputy Director of Factories for a period of three years (2018-2020) for the plant of Fitwel situated at Plot No. 5, K.H.T. Complex, Antharasanahalli, Tumkur, Bengaluru, Karnataka in accordance with provisions of the Factories Act, 1948.

6. Application for renewal of consent to establish dated January 23, 2018 made by our Company to Uttarakhand Environment Protection and Pollution Control Board for one year for our plant situated at plot no. 18, Sector – 9, IIE, Pantnagar, District U.S. Nagar, Uttarakhand.

7. Application for renewal of authorisation for handling hazardous waste dated April 10, 2018 bearing number PCB/WMC/SEO/H.D. Reg .No. 61951/2013-14/484 made by our Company to the Karnataka State Pollution Control Board for the plant of Fitwel situated at Plot No. 5, K.H.T. Complex, Antharasanahalli, Tumkur, Bengaluru, Karnataka in accordance with the provisions of the Hazardous Waste (Management, Handling and Transboundary Movement) Rules, 2008.

E. Intellectual Property Rights

Our Company has obtained registration for the trademark "SANSERA ideas@work" bearing number 3258270 under Class 12 dated May 12, 2016 which is valid for a period of ten years. Our Company has also obtained and renewed registration for the trademark "SANSERA" bearing number 545113 under Class 12 dated December 31, 1991 which is valid for a period of ten years from February 11, 2015.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Offer

Our Board has approved the Offer pursuant to the resolution passed at their meeting held on July 31, 2018 and our Shareholders have approved the Offer pursuant to a resolution passed at the EGM held on August 3, 2018.

For details on the authorisations received from the Selling Shareholders in relation to the Offer, see "*The Offer*" on page 70.

Each Selling Shareholder severally confirms that the Equity Shares being offered by it in the Offer, have been held by it for a period of at least one year prior to the filing of this Draft Red Herring Prospectus with SEBI, calculated in the manner as set out under Regulation 26(6) of the SEBI ICDR Regulations and are eligible for being offered for sale in the Offer for Sale.

Our Company received in-principle approvals from the BSE and the NSE for the listing of the Equity Shares pursuant to letters dated [●] and [●], respectively.

Each of the Selling Shareholders have severally and on their own account confirmed that they have not been prohibited from dealing in the securities market and the Equity Shares proposed to be offered and sold by each of them are free from any lien, encumbrance, transfer restrictions or third party rights (other than such rights as set out under the various shareholder agreements) further details of which are set out in "*History and Certain Corporate Matters*" on page 187. The Selling Shareholders have also confirmed that each of them is the legal and beneficial owner of the Equity Shares being offered by them under the Offer for Sale.

Prohibition by SEBI or other Governmental Authorities

Our Company, our Promoters, our Directors, the members of the Promoter Group, the persons in control of our Company and the Selling Shareholders have not been prohibited or debarred from accessing or operating in capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI or any other regulatory or governmental authority.

The companies, with which our Promoter, Directors or persons in control of our Company are or were associated as promoter, directors or persons in control have not been prohibited from accessing or operating in capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI or any other regulatory or governmental authority.

None of our Directors or the entities that our Directors are associated with are engaged in securities market related business and are registered with SEBI. There has been no action taken by SEBI against any of our Directors or the entities that are Directors are associated with.

There has been no action taken by SEBI against any of the entities in which our Directors are involved in as promoters or directors.

Prohibition with respect to wilful defaulters

Neither our Company, nor our Promoters, relatives (as defined under the Companies Act, 2013) of our Promoters, Directors, nor the Selling Shareholders have been identified as a wilful defaulter by any bank or financial institution or consortium thereof in accordance with the guidelines on wilful defaulters issued by the RBI. There are no violations of securities laws committed by them in the past or are pending against them.

Eligibility for the Offer

Our Company is eligible for the Offer in accordance with the Regulation 26(1) of the SEBI ICDR Regulations as explained under the eligibility criteria calculated in accordance with the restated financial information prepared in accordance with the Companies Act and restated in accordance with the SEBI ICDR Regulations:

- Our Company has had net tangible assets of at least ₹30,000,000 in each of the preceding three full years (of 12 months each), of which not more than 50 % are held in monetary assets;
- Our Company has a minimum average pre-tax operating profit of ₹150,000,000 calculated on a restated and consolidated basis, during the three most profitable years out of the immediately preceding five years;
- Our Company has a net worth of at least ₹10,000,000 in each of the three preceding full years (of 12 months each);

- The aggregate size of the proposed Offer and all previous issues made in the same financial year is not expected to exceed five times the pre-Offer net worth as per the audited balance sheet of the Company for the year ended March 31, 2018; and

- Our Company has not changed its name within the last one year other than for conversion from a private limited company to a public company.

Our Company's pre-tax operating profit, net worth, net tangible assets, monetary assets, monetary assets as a percentage of the net tangible assets derived from the restated consolidated financial information included in this Draft Red Herring Prospectus as at, and for the last five years ended Financial Years 2018, 2017, 2016, 2015 and 2014 are set forth below:

(*₹ in Million, unless otherwise stated*)

Particulars	Fiscal				
	2018	**2017**	**2016**	**2015**	**2014**
Net tangible assets*, as restated	11,901.94	9,407.98	7,863.70	6,519.44	5,409.83
Monetary assets**, as restated	424.67	184.10	444.52	113.19	165.36
Percentage of monetary assets, to net tangible assets	3.57%	1.96%	5.65%	1.74%	3.06%
Pre-tax operating profit/ (loss)***, as restated	1,885.68	1,221.19	1,149.13	1,118.89	822.16
Net worth****, as restated	6,010.18	5,133.55	4,474.42	3,698.99	3,098.91

Source: Restated Summary Statement of Assets and Liabilities and Restated Summary Statement of Profit and Loss of the Company as included in the Draft Red Herring Prospectus under "Financial Statements"
** Restated net tangible assets are defined as the sum of total assets excluding intangible assets as defined in Indian Accounting Standard 38 issued by the Institute of Chartered Accountants of India, deferred tax asset and intangible assets under development, deducted by total non-current liabilities and current liabilities excluding deferred tax liabilities, non-current borrowings (including current maturities), and current borrowings, each on a restated basis*
*** Monetary assets include cash and cash equivalents and other bank balances including non-current portion of fixed deposits with bank, margin money deposits with bank and interest accrued but not due thereon*
**** Restated pre-tax operating profit has been calculated as restated net profit before tax excluding other income and finance cost, each on a restated basis*
*****Restated net worth has been defined as the total equity (including non-controlling interest), each on a restated basis*

Our Company's pre-tax operating profit, net worth, net tangible assets, monetary assets, monetary assets as a percentage of the net tangible assets derived from the restated standalone financial information included in this Draft Red Herring Prospectus as at, and for the last five years ended Fiscal 2018, 2017, 2016, 2015 and 2014 are set forth below:

Particulars	Fiscal				
	2018	**2017**	**2016**	**2015**	**2014**
Net tangible assets*, as restated	11,485.46	8,939.61	7,456.05	6,130.41	5,098.83
Monetary assets**, as restated	384.24	176.28	429.95	80.96	155.75
Percentage of monetary assets, to net tangible assets	3.35%	1.97%	5.77%	1.32%	3.05%
Pre-tax operating profit/ (loss)***, as restated	1,817.26	1,198.35	1,109.56	1,057.74	753.19
Net worth****, as restated	5,999.21	4,996.75	4,333.69	3,564.31	2,955.69

Source: Restated Summary Statement of Assets and Liabilities and Restated Summary Statement of Profit and Loss of the Company as included in the Draft Red Herring Prospectus under "Financial Statements"
** Restated net tangible assets are defined as the sum of total assets excluding intangible assets as defined in Indian Accounting Standard 38 issued by the Institute of Chartered Accountants of India, deferred tax asset and intangible assets under development, deducted by total non-current liabilities and current liabilities excluding deferred tax liabilities, non-current borrowings (including current maturities), and current borrowings, each on a restated basis*
*** Monetary assets include cash and cash equivalents and other bank balances including non-current portion of fixed deposits with bank, margin money deposits with bank and interest accrued but not due thereon*
**** Restated pre-tax operating profit has been calculated as restated net profit before tax excluding other income and finance cost, each on a restated basis*
*****Restated net worth has been defined as the total equity (including non-controlling interest), each on a restated basis*

Financial Years 2018, 2017 and 2016 are the three most profitable years out of the immediately preceding five financial years in terms of our restated consolidated summary statements.

Further, in accordance with Regulation 26(4) of the SEBI ICDR Regulations, our Company shall ensure that the number of prospective Allottees to whom the Equity Shares will be Allotted will be not less than 1,000, failing which, the entire application money shall be unblocked. In case of delay, if any, in unblocking the ASBA Accounts within such timeline as prescribed under applicable laws, our Company and the Selling Shareholders shall be liable to pay an interest on the application money in accordance with applicable laws for the period of delay.

Our Company is in compliance with the conditions specified in Regulation 4(2) of the SEBI ICDR Regulations, to the extent applicable.

DISCLAIMER CLAUSE OF SEBI

AS REQUIRED, A COPY OF THIS DRAFT RED HERRING PROSPECTUS HAS BEEN SUBMITTED TO SEBI. IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THIS DRAFT RED HERRING PROSPECTUS

TO SEBI SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE OFFER IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THIS DRAFT RED HERRING PROSPECTUS. THE BOOK RUNNING LEAD MANAGERS, ICICI SECURITIES LIMITED, CREDIT SUISSE SECURITIES (INDIA) PRIVATE LIMITED, IIFL HOLDINGS LIMITED, NOMURA FINANCIAL ADVISORY AND SECURITIES (INDIA) PRIVATE LIMITED AND BNP PARIBAS HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THIS DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED OFFER.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS DRAFT RED HERRING PROSPECTUS, THE BRLMS ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY AND THE SELLING SHAREHOLDERS DISCHARGE THEIR RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BRLMS HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED AUGUST 10, 2018 WHICH READS AS FOLLOWS:

WE, THE BRLMS TO THE ABOVE MENTIONED FORTHCOMING OFFER, STATE AND CONFIRM AS FOLLOWS:

1. **WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS, ETC. AND OTHER MATERIAL IN CONNECTION WITH THE FINALISATION OF THIS DRAFT RED HERRING PROSPECTUS PERTAINING TO THE SAID OFFER;**

2. **ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE COMPANY, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, AND INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE OFFER, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY THE COMPANY AND THE SELLING SHAREHOLDERS, WE CONFIRM THAT:**

   (A) THIS DRAFT RED HERRING PROSPECTUS FILED WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA ("SEBI") IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE OFFER;

   (B) ALL THE LEGAL REQUIREMENTS RELATING TO THE OFFER AS ALSO THE REGULATIONS, GUIDELINES, INSTRUCTIONS, ETC. FRAMED/ISSUED BY SEBI, THE CENTRAL GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND

   (C) THE DISCLOSURES MADE IN THIS DRAFT RED HERRING PROSPECTUS ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED OFFER AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, AS AMENDED (THE "SEBI (ICDR) REGULATIONS") AND OTHER APPLICABLE LEGAL REQUIREMENTS.

3. **WE CONFIRM THAT BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THIS DRAFT RED HERRING PROSPECTUS ARE REGISTERED WITH SEBI AND THAT TILL DATE SUCH REGISTRATIONS ARE VALID.**

4. **WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFIL THEIR UNDERWRITING COMMITMENTS. - <u>NOTED FOR COMPLIANCE</u>**

5. **WE CERTIFY THAT WRITTEN CONSENT FROM THE PROMOTERS HAS BEEN OBTAINED FOR INCLUSION OF THEIR EQUITY SHARES AS PART OF PROMOTER'S CONTRIBUTION SUBJECT TO LOCK-IN AND THE EQUITY SHARES PROPOSED TO FORM PART OF PROMOTER'S CONTRIBUTION**

SUBJECT TO LOCK-IN SHALL NOT BE DISPOSED/SOLD/TRANSFERRED BY THE PROMOTERS DURING THE PERIOD STARTING FROM THE DATE OF FILING THIS DRAFT RED HERRING PROSPECTUS WITH THE SEBI TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THIS DRAFT RED HERRING PROSPECTUS. -COMPLIED WITH AND NOTED FOR COMPLIANCE

6. **WE CERTIFY THAT REGULATION 33 OF THE SEBI ICDR REGULATIONS, WHICH RELATES TO EQUITY SHARES INELIGIBLE FOR COMPUTATION OF PROMOTERS' CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION HAVE BEEN MADE IN THIS DRAFT RED HERRING PROSPECTUS. COMPLIED WITH AND NOTED FOR COMPLIANCE**

7. **WE UNDERTAKE THAT SUB-REGULATION (4) OF REGULATION 32 AND CLAUSE (C) AND (D) OF SUB-REGULATION (2) OF REGULATION 8 OF THE SEBI ICDR REGULATIONS SHALL BE COMPLIED WITH. WE CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE OFFER. WE UNDERTAKE THAT AUDITORS' CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO SEBI. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE COMPANY ALONG WITH THE PROCEEDS OF THE PUBLIC OFFER. NOT APPLICABLE**

8. **WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE COMPANY FOR WHICH THE FUNDS ARE BEING RAISED IN THE PRESENT OFFER FALL WITHIN THE 'MAIN OBJECTS' LISTED IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OR OTHER CHARTER OF THE COMPANY AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED OUT UNTIL NOW ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION. NOT APPLICABLE**

9. **WE CONFIRM THAT NECESSARY ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE MONEYS RECEIVED PURSUANT TO THE OFFER ARE KEPT IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SUB SECTION (3) OF SECTION 40 OF THE COMPANIES ACT, 2013 AND THAT SUCH MONEYS SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGES MENTIONED IN THE PROSPECTUS. WE FURTHER CONFIRM THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKERS TO THE OFFER, THE COMPANY, AND THE SELLING SHAREHOLDERS SPECIFICALLY CONTAINS THIS CONDITION. - NOTED FOR COMPLIANCE. ALL MONIES RECEIVED OUT OF THE OFFER SHALL BE CREDITED/TRANSFERRED TO A SEPARATE BANK ACCOUNT AS REFERRED TO IN SUB-SECTION (3) OF SECTION 40 OF THE COMPANIES ACT, 2013.**

10. **WE CERTIFY THAT A DISCLOSURE HAS BEEN MADE IN THIS DRAFT RED HERRING PROSPECTUS THAT THE INVESTORS SHALL BE GIVEN AN OPTION TO GET THE SHARES IN DEMAT OR PHYSICAL MODE. NOT APPLICABLE. UNDER SECTION 29 OF THE COMPANIES ACT, 2013, EQUITY SHARES IN THE OFFER HAVE TO BE ISSUED IN DEMATERIALISED FORM ONLY.**

11. **WE CERTIFY THAT ALL THE APPLICABLE DISCLOSURES MANDATED IN THE SEBI ICDR REGULATIONS HAVE BEEN MADE IN ADDITION TO DISCLOSURES WHICH, IN OUR VIEW, ARE FAIR AND ADEQUATE TO ENABLE THE INVESTOR TO MAKE A WELL INFORMED DECISION.**

12. **WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THIS DRAFT RED HERRING PROSPECTUS:**

    (A) AN UNDERTAKING FROM THE COMPANY THAT AT ANY GIVEN TIME, THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE COMPANY; AND

    (B) AN UNDERTAKING FROM THE COMPANY THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY SEBI FROM TIME TO TIME.

13. **WE UNDERTAKE TO COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENT IN TERMS OF THE SEBI ICDR REGULATIONS WHILE MAKING THE OFFER. – COMPLIED WITH AND NOTED FOR COMPLIANCE**

14. **WE ENCLOSE A NOTE EXPLAINING HOW THE PROCESS OF DUE DILIGENCE HAS BEEN EXERCISED**

BY US IN VIEW OF THE NATURE OF CURRENT BUSINESS BACKGROUND OF THE COMPANY, SITUATION AT WHICH THE PROPOSED BUSINESS STANDS, THE RISK FACTORS, PROMOTERS' EXPERIENCE, ETC. -COMPLIED WITH

15. **WE ENCLOSE A CHECKLIST CONFIRMING REGULATION-WISE COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE SEBI ICDR REGULATIONS, CONTAINING DETAILS SUCH AS THE REGULATION NUMBER, ITS TEXT, THE STATUS OF COMPLIANCE, PAGE NUMBER OF THIS DRAFT RED HERRING PROSPECTUS WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY. -COMPLIED WITH**

16. **WE ENCLOSE STATEMENT ON 'PRICE INFORMATION OF PAST ISSUES HANDLED BY THE BRLMS (WHO ARE RESPONSIBLE FOR PRICING THE OFFER), AS PER FORMAT SPECIFIED BY SEBI THROUGH CIRCULAR. -COMPLIED WITH**

17. **WE CERTIFY THAT PROFITS FROM RELATED PARTY TRANSACTIONS HAVE ARISEN FROM LEGITIMATE BUSINESS TRANSACTIONS. – COMPLIED WITH TO THE EXTENT OF THE RELATED PARTY TRANSACTIONS REPORTED, IN ACCORDANCE WITH ACCOUNTING STANDARD IND AS 24, IN THE FINANCIAL STATEMENTS OF THE COMPANY INCLUDED IN THIS DRAFT RED HERRING PROSPECTUS AS CERTIFIED BY MANIAN AND RAO, CHARTERED ACCOUNTANTS PURSUANT TO THEIR CERTIFICATE DATED AUGUST 9, 2018**

18. **WE CERTIFY THAT THE ENTITY IS ELIGIBLE UNDER 106Y(1)(a) OR (b) (AS THE CASE MAY BE) TO LIST ON THE INSTITUTIONAL TRADING PLATFORM UNDER CHAPTER XC OF THESE REGULATIONS (IF APPLICABLE) – NOT APPLICABLE**

The filing of this Draft Red Herring Prospectus does not, however, absolve any person who has authorised the issue of this Draft Red Herring Prospectus from any liabilities under Section 34 or Section 36 of the Companies Act, 2013 or from the requirement of obtaining such statutory and/or other clearances as may be required for the purpose of the Offer. SEBI further reserves the right to take up at any point of time, with the BRLMs, any irregularities or lapses in this Draft Red Herring Prospectus.

The filing of this Draft Red Herring Prospectus does not absolve the Selling Shareholders from any liability to the extent the statements made by them in respect of the Equity Shares being offered by them under the Offer for Sale, under Section 34 and Section 36 of the Companies Act, 2013.

All legal requirements pertaining to the Offer will be complied with at the time of filing of the Red Herring Prospectus with the RoC in terms of Section 32 of the Companies Act, 2013. All legal requirements pertaining to the Offer will be complied with at the time of registration of the Prospectus with the RoC in terms of Sections 26 and 30 of the Companies Act, 2013.

Caution - Disclaimer from our Company, the Selling Shareholders and the BRLMs

Our Company, the Directors, the Selling Shareholders and the BRLMs accept no responsibility for statements made otherwise than in this Draft Red Herring Prospectus or in the advertisements or any other material issued by or at our Company's instance and anyone placing reliance on any other source of information, including our Company's website www.sanseraindia.com or the respective websites of our Subsidiaries, Promoters or Promoter Group, would be doing so at his or her own risk.

The BRLMs accept no responsibility, save to the limited extent as provided in the Offer Agreement and the Underwriting Agreement to be entered into between the Underwriters, the Selling Shareholders and our Company.

All information shall be made available by our Company, the Selling Shareholders and the BRLMs to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever, including at road show presentations, in research or sales reports, at Bidding Centres or elsewhere.

None among our Company, the Selling Shareholders or any member of the Syndicate shall be liable for any failure in downloading the Bids due to faults in any software/ hardware system or otherwise.

Investors who Bid in the Offer will be required to confirm and will be deemed to have represented to our Company, the Selling Shareholders, Underwriters and their respective directors, officers, agents, affiliates, and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares and will not issue, sell, pledge, or transfer the Equity Shares to any person who is not eligible under any applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Our Company, the Selling Shareholders, Underwriters and their respective directors, officers, agents, affiliates, and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares.

The BRLMs and their respective associates and affiliates may engage in transactions with, and perform services for, our Company, the Selling Shareholders and their respective group companies, affiliates or associates or third parties in the ordinary course of business and have engaged, or may in the future engage, in commercial banking and investment banking transactions with our Company, the Selling Shareholders and their respective group companies, affiliates or associates or third parties, for which they have received, and may in the future receive, compensation.

Disclaimer in respect of Jurisdiction

This Offer is being made in India to persons resident in India (including Indian nationals resident in India who are competent to contract under the Indian Contract Act, 1872, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorised to invest in shares, Indian Mutual Funds registered with the SEBI, VCFs, AIFs, FVCIs, public financial institutions, scheduled commercial banks, state industrial development corporation, permitted national investment funds, Systemically Important NBFCs, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts under applicable trust law and who are authorised under their constitution to hold and invest in shares, permitted insurance companies and pension funds, insurance funds set up and managed by the army and navy and insurance funds set up and managed by the Department of Posts, India) and to Eligible NRIs and FPIs and other eligible foreign investors including registered multilateral and bilateral development financial institutions. This Draft Red Herring Prospectus does not, however, constitute an invitation to subscribe to or purchase shares offered hereby in any jurisdiction other than India to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Draft Red Herring Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions. Any dispute arising out of this Offer will be subject to the jurisdiction of appropriate court(s) in Mumbai only.

No action has been, or will be taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that this Draft Red Herring Prospectus had been filed with the SEBI for its observations. Accordingly, the Equity Shares represented thereby may not be offered or sold, directly or indirectly, and this Draft Red Herring Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Draft Red Herring Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of our Company, our Subsidiaries, or the Selling Shareholders since the date hereof or that the information contained herein is correct as of any time subsequent to this date.

Eligibility and Transfer Restrictions

The Equity Shares have not been and will not be registered under the Securities Act or any other applicable securities laws of any state or other jurisdiction of the United States and, unless so registered, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. Accordingly, the Equity Shares are only being offered and sold (i) within the United States only to persons reasonably believed to be "qualified institutional buyers" (as defined in Rule 144A under the Securities Act and referred to in this Draft Red Herring Prospectus as "U.S. QIBs." For the avoidance of doubt, the term U.S. QIBs does not refer to a category of institutional investor defined under applicable Indian regulations and referred to in this Draft Red Herring Prospectus as "QIBs") pursuant to Rule 144A or another available exemption from the registration requirements of the Securities Act, and (ii) outside the United States in offshore transactions in reliance on Regulation S and pursuant to the applicable laws of the jurisdictions where those offers and sales occur. Prospective purchasers are hereby notified that sellers of the Equity Shares may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A under the Securities Act.

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

Until the expiry of 40 days after the commencement of this Offer, an offer or sale of Equity Shares within the United States by a dealer (whether or not it is participating in this Offer) may violate the registration requirements of the Securities Act, unless made pursuant to Rule 144A under the Securities Act or another available exemption from the registration requirements of the Securities Act and in accordance with applicable securities laws of any state or other jurisdiction of the United States.

Equity Shares Offered and Sold within the United States

Each purchaser that is acquiring the Equity Shares offered pursuant to this Offer within the United States, by its acceptance of the Draft Red Herring Prospectus and of the Equity Shares, will be deemed to have acknowledged, represented to and agreed with the Company, the Selling Shareholders and the BRLMs that it has received a copy of the Draft Red Herring Prospectus and such other information as it deems necessary to make an informed investment decision and that:

(1) the purchaser is authorized to consummate the purchase of the Equity Shares offered pursuant to this Offer in compliance with all applicable laws and regulations;

(2) the purchaser acknowledges that the Equity Shares offered pursuant to this Offer have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and accordingly, unless so registered, may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act;

(3) the purchaser (i) is a U.S. QIB, (ii) is aware that the sale to it is being made in a transaction exempt from, or not subject to, the registration requirements of the Securities Act, and (iii) is acquiring such Equity Shares for its own account or for the account of one or more US QIBs with respect to which it exercises sole investment discretion;

(4) the purchaser is not an affiliate of the Company or a person acting on behalf of an affiliate;

(5) if, in the future, the purchaser decides to offer, resell, pledge or otherwise transfer such Equity Shares, or any economic interest therein, such Equity Shares or any economic interest therein may be offered, sold, pledged or otherwise transferred only (i) to a person whom the beneficial owner and/or any person acting on its behalf reasonably believes is a U.S. QIB in a transaction meeting the requirements of Rule 144A under the Securities Act, (ii) in an offshore transaction complying with Rule 903 or Rule 904 of Regulation S, (iii) pursuant to an exemption from registration under the Securities Act provided by Rule 144 thereunder (if available), or (iv) pursuant to another available exemption from the registration requirements of the Securities Act, and in each case in accordance with all applicable laws, including the state securities laws in the United States;

(6) the Equity Shares are "restricted securities" within the meaning of Rule 144(a)(3) under the Securities Act and no representation is made as to the availability of the exemption provided by Rule 144 for resales of any such Equity Shares;

(7) the purchaser will not deposit or cause to be deposited such Equity Shares into any depositary receipt facility established or maintained by a depositary bank other than a Rule 144A restricted depositary receipt facility, so long as such Equity Shares are "restricted securities" within the meaning of Rule 144(a)(3) under the Securities Act;

(8) the purchaser is not acquiring the Equity Shares as a result of any form of "general solicitation" or "general advertising" (within the meaning of Rule 502(c) under the Securities Act) or any "directed selling efforts" (as that term is defined in Regulation S);

(9) the purchaser understands that such Equity Shares (to the extent they are in certificated form), unless the Company determines otherwise in accordance with applicable law, will bear a legend substantially to the following effect:

"THE EQUITY SHARES REPRESENTED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT") OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (1) TO A PERSON WHOM THE SELLER OR ANY PERSON ACTING ON ITS BEHALF REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A UNDER THE SECURITIES ACT, (2) IN AN OFFSHORE TRANSACTION COMPLYING WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT, (3) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER (IF AVAILABLE), OR (4) PURSUANT TO ANOTHER AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS UNDER THE SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES. NO REPRESENTATION CAN BE MADE AS TO THE AVAILABILITY OF THE EXEMPTION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT FOR RESALES OF THE EQUITY SHARES. NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THE FOREGOING, THE EQUITY SHARES MAY NOT BE DEPOSITED INTO ANY UNRESTRICTED DEPOSITARY RECEIPT FACILITY IN RESPECT OF THE EQUITY SHARES ESTABLISHED OR MAINTAINED BY A DEPOSITARY BANK."

(10) the Company will not recognize any offer, sale, pledge or other transfer of such Equity Shares made other than in compliance with the above-stated restrictions; and

(11) the purchaser acknowledges that the Company, the Selling Shareholders, the BRLMs, their respective affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that, if any of such acknowledgements, representations and agreements deemed to have been made by virtue of its purchase of such Equity Shares are no longer accurate, it will promptly notify the Company, and if it is acquiring any of such Equity Shares as a fiduciary or agent for one or more accounts, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of such account.

All Other Equity Shares Offered and Sold in this Offer

Each purchaser that is acquiring the Equity Shares offered pursuant to this Offer outside the United States, by its acceptance of the Draft Red Herring Prospectus and of the Equity Shares offered pursuant to this Offer, will be deemed to have acknowledged, represented to and agreed with the Company, the Selling Shareholders and the BRLMs that it has received a copy of the Draft Red Herring Prospectus and such other information as it deems necessary to make an informed investment decision and that:

(1) the purchaser is authorized to consummate the purchase of the Equity Shares offered pursuant to this Offer in compliance with all applicable laws and regulations;

(2) the purchaser acknowledges that the Equity Shares offered pursuant to this Offer have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and accordingly, unless so registered, may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act;

(3) the purchaser is purchasing the Equity Shares offered pursuant to this Offer in an offshore transaction meeting the requirements of Rule 903 of Regulation S;

(4) the purchaser and the person, if any, for whose account or benefit the purchaser is acquiring the Equity Shares offered pursuant to this Offer, was located outside the United States at the time (i) the offer was made to it and (ii) when the buy order for such Equity Shares was originated and continues to be located outside the United States and has not purchased such Equity Shares for the account or benefit of any person in the United Sates or entered into any arrangement for the transfer of such Equity Shares or any economic interest therein to any person in the United States;

(5) the purchaser is not an affiliate of the Company or a person acting on behalf of an affiliate;

(6) if, in the future, the purchaser decides to offer, resell, pledge or otherwise transfer such Equity Shares, or any economic interest therein, it will only do so pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act, and in each case in accordance with any applicable securities laws of any state of the United States or other applicable jurisdiction;

(7) the purchaser is not acquiring the Equity Shares as a result of any "directed selling efforts" (as that term is defined in Regulation S);

(8) the Company will not recognize any offer, sale, pledge or other transfer of such Equity Shares made other than in compliance with the above-stated restrictions; and

(9) the purchaser acknowledges that the Company, the Selling Shareholders, the BRLMs, their respective affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that, if any of such acknowledgements, representations and agreements deemed to have been made by virtue of its purchase of such Equity Shares are no longer accurate, it will promptly notify the Company, and if it is acquiring any of such Equity Shares as a fiduciary or agent for one or more accounts, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of such account.

Disclaimer Clause of BSE

As required, a copy of this Draft Red Herring Prospectus has been submitted to BSE. The disclaimer clause as intimated by BSE to our Company, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus and the Prospectus prior to the RoC filing.

Disclaimer Clause of the NSE

As required, a copy of this Draft Red Herring Prospectus has been submitted to NSE. The disclaimer clause as intimated by NSE to our Company, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus and the Prospectus prior to the RoC filing.

Filing

A copy of this Draft Red Herring Prospectus has been filed with SEBI at Corporate Finance Department, Plot No. C4-A, 'G' Block, Bandra Kurla Complex, Bandra (East), Mumbai, India - 400 051.

A copy of the Red Herring Prospectus, along with the documents required to be filed under Section 32 of the Companies Act, 2013 would be delivered for registration to the RoC and a copy of the Prospectus to be filed under Section 26 of the Companies Act, 2013 would be delivered for registration with RoC at the Office of the Registrar of Companies, 'E' Wing, 2nd Floor, Kendriya Sadan, Koramangala, Bengaluru 560 034, Karnataka, India.

Listing

Applications have been made to the Stock Exchanges for permission to deal in and for an official quotation of the Equity Shares. [●] will be the Designated Stock Exchange with which the Basis of Allotment will be finalised.

If the permissions to deal in, and for an official quotation of, the Equity Shares are not granted by any of the Stock Exchanges mentioned above, our Company and the Selling Shareholders will forthwith repay without interest, all moneys received from the applicants in pursuance of the Red Herring Prospectus as required by applicable law. If such money is not repaid within the prescribed time, then our Company, the Selling Shareholders and every officer in default shall be liable to repay the money, with interest, as prescribed under applicable law.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading of the Equity Shares at the Stock Exchanges mentioned above are taken within six Working Days from the Bid/Offer Closing Date. Further, the Selling Shareholders confirm that it shall extend all reasonable co-operation required by our Company, the BRLMs for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed within six Working Days of the Bid/Offer Closing Date or such other timeline as prescribed by law.

In the event of the successful completion of the Offer, other than listing fees, which will be paid by the Company, all costs, fees and expenses with respect to the Offer will be shared, in accordance with Applicable Law.

Price information of past issues handled by the BRLMs

A. I-Sec

1. Price information of past issues handled by I-Sec

S. No.	Issue Name	Issue Size (₹Mn.)	Issue Price (₹)	Listing Date	Opening Price on Listing Date	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing
1	AU Small Finance Bank Limited	19,125.14	358.00	10-Jul-17	530.00	+58.76%, [+2.12%]	+65.20%, [+2.23%]	+95.38%,[+8.06%]
2	Security and Intelligence Services (India) Limited	7,795.80	815.00	10-Aug-17	879.80	-3.29%, [+1.17%]	+3.14%, [+5.40%]	+39.12%,[+8.62%]
3	Matrimony.Com Limited	4,974.79	985.00 (1)	21-Sep-17	985.00	-12.28%, [+0.62%]	-7.64%,[+3.37%]	-16.55%,[-0.27%]
4	ICICI Lombard General Insurance Company Limited	57,009.39	661.00	27-Sep-17	651.10	+3.62%, [+6.25%]	+18.97%,[+8.17%]	+15.36%,[4.06%]
5	SBI Life Insurance Company Limited	83,887.29	700.00 (2)	03-Oct-17	735.00	-7.56%, [+5.89%]	-0.07%,[+5.84%]	-2.30%,[3.57%]
6	Newgen Software Technologies Limited	4,246.20	245.00	29-Jan-18	254.10	-0.20%, [-5.18%]	+2.51%[-3.51%]	-2.00%,[1.33%]
7	Galaxy Surfactants Limited	9,370.90	1,480.00	8-Feb-18	1,525.00	+1.14%, [-3.31%]	-0.85%[+1.33%]	-14.68%,[7.66%]
8	Aster DM Healthcare Limited	9,801.40	190.00	26-Feb-18	183.00	-13.66%,[-3.77%]	-5.39%,[+1.00%]	-
9	Sandhar Technologies Limited	5,124.80	332.00	02-Apr-18	346.10	+19.59%[+4.96%]	+15.41%,[+4.36%]	-
10	HDFC Asset Management Company Limited	28,003.31	1,100.00	06-Aug-18	1,726.25	-	-	-

(1) Discount of ₹98 per equity share offered to retail investors and to Eligible Employees. All calculations are based on Issue Price of ₹985.00 per equity share.
(2) Discount of ₹68 per equity share offered to Eligible Employees. All calculations are based on Issue Price of ₹700.00 per equity share.

Notes:
1. All data sourced from www.nseindia.com
2. Benchmark index considered is NIFTY
3. 30th, 90th, 180th calendar day from listed day have been taken as listing day plus 29, 89 and 179 calendar days, except wherever 30th, 90th, 180th calendar day is a holiday, in which case we have considered the closing data of the next trading day

2. Summary statement of disclosure

Financial Year	Total no. of IPOs	Total amount of funds raised (` million)	No. of IPOs trading at discount - 30th calendar days from listing			No. of IPOs trading at premium - 30th calendar days from listing			No. of IPOs trading at discount - 180th calendar days from listing			No. of IPOs trading at premium - 180th calendar days from listing		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2018-19	2	33,128.11	-	-	-	-	-	1	-	-	-	-	-	-
2017-18	9	208,306.61	-	-	5	1	-	3	-	-	4	1	2	1
2016-17	12	160,855.45	-	-	3	4	4	1	-	1	1	7	2	1

B. Credit Suisse

1. Price information of past issues handled by Credit Suisse

S. No.	Issue Name	Issue Size (₹) in million	Issue Price (₹)	Listing Date	Opening Price on Listing Date (₹)	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing
1.	S Chand and Company Limited	7,285.57	670.00	May 09, 2017	700.00	-18.10%, [3.72%]	-26.91%, [7.95%]	-28.06%, [12.18%]
2.	IRB InvIT Fund	50,328.84	102.00	May 18, 2017	102.00	-2.61%, [1.68%]	-5.49%, [4.96%]	-11.03%, [8.44%]
3.	Eris Lifesciences Limited	17,411.63	603.00	June 29, 2017	611.00	1.12%, [5.37%]	-5.45%, [3.87%]	26.48%, [10.81%]
4.	Godrej Agrovet Limited	11,573.12	460.00	October 16, 2017	615.60	-11.22%, [-0.43%]	4.77%, [4.99%]	16.68%, [2.44%]
5.	HDFC Standard Life Insurance Company Limited	86,950.00	290.00	November 17, 2017	310.00	9.53%, [1.02%]	25.33%, [2.11%]	46.98%, [5.04%]
6.	Varroc Engineering Limited	19,549.61	967.00	July 6, 2018	1,015	-3.70%, [5.70%]	Not Applicable	Not Applicable

Source: www.nseindia.com

Notes:
a) 30th , 90th , 180th calendar days from listed day have been taken as listing day plus 29, 89 and 179 calendar days, except wherever 30th , 90th, 180th calendar day is a holiday, in which case we have considered the closing data of the next trading date
b) Price information and benchmark index values have been shown only for the designated stock exchange in the above table
c) NSE is the designated stock exchange for the issue listed in the above table. NIFTY has been used as the benchmark index
d) Details of Varroc is not available, as the company got listed on July 06, 2018 and 90th, 180th calendar day has not been completed

2. Summary statement of disclosure

Financial Year	Total no. of IPOs	Total amount of funds raised (₹) in million	No. of IPOs trading at discount - 30th calendar days from listing			No. of IPOs trading at premium - 30th calendar days from listing			No. of IPOs trading at discount - 180th calendar days from listing			No. of IPOs trading at premium - 180th calendar days from listing		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2016-2017	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2017-2018	5	173,549.16	-	-	3	-	-	2	-	1	1	-	2	1
2018-2019	1	19,549.61	-	-	1	-	-	-	-	-	-	-	-	-

C. IIFL

1. Price information of past issues handled by IIFL

S. No.	Issue Name	Issue Size (₹) in million	Issue Price (₹)	Listing Date	Opening Price on Listing Date (₹)	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing
1.	Capacit'e Infraprojects Limited	4,000.00	250.00	September 25, 2017	399.00	+34.9%, [+3.3%]	+60.3%, [+5.3%]	+18.1%, [+0.3%]
2.	ICICI Lombard General Insurance Company Limited	57,009.39	661.00	September 27, 2017	651.00	+3.3%, [+4.6%]	+19.0%, [+6.7%]	+15.4%, [+2.6%]
3.	Indian Energy Exchange Limited	10,007.26	1,650.00	October 23, 2017	1,500.00	-5.6%, [+1.9%]	-1.8%, [+7.4%]	-0.7%, [+4.1%]
4.	Reliance Nippon Life Asset Management Limited	15,422.40	252.00	November 06, 2017	295.90	+1.2%, [-3.9%]	+5.9%, [+2.9%]	-4.2%, [+1.6%]
5.	HDFC Standard Life Insurance Company Limited	86,950.07	290.00	November 17, 2017	310.00	+31.5%, [+1.2%]	+49.0%, [+3.2%]	+71.6%, [+5.2%]
6.	Shalby Limited	5,048.00	248.00	December 15, 2017	239.70	-4.2%, [+4.2%]	-11.7%, [+1.1%]	-29.3%, [+5.9%]
7.	Future Supply Chain Solutions Limited	6,496.95	664.00	December 18, 2017	664.00	+4.1%, [+4.4%]	+6.9%, [-1.3%]	-5.2%, [+4.7%]
8.	ICICI Securities Limited	35,148.49	520.00	April 04, 2018	435.00	-28.9%, [+3.6%]	-38.6%, [+4.4%]	NA
9.	Varroc Engineering Limited	19,551.75	967.00	July 06, 2018	1,015.00	+1.6%, [+5.7%]	NA	NA

S. No.	Issue Name	Issue Size (₹) in million	Issue Price (₹)	Listing Date	Opening Price on Listing Date (₹)	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing
10.	HDFC Asset Management Company Limited	28,003.31	1,100.00	August 6, 2018	1,726.25	NA	NA	NA

Source: www.nseindia.com

Note: *Benchmark Index taken as CNX NIFTY. Price on NSE is considered for all of the above calculations. The 30th, 90th and 180th calendar day from listed day have been taken as listing day plus 30, 90 and 180 calendar days, except wherever 30th /90th / 180th calendar day from listing day is a holiday, the closing data of the previous trading day has been considered. % change taken against the Issue Price in case of the Issuer. % change taken against closing CNX NIFTY Index a day prior to the listing date. NA means Not Applicable.*

2. Summary statement of disclosure

Financial Year	Total no. of IPOs	Total amount of funds raised (₹) in million	No. of IPOs trading at discount - 30th calendar days from listing			No. of IPOs trading at premium - 30th calendar days from listing			No. of IPOs trading at discount - 180th calendar days from listing			No. of IPOs trading at premium - 180th calendar days from listing		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2016-17	5	92,062.31	-	-	1	2	1	1	-	-	-	3	1	1
2017-18	9	1,98,722.66	-	-	3	1	2	3	-	1	3	2	1	2
2018-19	3	82,703.55	-	1	-	-	-	1	-	-	-	-	-	-

Source: www.nseindia.com

Note: *Data for number of IPOs trading at premium/discount taken at closing price on NSE on the respective date. In case any of the days falls on a non-trading day, the closing price on the previous trading day has been considered..*

D. Nomura

1. Price information of past issues handled by Nomura:

S.No.	Issue name	Issue size (₹ million)	Issue price (₹)	Listing date	Opening price on listing date	+/- % change in closing price, [+/- % change in closing benchmark] – 30th calendar day from listing	+/- % change in closing price, [+/- % change in closing benchmark] – 90th calendar day from listing	+/- % change in closing price, [+/- % change in closing benchmark] – 180th calendar day from listing
1.	HDFC Asset Management Company Limited	28,003.31	1,100	August 6, 2018	1,726.25	Not applicable	Not applicable	Not applicable
2.	Indostar Capital Finance Limited	18,440.00	572	May 21, 2018	600	-0.96% [+1.84%]	Not applicable	Not applicable
3.	Future Supply Chain Solutions Limited	6,496.95	664	December 18, 2017	664	+3.50% [+3.00%]	+6.27% [-2.83%]	-5.20% [+4.13%]
4.	HDFC Standard Life Insurance Company Limited	86,950.07	290	November 17, 2017	310	+30.16% [+1.02%]	+48.93% [+2.11%]	+74.66% [+5.04%]
5.	The New India Assurance Company Limited[1]	95,858.23	800	November 13, 2017	750	-27.91% [+0.15%]	-7.81% [+3.08%]	-13.06% [+5.69%]
6.	Reliance Nippon Life Asset Management Limited	15,422.40	252	November 6, 2017	295.9	+3.61% [-3.19%]	+8.12% [+2.05%]	-4.21% [+1.59%]
7.	Central Depository Services (India) Limited	5,239.91	149	June 30, 2017	250	+127.92% [+5.84%]	+128.86%, [+2.26%]	+146.71%, [+10.61%]
8.	Tejas Networks Limited	7,766.88	257	June 27, 2017	257	+28.04%, [+5.35%]	+17.82%, [+3.80%]	+51.36%, [+10.73%]
9.	Housing and Urban Development Corporation[2]	12,097.77	60	May 19, 2017	73	+13.17%, [+2.44%]	+34.67%, [+4.98%]	+35.67%, [+8.05%]
10.	BSE Limited	12,434.32	806	February 3, 2017	1,085	+17.52%, [+2.55%]	+24.41%, [+6.53%]	+34.43% [+15.72%]

Source: www.nseindia.com

1. Price for retail individual investors and Eligible Employees bidding in the Employee Reservation Portion was ₹770.00 per equity share

2. Price for retail individual bidders bidding in the retail portion and to eligible employees was ₹58.00 per equity share

Notes:

a. The CNX NIFTY has been considered as the Benchmark Index.

b. Price on NSE is considered for all of the above calculations.

c. In case 30th/90th/180th day is not a trading day, closing price on NSE of the next trading day has been considered.

d. Not applicable – Period not completed

2. Summary statement of disclosure

Financial Year	Total no. of IPOs	Total amount of funds raised (₹) in million	No. of IPOs trading at discount - 30th calendar days from listing	No. of IPOs trading at premium - 30th calendar days from listing	No. of IPOs trading at discount - 180th calendar days from listing	No. of IPOs trading at premium - 180th calendar days from listing

			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2018-2019	2	46,443.31	-	-	1	-	-	-	-	-	-	-	-	-
2017-2018	7	229,832.21	-	1	-	1	2	3	-	-	3	3	1	-
2016-2017	1	12,434.32	-	-	-	-	-	1	-	-	-	-	1	-

Source*: www.nseindia.com*

Notes*:*

a) The information is as on the date of this Draft Red Herring Prospectus.

b) The information for each of the financial years is based on issues listed during such financial year.

c) 2 issues were completed in the financial year 2018-19. However, 1 issue has not completed 30 days and 2 issues have not completed 180 days.

E. BNP Paribas

1. Price information of past issues handled by BNP Paribas

S. No.	Issue Name	Issue Size (₹) in million	Issue Price (₹)	Listing Date	Opening Price on Listing Date (₹)	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing
1.	Amber Enterprises Limited	6,000.00	859.00^	January 30, 2018	1,175.00	+27.15%, [-5.04%]	+24.98%, [-3.23%]	+10.58%, [2.07%]
2.	SBI Life Insurance Company Limited	83,887.3	700.00	October 3, 2017	735.00	-7.56%, [+5.89%]	-0.66%, [+6.81%]	-3.11%, [+2.58%]
3.	GTPL Hathway Limited	4,848.00	170.00	July 4, 2017	170.00	-10.71%, [+4.87%]	-19.09%, [+1.82%]	-2.94%, [+9.54%]

Source: www.nseindia.com

^ Employee discount of ₹ 85 per equity share to the offer price was offered to eligible employees bidding in the employee reservation portion

Notes:

1. The 30th, 90th and 180th calendar day computation includes the listing day. If either of the 30th, 90th or 180th calendar days is a trading holiday, the previous trading day is considered for the computation. We have taken the issue price to calculate the % change in closing price as on 30th, 90th and 180th day

2. We have taken the closing price of the applicable benchmark index (i.e. Nifty 50) as on the listing day to calculate the % change in closing price of the benchmark as on 30th, 90th and 180th day

2. Summary statement of disclosure

Financial Year	Total no. of IPOs	Total amount of funds raised (₹) in million	No. of IPOs trading at discount - 30th calendar days from listing	No. of IPOs trading at premium - 30th calendar days from listing	No. of IPOs trading at discount - 180th calendar days from listing	No. of IPOs trading at premium - 180th calendar days from listing

			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2017-18	3	94,735.3	-	-	2	-	1	-	-	-	2	-	-	1

Track record of past issues handled by the BRLMs

For details regarding the track record of the BRLMs, as specified in Circular reference CIR/MIRSD/1/2012 dated January 10, 2012 issued by SEBI, please see the websites of the BRLMs as set forth in the table below:

Sl. No	Name of the BRLM	Website
1.	I-Sec	www.icicisecurities.com
2.	Credit Suisse	www.credit-suisse.com/in/en/investment-banking/regional-presence/asia-pacific/india/ipo.html
3.	IIFL	www.iiflcap.com
4.	Nomura	www.nomuraholdings.com/company/group/asia/india/index.html
5.	BNP Paribas	www.bnpparibas.co.in

Consents

Consents in writing of the Selling Shareholders, our Directors, our Company Secretary and Compliance Officer, our Chief Financial Officer, our Statutory Auditors, Indian Legal Counsel to our Company, Indian Legal Counsel to the BRLMs, International Legal Counsel to the BRLMs, Banker/ Lenders to our Company and our Subsidiaries, the BRLMs, the Syndicate Members, the Escrow Collection Banks and the Registrar to the Offer to act in their respective capacities, will be obtained and filed along with a copy of the Red Herring Prospectus with the RoC as required under the Companies Act and such consents shall not be withdrawn up to the time of delivery of the Red Herring Prospectus for registration with the RoC.

In accordance with the Companies Act, 2013 and the SEBI ICDR Regulations, our Statutory Auditors, B S R & Associates LLP, Chartered Accountants, have given their written consent for inclusion of their examination reports dated July 31, 2018, 2018 on the Restated Financial Statements of our Company and the statement of special tax benefits dated August 8, 2018, 2018 in the form and context, included in this Draft Red Herring Prospectus and such consent has not been withdrawn up to the time of delivery of this Draft Red Herring Prospectus for filing with SEBI.

Expert to the Offer

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

Our Company has received written consent from the Statutory Auditors namely, B S R & Associates LLP, Chartered Accountants, to include its name as an "expert" under Section 26 of the Companies Act, 2013 in this Draft Red Herring Prospectus in relation to the examination reports dated July 31, 2018, 2018 on the Restated Financial Statements of our Company and the statement of special tax benefits dated August 8, 2018 included in this Draft Red Herring Prospectus and such consent has not been withdrawn up to the time of delivery of this Draft Red Herring Prospectus.

Offer Expenses

The expenses of this Offer include, among others, underwriting and management fees, selling commissions, printing and distribution expenses, legal fees, statutory advertisement expenses, registrar and depository fees and listing fees. For further details of Offer expenses, see "*Objects of the Offer*" on page 99.

In the event of the successful completion of the Offer, other than listing fees, which will be paid by the Company, all costs, fees and expenses with respect to the Offer will be shared, in accordance with Applicable Law.

Fees Payable to the Registrar to the Offer

The fees payable by our Company and the Selling Shareholders to the Registrar to the Offer for processing of applications, data entry, printing of Allotment Advice/CAN/refund order, preparation of refund data on magnetic tape, printing of bulk mailing register will be as per the agreement dated August 8, 2018 entered into, between our Company, the Selling Shareholders and the Registrar to the Offer a copy of which is available for inspection at the Registered and Corporate Office.

The Registrar to the Offer will be reimbursed for all out-of-pocket expenses including cost of stationery, postage, stamp duty and communication expenses. Adequate funds will be provided to the Registrar to the Offer to enable it to send refund orders or Allotment Advice by registered post/ speed post/ under certificate of posting.

The Selling Shareholders will reimburse our Company the expenses incurred.

IPO grading

No credit rating agency registered with the SEBI has been appointed in respect of obtaining grading for the Offer.

Particulars regarding public or rights issues by our Company during the last five years

Except as disclosed in "*Capital Structure*" on page 79, our Company has not made any public or rights issues during the five years preceding the date of this Draft Red Herring Prospectus.

Previous issues of Equity Shares otherwise than for cash

Except as disclosed in "*Capital Structure*" on page 79, our Company has not issued any Equity Shares for consideration otherwise than for cash.

Underwriting Commission, Brokerage and Selling Commission paid on previous issues of the Equity Shares

Since this is the initial public issue of Equity Shares, no sum has been paid or is payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of the Equity Shares since our Company's inception.

Previous capital issue during the previous three years by listed Subsidiaries of our Company

None of our Subsidiaries on any stock exchanges in India and abroad are listed as on the date of this Draft Red Herring Prospectus.

Performance vis-à-vis objects – Public/ rights issue of our Company and/ or listed Subsidiaries of our Company

Our Company has not undertaken any previous public or rights issue. None of our Subsidiaries have undertaken any public or rights issue in the last ten years preceding the date of this Draft Red Herring Prospectus.

Outstanding Debentures or Bonds

There are no outstanding debentures or bonds as of the date of filing this Draft Red Herring Prospectus.

Outstanding Preference Shares or convertible instruments issued by our Company

Except the Series A CCPS and Series B CCPS and the options granted by our Company under ESOP 2015, there are no outstanding instruments as on the date of this Draft Red Herring Prospectus. For further details in relation to the options granted by our Company, see "*Capital Structure*" on page 79.

Partly Paid-up Equity Shares

Our Company does not have any partly paid-up Equity Shares as on the date of this Draft Red Herring Prospectus.

Stock Market Data of Equity Shares

This being an initial public offer of our Company, the Equity Shares are not listed on any stock exchange.

Fees Payable to the Syndicate

The total fees payable to the Syndicate (including underwriting commission and selling commission and reimbursement of their out-of-pocket expense) will be as per the fee/engagement letter dated [●].

For details of the Offer expenses, see "*Objects of the Offer*" on page 99.

Commission payable to SCSBs, Registered Brokers, RTAs and CDPs

For details of the commission payable to SCSBs, Registered Brokers, RTAs and CDPs see "*Objects of the Offer*" on page 99.

Redressal of Investor Grievances

The agreement between the Registrar to the Offer, our Company and the Selling Shareholders provides for retention of records with the Registrar to the Offer for a period of at least three years from the date of listing and commencement of trading of the Equity Shares on the Stock Exchanges or such longer period as may be prescribed under applicable law to enable the investors to approach the Registrar to the Offer for redressal of their grievances.

All grievances, other than those of Anchor Investors, may be addressed to the Registrar to the Offer with a copy to the relevant Designated Intermediary/(ies) with whom the Bid cum Application Form was submitted. The Bidder should give full details such as name of the sole or first Bidder, Bid cum Application Form number, Bidder's DP ID, Client ID, PAN, date of submission of the Bid cum Application Form, address of the Bidder, number of Equity Shares applied for, ASBA Account number in which the amount equivalent to the Bid Amount was blocked, date of ASBA Form and the name and address of the Designated Intermediary/(ies) where the Bid cum Application Form was submitted by the Bidder.

Further, the Bidder shall also enclose a copy of the Acknowledgment Slip received from the Designated Intermediaries in addition to the documents or information mentioned hereinabove.

All grievances of the Anchor Investors may be addressed to the Registrar to the Offer, giving full details such as the name of the sole or First Bidder, Bid cum Application Form number, Bidders' DP ID, Client ID, PAN, date of the Bid cum Application Form, address of the Bidder, number of the Equity Shares applied for, Bid Amount paid on submission of the Bid cum Application Form and the name and address of the BRLMs where the Bid cum Application Form was submitted by the Anchor Investor.

All grievances relating to Bids submitted through the Registered Broker maybe addressed to the Stock Exchange with a copy to the Registrar to the Offer.

Further, the investor shall also enclose a copy of the Acknowledgment Slip received from the Designated Intermediaries in addition to the information mentioned hereinabove.

Our Company estimates that the average time required by our Company or the Registrar to the Offer or the relevant Designated Intermediary, for the redressal of routine investor grievances shall be 10 Working Days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible. Our Company, BRLMs and Registrar accept no responsibility for errors, omissions, commissions of any acts of the Designated Intermediaries, including any default in complying with its obligations under the SEBI ICDR Regulations.

Our Company has appointed a Stakeholders' Relationship Committee comprising Muthuswami Lakshminarayan, Unni Rajagoapl K and S Sekhar Vasan, as members. For details, see "*Our Management*" on page 205.

Our Company has also appointed Sourabh Kumar, Company Secretary of our Company as the Compliance Officer for the Offer. For details, see "*General Information*" on page 72.

There are no listed companies under the same management as our Company.

Changes in Auditors

There has been no change in the statutory auditors in the last three years.

Capitalisation of Reserves or Profits

Our Company has not capitalised its reserves or profits at any time during the last five years, except as stated in "*Capital Structure*" on page 79.

Revaluation of Assets

Our Company has not re-valued its assets at any time in the last five years.

SECTION VII: OFFER INFORMATION

TERMS OF THE OFFER

The Equity Shares being issued and transferred pursuant to this Offer shall be subject to the provisions of the Companies Act, SEBI ICDR Regulations, SCRA, SCRR, the Memorandum and Articles of Association, SEBI Listing Regulations, the terms of the Red Herring Prospectus, the Prospectus, the abridged prospectus, Bid cum Application Form, the Revision Form, the CAN/Allotment Advice and other terms and conditions as may be incorporated in the Allotment Advices and other documents/certificates that may be executed in respect of the Offer. The Equity Shares shall also be subject to laws as applicable, guidelines, rules, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, the Government of India, the Stock Exchanges, the RBI, RoC and/or other authorities, as in force on the date of the Offer and to the extent applicable or such other conditions as may be prescribed by the SEBI, the RBI, the Government of India, the Stock Exchanges, the RoC and/or any other authorities while granting its approval for the Offer.

Offer for Sale

The Offer comprises an Offer for Sale by the Selling Shareholders. All Offer related expenses shall be borne *pro-rata* as agreed amongst our Company and the Selling Shareholders in proportion to the respective Equity Shares offered by each of them in the Offer in accordance with applicable law. The Selling Shareholders shall reimburse our Company for all expenses incurred by the Company in relation to the Offer for Sale on each of their behalf. However, in the event that the Offer is withdrawn by the Company for any reason whatsoever, all the Offer related expenses will be borne by our Company.

Ranking of the Equity Shares

The Equity Shares being issued and transferred pursuant to the Offer shall be subject to the provisions of the Companies Act, the Memorandum of Association and Articles of Association and shall rank *pari-passu* in all respects with the existing Equity Shares including in respect of voting and the right to receive dividend. The Allottees upon Allotment of Equity Shares under the Offer, will be entitled to dividend and other corporate benefits, if any, declared by our Company after the date of Allotment. For further details, see "*Main Provisions of Articles of Association*" on page 507.

Mode of Payment of Dividend

Our Company shall pay dividends, if declared, to the Shareholders in accordance with the provisions of Companies Act, the Memorandum of Association and Articles of Association and provisions of the SEBI Listing Regulations and any other guidelines that may be issued in this respect by the Government of India. For further details, in relation to dividends, see "*Dividend Policy*" and "*Main Provisions of the Articles of Association*" on pages 217 and 507, respectively.

Face Value and Offer Price

The face value of each Equity Share is ₹2 and the Offer Price at the lower end of the Price Band is ₹[●] per Equity Share and at the higher end of the Price Band is ₹[●] per Equity Share. The Anchor Investor Offer Price is ₹[●] per Equity Share.

The Price Band will be decided by our Company and the Investor Selling Shareholders, in consultation with the BRLMs and the Promoter Selling Shareholders and the minimum Bid Lot size for the Offer, the Retail Discount and the Employee Discount, if any, will be decided by our Company in consultation with the BRLMs and the Selling Shareholders and advertised in [●] edition of the English national newspaper [●], [●] edition of the Hindi national newspaper [●] and [●] edition of the Kannada newspaper [●], each with wide circulation, at least five Working Days prior to the Bid/Offer Opening Date and shall be made available to the Stock Exchanges for the purpose of uploading the same on their websites. The Price Band, along with the relevant financial ratios calculated at the Floor Price and at the Cap Price, shall be pre-filled in the Bid cum Application Forms available on the respective websites of the Stock Exchanges.

At any given point of time there shall be only one denomination of Equity Shares.

Compliance with disclosure and accounting norms

Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

Rights of the Equity Shareholders

Subject to applicable laws, rules, regulations and guidelines and the Articles of Association, our equity Shareholders shall have the following rights:

- Right to receive dividends, if declared;
- Right to attend general meetings and exercise voting rights, unless prohibited by law;
- Right to vote on a poll either in person or by proxy, in accordance with the provisions of the Companies Act;
- Right to receive offers for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation, subject to any statutory and preferential claim being satisfied;
- Right of free transferability, subject to applicable laws including any RBI rules and regulations; and
- Such other rights, as may be available to a shareholder of a listed public company under the Companies Act, the SEBI Listing Regulations and the Articles of Association of our Company.

For a detailed description of the main provisions of the Articles of Association of our Company relating to voting rights, dividend, forfeiture and lien, transfer, transmission and/or consolidation/splitting, see "*Main Provisions of Articles of Association*" on page 507.

Market Lot and Trading Lot

Pursuant to Section 29 of the Companies Act, 2013 the Equity Shares shall be Allotted only in dematerialised form. As per the SEBI ICDR Regulations, the trading of the Equity Shares shall only be in dematerialised form. In this context, our Company is in the process of entering into tripartite agreements with the respective Depositories and the Registrar to the Offer.

At present, two agreements have been entered into amongst our Company, the respective Depositories and Registrar to the Offer:

- Tripartite agreement dated May 24, 2013 our Company, NSDL and Registrar to the Offer
- Tripartite agreement dated May 16, 2013 amongst our Company, CDSL and Registrar to the Offer

Since trading of the Equity Shares is in dematerialised form, the tradable lot is one Equity Share. Allotment in this Offer will be only in dematerialised form in multiples of one Equity Share subject to a minimum Allotment of [•] Equity Shares.

Joint Holders

Where two or more persons are registered as the holders of the Equity Shares, they shall be entitled to hold the same as joint tenants with benefits of survivorship.

Jurisdiction

Exclusive jurisdiction for the purpose of this Offer is with the competent courts/authorities in Mumbai.

Nomination facility to investors

In accordance with Section 72 of the Companies Act, 2013, read with the Companies (Share Capial and Debentures) Rules, 2014, the sole Bidder, or the first Bidder along with other joint Bidders, may nominate any one person in whom, in the event of the death of sole Bidder or in case of joint Bidders, death of all the Bidders, as the case may be, the Equity Shares Allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale/transfer/alienation of Equity Share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at our Registered Office or to the registrar and transfer agents of our Company.

Any person who becomes a nominee by virtue of the provisions of Section 72 of the Companies Act, 2013 shall upon the production of such evidence as may be required by the Board, elect either:

a) to register himself or herself as the holder of the Equity Shares; or

b) to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of 90 days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment of Equity Shares in the Offer will be made only in dematerialized mode, there is no need to make a separate nomination with our Company. Nominations registered with respective Depository Participant of the Bidder would prevail. If the Bidder wants to change the nomination, they are requested to inform their respective Depository Participant.

Withdrawal of the Offer

Our Company and Selling Shareholders, in consultation with the BRLMs, reserve the right not to proceed with the Offer after the Bid/Offer Opening Date but before the Allotment. In such an event, our Company would issue a public notice in the newspapers in which the pre-Offer advertisements were published, within two days of the Bid/Offer Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Offer. The Registrar to the Offer, shall notify the SCSBs to unblock the bank accounts of the ASBA Bidders within one Working Day from the date of receipt of such notification. Our Company shall also inform the same to the Stock Exchanges on which Equity Shares are proposed to be listed. The notice of withdrawal shall be included in the same newspapers in which the post Offer advertisements have appeared.

Notwithstanding the foregoing, this Offer is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment, and (ii) the final RoC approval of the Prospectus after it is filed with the RoC. If our Company withdraws the Offer after the Bid/Offer Closing Date and thereafter determines that it will proceed with an issue/offer for sale of the Equity Shares, our Company shall file a fresh draft red herring prospectus with SEBI.

Bid/Offer Programme

BID/OFFER OPENS ON	[●][(1)]
BID/OFFER CLOSES ON	**[●]**[(2)]

(1) Our Company and the Investor Selling Shareholders may, in consultation with the BRLMs and the Promoter Selling Shareholders, consider participation by Anchor Investors. The Anchor Investor Bid/Offer Period shall be one Working Day prior to the Bid/Offer Opening Date in accordance with the SEBI ICDR Regulations

(2) Our Company and the Investor Selling Shareholders may, in consultation with the BRLMs and the Promoter Selling Shareholders, consider closing the Bid/Offer Period for QIBs one day prior to the Bid/Offer Closing Date in accordance with the SEBI ICDR Regulations

An indicative timetable in respect of the Offer is set out below:

Event	Indicative Date
Bid/Offer Closing Date	[●]
Finalisation of Basis of Allotment with the Designated Stock Exchange	On or about [●]
Initiation of refunds (if any, for Anchor Investors)/unblocking of funds from ASBA Account	On or about [●]
Credit of Equity Shares to demat accounts of Allottees	On or about [●]
Commencement of trading of the Equity Shares on the Stock Exchanges	On or about [●]

The above timetable, other than the Bid/Offer Closing Date, is indicative and does not constitute any obligation or liability on our Company or the Selling Shareholders or the BRLMs.

Whilst our Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchanges are taken within six Working Days of the Bid/Offer Closing Date, the timetable may be extended due to various factors, such as extension of the Bid/Offer Period by our Company and the Selling Shareholders, revision of the Price Band or any delay in receiving the final listing and trading approval from the Stock Exchanges. The commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchanges and in accordance with the applicable laws.

Submission of Bids (other than Bids from Anchor Investors):

Bid/Offer Period (except the Bid/Offer Closing Date)	
Submission and Revision in Bids	Only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time ("**IST**")
Bid/Offer Closing Date	
Submission and Revision in Bids	Only between 10.00 a.m. and 3.00 p.m. IST

On the Bid/Offer Closing Date, the Bids shall be uploaded until:

(i) 4.00 p.m. IST in case of Bids by QIBs and Non-Institutional Bidders, and

(ii) until 5.00 p.m. IST or such extended time as permitted by the Stock Exchanges, in case of Bids by Retail Individual Bidders or Eligible Employees.

On Bid/Offer Closing Date, extension of time will be granted by Stock Exchanges only for uploading Bids received by Retail Individual Bidders after taking into account the total number of Bids received and as reported by the BRLMs to the Stock Exchanges.

It is clarified that Bids not uploaded on the electronic bidding system or in respect of which the full Bid Amount is not blocked by SCSBs would be rejected.

Due to limitation of time available for uploading the Bids on the Bid/Offer Closing Date, Bidders are advised to submit their Bids one day prior to the Bid/Offer Closing Date. Any time mentioned in this Draft Red Herring Prospectus is IST. Bidders are cautioned that, in the event a large number of Bids are received on the Bid/Offer Closing Date, some Bids may not get uploaded due to lack of sufficient time. Such Bids that cannot be uploaded will not be considered for allocation under this Offer. Bids will be accepted only during Monday to Friday (excluding any public/bank holiday). None among our Company, the Selling Shareholders or any member of the Syndicate is liable for any failure in uploading the Bids due to faults in any software/hardware system or otherwise.

Our Company and the Investor Selling Shareholders, in consultation with the BRLMs and the Promoter Selling Shareholders reserves the right to revise the Price Band during the Bid/Offer Period. The revision in the Price Band shall not exceed 20% on either side, i.e. the Floor Price can move up or down to the extent of 20% of the Floor Price and the Cap Price will be revised accordingly.

In case of revision in the Price Band, the Bid/Offer Period shall be extended for at least three additional Working Days after such revision, subject to the Bid/Offer Period not exceeding 10 Working Days. Any revision in Price Band, and the revised Bid/Offer Period, if applicable, shall be widely disseminated by notification to the Stock Exchanges, by issuing a press release and also by indicating the change on the terminals of the Syndicate Members.

Minimum Subscription

The requirement of minimum subscription is not applicable to the Offer in accordance with the SEBI ICDR Regulations. However, if our Company does not make the minimum Allotment as specified under the terms of Rule 19(2)(b) of the SCRR, including devolvement of Underwriters, if any, within 60 days from the date of Bid/Offer Closing Date, the Selling Shareholder and our Company shall forthwith refund the entire subscription amount received. If there is delay beyond the prescribed time, the Selling Shareholder and our Company and shall pay interest prescribed under the applicable law.

Under subscription, if any, in any category except the QIB Portion, would be met with spill-over from the other categories at the discretion of our Company and the Investor Selling Shareholders in consultation with the BRLMs, the Promoter Selling Shareholders and the Designated Stock Exchange.

Further, pursuant to Regulation 26(4) of the SEBI ICDR Regulations, our Company shall ensure that the number of prospective allottees to whom the Equity Shares will be Allotted will be not less than 1,000.

Any expense incurred by our Company on behalf of each Selling Shareholder with regard to refunds, interest for delays, etc. for the Equity Shares being offered in the Offer will be reimbursed by such Selling Shareholder to our Company in proportion to the Equity Shares being offered for sale by such Selling Shareholders in the Offer, to the extent that the delay is solely attributable to such Selling Shareholder.

Arrangements for Disposal of Odd Lots

There are no arrangements for disposal of odd lots since our Equity Shares will be traded in dematerialised form only and market lot for our Equity Shares will be one Equity Share.

Restrictions, if any on Transfer and Transmission of Equity Shares

Except for the lock-in of the pre-Offer capital of our Company, Promoters' minimum contribution and the Anchor Investor lock-in as provided in "*Capital Structure*" on page 79 and except as provided in the Articles of Association there are no restrictions on transfer of Equity Shares. Further, there are no restrictions on the transmission of shares/debentures and on their consolidation/splitting, except as provided in the Articles of Association. For details see "*Main Provisions of the Articles of Association*" on page 507.

Option to Receive Securities in Dematerialized Form

Pursuant to Section 29 of the Companies Act, 2013, the Equity Shares in the Offer shall be Allotted only in dematerialised form. Further, as per the SEBI ICDR Regulations, the trading of the Equity Shares shall only be in dematerialised form on the Stock Exchanges.

OFFER STRUCTURE

Public Offer of up to 17,244,328 Equity Shares for cash at a price of ₹[●] per Equity Share (including a premium of ₹[●] per Equity Share) aggregating to ₹[●] comprising of Offer of Sale of up to 17,244,328 Equity Shares aggregating to ₹[●] by the Selling Shareholders. The Offer includes an Employee Reservation Portion of up to [●] Equity Shares aggregating up to ₹[●] million, for subscription by Eligible Employees. The Offer and the Net Offer shall constitute [●]% and [●]%, respectively of the post-Offer paid up Equity Share capital of our Company.

The Offer is being made through the Book Building Process.

Particulars	**Eligible Employees**	**QIBs**(1)	**Non-Institutional Bidders**	**Retail Individual Bidders**
Number of Equity Shares available for Allotment/ allocation*(2)	Up to [●] Equity Shares	Not more than [●] Equity Shares	Not less than [●] Equity Shares available for allocation or Net Offer less allocation to QIB Bidders and Retail Individual Bidders	Not less than [●] Equity Shares available for allocation or Net Offer less allocation to QIB Bidders and Non-Institutional Bidders
Percentage of Offer Size available for Allotment/ allocation	Up to [●] % of the Offer.	Not more than 50% of the Net Offer size shall be available for allocation to QIBs. However, up to 5% of the QIB Portion (excluding the Anchor Investor Portion) will be available for allocation proportionately to Mutual Funds only. Mutual Funds participating in the Mutual Fund Portion will also be eligible for allocation in the remaining balance QIB Portion. Any unsubscribed portion in the Mutual Fund reservation will be added to the remaining QIB Portion (other than Anchor Investor Portion).	Not less than 15% of the Net Offer, or the Net Offer less allocation to QIB Bidders and Retail Individual Investors shall be available for allocation.	Not less than 35% of the Net Offer, or the Net Offer less allocation to QIB Bidders and Non-Institutional Investors shall be available for allocation
Basis of Allotment/ allocation if respective category is oversubscribed*	Proportionate unless the Employee Reservation Portion is undersubscribed (3)	Proportionate as follows (excluding the Anchor Investor Portion): (a) Up to [●] Equity Shares shall be available for allocation on a proportionate basis to Mutual Funds only; and (b) [●] Equity Shares shall be Allotted on a proportionate basis to all QIBs, including Mutual Funds receiving allocation as per (a) above [●] Equity Shares may be allocated on a discretionary basis to Anchor Investors	Proportionate	The Allotment to each Retail Individual Investor shall not be less than the minimum Bid Lot, subject to availability of Equity Shares in the Retail Portion and the remaining available Equity Shares if any, shall be Allotted on a proportionate basis. For details, see "*Offer Procedure – Part B – Allotment Procedure and Basis of Allotment – Allotment to RIBs*" on page 496
Mode of Bidding	ASBA only	ASBA only (4)	ASBA only	ASBA only
Minimum Bid	[●] Equity Shares and in multiples of [●] Equity Shares thereafter	Such number of Equity Shares that the Bid Amount exceeds ₹200,000 in multiples of [●] Equity Shares	Such number of Equity Shares that the Bid Amount exceeds ₹200,000 in multiples of [●] Equity Shares	[●] Equity Shares and in multiples of [●] Equity Shares thereafter

Particulars	Eligible Employees	QIBs[(1)]	Non-Institutional Bidders	Retail Individual Bidders
Maximum Bid	Such number of Equity Shares in multiples of [●] so as to ensure that the Bid Amount does not exceed ₹500,000 (which will be less Employee Discount, if any).	Such number of Equity Shares in multiples of [●] Equity Shares not exceeding the size of the Net Offer, subject to limits applicable to each Bidder	Such number of Equity Shares in multiples of [●] Equity Shares not exceeding the size of the Net Offer, subject to limits applicable to each Bidder	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid Amount does not exceed ₹200,000
Bid Lot	[●] Equity Shares and in multiples of [●] Equity Shares thereafter			
Allotment Lot	[●] Equity Shares and in multiples of one Equity Share thereafter			
Trading Lot	One Equity Share			
Mode of Allotment	Compulsorily in dematerialised form	Compulsorily in dematerialised form	Compulsorily in dematerialised form	Compulsorily in dematerialised form
Who can apply	Eligible Employees, such that the Bid Amount does not exceed ₹500,000	Public financial institutions as specified in Section 2(72) of the Companies Act, 2013, scheduled commercial banks, mutual funds, FPIs other than Category III FPIs, VCFs, AIFs, FVCIs, multilateral and bilateral development financial institutions, state industrial development corporation, insurance company registered with IRDAI, provident fund (subject to applicable law) with minimum corpus of ₹250 million, pension fund with minimum corpus of ₹250 million, National Investment Fund set up by the Government of India, insurance funds set up and managed by army, navy or air force of the Union of India and insurance funds set up and managed by the Department of Posts, India and Systemically Important NBFCs.	Resident Indian individuals, Eligible NRIs, HUFs (in the name of Karta), companies, corporate bodies, scientific institutions societies and trusts, Category III FPIs	Resident Indian individuals, Eligible NRIs and HUFs (in the name of Karta)
Terms of Payment	Full Bid Amount shall be blocked by the SCSBs in the bank account of the ASBA Bidder that is specified in the ASBA Form at the time of submission of the ASBA Form[(5)]			

* *Assuming full subscription in the Offer*

(1) *Our Company and the Investor Selling Shareholders in consultation with the BRLMs and the Promoter Selling Shareholders may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. For details, see "Offer Procedure" on page 462*

(2) *Subject to valid Bids being received at or above the Offer Price. This Offer is being made in accordance with Rule 19(2)(b) of the SCRR and under the SEBI ICDR Regulations*

(3) *Allotment to an Eligible Employee in the Employee Reservation Portion may exceed ₹200,000 (which will be less Employee Discount) only in the event of an under-subscription in the Employee Reservation Portion and such unsubscribed portion may be Allotted on a proportionate basis to Eligible Employees Bidding in the Employee Reservation Portion, subject to the total Allotment to an Eligible Employee not exceeding ₹500,000 (which will be less Employee Discount).*

(4) *Anchor Investors are not permitted to use the ASBA process*

(5) *Bid Amount shall be payable by the Anchor Investors at the time of submission of the Anchor Investor Application Form. For details of terms of payment applicable to Anchor Investors, see "Offer Procedure -Section 7: Allotment Procedure and Basis of Allotment" on page 496*

The unsubscribed portion if any, in the Employee Reservation Portion shall be added back to the Net Offer. In case of under-subscription in the Net Offer, spill-over to the extent of such under subscription shall be permitted from the Employee Reservation Portion, subject to the Net Offer constituting [●]% of the post-Offer equity share capital of the Company. Employee Discount of ₹[●] to the Offer Price may be offered to Eligible Employees bidding in the Employee Reservation Portion. Under-subscription, if any, in any category, except in the QIB Portion, would be allowed to be met with spill over from any other category or combination of categories of Bidders at the discretion of our Company and the Investor Selling Shareholders, in consultation with the BRLMs, the Promoter Selling Shareholders and the Designated Stock Exchange subject to receipt of valid Bids received at or above the Offer Price. Under-subscription, if any, in the QIB Portion, would not be allowed to be met with spill-over from any other category or a combination of categories.

Employee Discount

The Employee Discount, if any, will be offered to the Eligible Employees bidding in the Employee Reservation Portion, at the time of making a Bid. Eligible Employees bidding in the Employee Reservation Portion bidding at a price within the Price Band can make payment at the Bid Amount (which will be less Employee Discount, if any) at the time of making a Bid. Eligible Employees bidding in the Employee Reservation Portion bidding at the Cut-Off Price have to ensure payment at the Cap Price, less Employee Discount, at the time of making a Bid. Eligible Employees bidding in the Employee Reservation Portion must ensure that the Bid Amount (which will be less Employee Discount, if any) does not exceed ₹500,000. Please refer to "*Offer Procedure - Maximum and Minimum Bid Size*" on page 483.

Retail Discount

Subject to valid Bids being received at or above the Offer Price, our Company may in consultation with the BRLMs and the Selling Shareholders offer a Retail Discount to Retail Individual Bidders in accordance with the SEBI ICDR Regulations.

Withdrawal of the Offer

Our Company and Selling Shareholders, in consultation with the BRLMs, reserve the right not to proceed with the Offer after the Bid/Offer Opening Date but before the Allotment. In such an event, our Company would issue a public notice in the newspapers in which the pre-Offer advertisements were published, within two days of the Bid/Offer Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Offer. The Registrar to the Offer, shall notify the SCSBs to unblock the bank accounts of the ASBA Bidders within one Working Day from the date of receipt of such notification. Our Company shall also inform the same to the Stock Exchanges on which Equity Shares are proposed to be listed. The notice of withdrawal shall be included in the same newspapers in which the post Offer advertisements have appeared.

Notwithstanding the foregoing, this Offer is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment, and (ii) the final RoC approval of the Prospectus after it is filed with the RoC. If our Company withdraws the Offer after the Bid/Offer Closing Date and thereafter determines that it will proceed with an issue/offer for sale of the Equity Shares, our Company shall file a fresh draft red herring prospectus with SEBI.

OFFER PROCEDURE

*All Bidders should review the General Information Document for Investing in Public Issues prepared and issued in accordance with the circular (CIR/CFD/DIL/12/2013) dated October 23, 2013 notified by SEBI (the "General Information Document") included below under "**Part B – General Information Document**", which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, the SCRA, the SCRR and the SEBI ICDR Regulations. The General Information Document has been updated to reflect amendments to the SEBI ICDR Regulations, Companies Act, 2013 and any other enactments and regulations, to the extent applicable to a public issue. The General Information Document is also available on the websites of the Stock Exchanges and the BRLMs. Please refer to the relevant provisions of the General Information Document which are applicable to the Offer.*

Our Company, the Selling Shareholders and the BRLMs do not accept any responsibility for the completeness and accuracy of the information stated in this section and are not liable for any amendment, modification or change in the applicable law which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that their Bids are submitted in accordance with applicable laws and do not exceed the investment limits or maximum number of the Equity Shares that can be held by them under applicable law or as specified in this Draft Red Herring Prospectus.

PART A

Book Building Procedure

The Offer is being made through the Book Building Process wherein not more than 50% of the Net Offer shall be allocated to QIBs on a proportionate basis, provided that our Company and the Investor Selling Shareholders, in consultation with the BRLMs and the Promoter Selling Shareholders may allocate up to 60% of the QIB Category to Anchor Investors on a discretionary basis of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from them at or above the Anchor Investor Allocation Price. 5% of the QIB Category (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Category shall be available for allocation on a proportionate basis to all QIB Bidders (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. Further, not less than 15% of the Net Offer shall be available for allocation on a proportionate basis to Non-Institutional Investors and not less than 35% of the Net Offer shall be available for allocation to Retail Individual Investors in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price.

The unsubscribed portion if any, in the Employee Reservation Portion shall be added back to the Net Offer. In case of under-subscription in the Net Offer, spill-over to the extent of such under subscription shall be permitted from the Employee Reservation Portion, subject to the Net Offer constituting [●]% of the post-Offer equity share capital of the Company. Employee Discount of ₹[●] to the Offer Price may be offered to Eligible Employees bidding in the Employee Reservation Portion. Under-subscription, if any, in any category, except in the QIB Portion, would be allowed to be met with spill over from any other category or combination of categories of Bidders at the discretion of our Company and the Investor Selling Shareholders, in consultation with the BRLMs, the Promoter Selling Shareholders and the Designated Stock Exchange subject to receipt of valid Bids received at or above the Offer Price. Under-subscription, if any, in the QIB Portion, would not be allowed to be met with spill-over from any other category or a combination of categories.

The Equity Shares, on Allotment, shall be traded only in the dematerialized segment of the Stock Exchanges.

Investors should note that the Equity Shares will be Allotted to all successful Bidders only in dematerialised form. The Bid cum Application Forms which do not have the details of the Bidders' depository account, including DP ID, Client ID and PAN, shall be treated as incomplete and will be rejected. Bidders will not have the option of being Allotted Equity Shares in physical form.

Bid cum Application Form

Copies of the ASBA Form and the abridged prospectus will be available with the Designated Intermediaries at the Bidding Centers, and the Registered and Corporate Office of our Company. An electronic copy of the ASBA Form will also be available for download on the websites of the NSE (www.nseindia.com) and the BSE (www.bseindia.com) at least one day prior to the Bid/Offer Opening Date.

All Bidders (other than Anchor Investors) shall mandatorily participate in the Offer only through the ASBA process. ASBA Bidders must provide bank account details and authorisation to block funds in the relevant space provided in the ASBA Form and the ASBA Forms that do not contain such details will be rejected.

ASBA Bidders shall ensure that the Bids are made on ASBA Forms bearing the stamp of the Designated Intermediary, submitted at the Bidding Centers only (except in case of electronic ASBA Forms) and the ASBA Forms not bearing such specified stamp are liable to be rejected.

The prescribed colour of the Bid cum Application Form for the various categories is as follows:

Category	Colour of Bid cum Application Form*
Resident Indians and Eligible NRIs applying on a non-repatriation basis	White
Non-Residents including Eligible NRIs, FVCIs or FPIs, registered multilateral and bilateral development financial institutions applying on a repatriation basis	Blue
Anchor Investors	White
Eligible Employees bidding in the Employee Reservation Portion	Pink

* *Excluding electronic Bid cum Application Form*

Designated Intermediaries (other than SCSBs) shall submit/deliver the ASBA Forms to the respective SCSB, where the Bidder has a bank account and shall not submit it to any non-SCSB bank or any Escrow Collection Bank.

The Equity Shares have not been and will not be registered under the Securities Act or any other applicable securities laws of any state or other jurisdiction of the United States and, unless so registered, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. Accordingly, the Equity Shares are only being offered and sold (i) within the United States only to persons reasonably believed to be U.S. QIBs pursuant to Rule 144A or any other available exemption from the registration requirements of the Securities Act, and (ii) outside the United States in offshore transactions in reliance on Regulation S and pursuant to the applicable laws of the jurisdictions where those offers and sales occur.

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

T**here is no reservation for Eligible NRI Bidders, AIFs, FPIs and FVCIs. All Bidders will be treated on the same basis with other categories for the purpose of allocation. Our Company, the Selling Shareholders or the BRLMs will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.**

Participation by Promoters, Promoter Group, the BRLMs the Syndicate Members and persons related to the Promoters/Promoter Group/ BRLMs

The BRLMs and the Syndicate Members shall not be allowed to purchase Equity Shares in this Offer in any manner, except towards fulfilling their underwriting obligations. However, the associates and affiliates of the BRLMs and the Syndicate Members may Bid for Equity Shares in the Offer, either in the QIB Category or in the Non-Institutional Category as may be applicable to such Bidders, where the allocation is on a proportionate basis and such subscription may be on their own account or on behalf of their clients. All categories of investors, including associates or affiliates of the BRLMs and Syndicate Members, shall be treated equally for the purpose of allocation to be made on a proportionate basis.

Neither the BRLMs nor any persons related to the BRLMs (other than Mutual Funds sponsored by entities related to the BRLMs) Promoters and Promoter Group can apply in the Offer under the Anchor Investor Portion

Bids by Mutual Funds

With respect to Bids by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged with the Bid cum Application Form. Failing this, our Company and the Selling Shareholders reserve the right to reject any Bid without assigning any reason thereof.

Bids made by asset management companies or custodians of Mutual Funds shall specifically state names of the concerned schemes for which such Bids are made.

In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which the Bid has been made.

No Mutual Fund scheme shall invest more than 10% of its net asset value in equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in case of index funds or sector or industry specific schemes. No Mutual Fund under all its schemes should own more than 10% of any company's

paid-up share capital carrying voting rights.

Bids by Eligible NRIs

Eligible NRIs may obtain copies of Bid cum Application Form from the Designated Intermediaries. Eligible NRI Bidders bidding 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 NRI Bidders bidding on a non-repatriation basis by using Resident Forms should authorize their SCSB to block their Non-Resident Ordinary ("**NRO**") accounts for the full Bid Amount, at the time of the submission of the Bid cum Application Form.

Eligible NRIs Bidding on non-repatriation basis are advised to use the Bid cum Application Form for residents (white in colour). Eligible NRIs Bidding on a repatriation basis are advised to use the Bid cum Application Form meant for Non-Residents (blue in colour).

Bids by FPIs

In terms of the SEBI FPI Regulations, the purchase of Equity Shares and total holding by a single FPI or an investor group (which means the same set of ultimate beneficial owner(s) investing through multiple entities) must be below 10% of our post-Offer Equity Share capital. Further, in terms of the FEMA Regulations, the total holding by each FPI shall be below 10% of the total paid-up Equity Share capital of our Company and the total holdings of all FPIs put together shall not exceed 24% of the paid-up Equity Share capital of our Company. The aggregate limit of 24% may be increased up to the sectoral cap by way of a resolution passed by the Board of Directors followed by a special resolution passed by the Shareholders of our Company and subject to prior intimation to RBI. Pursuant to our Board resolution dated July 27, 2018 and Shareholders' resolution dated July 28, 2018, the aggregate limit of 24% has been increased up to 49%. In terms of the FEMA Regulations, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs as well as holding of FIIs (being deemed FPIs) shall be included. The existing individual and aggregate investment limits for an FII or sub account in our Company are 10% and 49% of the total paid-up Equity Share capital of our Company, respectively.

FPIs are permitted to participate in the Offer subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

Regulation 21(7) of the SEBI FPI Regulations which mandates that the purchase of equity shares of each company by a single FPI or an investor group below 10% of the total issued capital of the company, and Regulation 23(3) of the SEBI FPI Regulations, which require that in case the same set of ultimate beneficial owner(s) invest through multiple entities, such entities shall be treated as part of same investor group and the investment limits of all such entities shall be clubbed at the investment limit as applicable to a FPI. To ensure compliance with the above, pursuant to circular dated July 13, 2018, SEBI hasdirected that at the time of finalisation of the Basis of Allotment, the Registrar shall (i) use the PAN issued by the Income Tax Department of India for checking compliance for a single foreign portfolio investor; and (ii) obtain validation from Depositories for the FPIs who have invested in the particular primary market issuance to ensure there is no breach of investment limit, withi the timelines for issue procedure, as prescribed by SEBI from time to time.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 22 of the SEBI FPI Regulations, an FPI, other than Category III Foreign Portfolio Investor and unregulated broad based funds, which are classified as Category II Foreign Portfolio Investor by virtue of their investment manager being appropriately regulated, 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 a FPI against securities held by it that are listed or proposed to be listed on any recognised stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons who are regulated by an appropriate regulatory authority; and (ii) such offshore derivative instruments are issued after compliance with 'know your client' norms. Further, pursuant to a circular dated November 24, 2014 issued by the SEBI, FPIs are permitted to issue offshore derivate instruments only to subscribers that (i) meet the eligibility criteria set forth in Regulation 4 of the SEBI FPI Regulations; and (ii) do not have opaque structures, as defined under the SEBI FPI Regulations.

An FPI is also required to ensure that any transfer of offshore derivative instrument is made by, or on behalf of it subject to the following conditions:

(a) such offshore derivative instruments are transferred to persons subject to fulfilment of SEBI FPI Regulations; and

(b) 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.

Further, where an investor has investments as FPI and also holds positions as an overseas direct investment subscriber, investment restrictions under the SEBI FPI Regulations shall apply on the aggregate of FPI investments and overseas direct investment positions held in the underlying Indian company.

Bids by SEBI registered VCFs, AIFs and FVCIs

The SEBI VCF Regulations, the SEBI FVCI Regulations and the SEBI AIF Regulations *inter-alia* prescribe the investment restrictions on the VCFs, FVCIs and AIFs registered with SEBI.

The holding by any individual VCF registered with SEBI under the SEBI VCF Regulations in one venture capital undertaking should not exceed 25% of the corpus of the VCF. Further, VCFs and FVCIs can invest only up to 33.33% of the investible funds by way of subscription to an initial public offering.

The category I and II AIFs cannot invest more than 25% of the investible funds in one investee company. A category III AIF cannot invest more than 10% of the investible funds in one investee company. A venture capital fund registered as a category I AIF, as defined in the SEBI AIF Regulations, cannot invest more than 1/3rd of its investible funds by way of subscription to an initial public offering of a venture capital undertaking. Additionally, the VCFs which have not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the SEBI VCF Regulations until the existing fund or scheme managed by the fund is wound up and such funds shall not launch any new scheme after the notification of the SEBI AIF Regulations.

All non-resident investors should note that refunds (in case of Anchor Investors), dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and commission.

Bids by limited liability partnerships

In case of Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum Application Form. Failing this, our Company and the Selling Shareholders reserve the right to reject any Bid without assigning any reason thereof.

Bids by Eligible Employees

The Bid must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter so as to ensure that the Bid Amount payable by the Eligible Employee does not exceed ₹500,000 (less the Employee Discount, if any). However, the initial allotment to an Eligible Employee in the Employee Reservation Portion shall exceed ₹Equity Shares 200,000 only in the event of an undersubscription in the Employee Reservation Portion. Post the initial allotment, such unsubscribed portion may be Allotted on a proportionate basis to Eligible Employees Bidding in the Employee Reservation Portion for a value in excess of ₹200,000, subject to the total Allotment to an Eligible Employee not exceeding ₹500,000. The Allotment in the Employee Reservation Portion will be on a proportionate basis. Eligible Employees under the Employee Reservation Portion may Bid at Cut-off Price.

Bids under Employee Reservation Portion by Eligible Employees shall be:

(a) Made only in the prescribed Bid cum Application Form or Revision Form (i.e. pink colour form).

(b) The Bid must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter so as to ensure that the Bid Amount payable by the Eligible Employee does not exceed ₹500,000 (less the Employee Discount, if any). The maximum Bid in this category by an Eligible Employee cannot exceed ₹500,000 (less the Employee Discount, if any).

(c) The Bidder should be an Eligible Employee as defined above. In case of joint bids, the first Bidder shall be an Eligible Employee.

(d) Such Bidders must ensure that the Bid Amount does not exceed ₹500,000 (less the Employee Discount, if any) However, a Bid by an Eligible Employee in the Employee Reservation Portion will be considered for allocation, in the first instance, for a Bid Amount of up to ₹200,000. In the event of under-subscription in the Employee Reservation Portion, the unsubscribed portion will be available for allocation and Allotment, proportionately to all Eligible Employees who have Bid in excess of ₹200,000, subject to the maximum value of Allotment made to such Eligible Employee not exceeding ₹500,000.

(e) Only Eligible Employees would be eligible to apply in this Offer under the Employee Reservation Portion.

(f) Only those Bids, which are received at or above the Offer Price, would be considered for Allotment under this category.

(g) Eligible Employees can apply at Cut-off Price.

(h) Bid by Eligible Employees can be made also in the "Net Offer to the Public" and such Bids shall not be treated as multiple Bids.

(i) If the aggregate demand in this category is less than or equal to [●] Equity Shares at or above the Offer Price, full allocation shall be made to the Eligible Employees to the extent of their demand.

(j) Under-subscription, if any, in the Employee Reservation Portion will be added back to the Net Offer. In case of under-subscription in the Net Offer, spill over to the extent of under-subscription shall be permitted from the Employee Reservation Portion subject to the Net Offer constituting [●]% of the post-Offer share capital of the Company.

If the aggregate demand in this category is greater than [●] Equity Shares at or above the Offer Price, the allocation shall be made on a proportionate basis. For the method of proportionate basis of allocation, see "*Offer Procedure – Part B – Section 7: Allotment Procedure and Basis of Allotment*" on page 496.

Employee Discount of ₹[●] to the Offer Price may be offered to Eligible Employees bidding in the Employee Reservation Portion.

Bids by banking companies

In case of Bids made by banking companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, and (ii) the approval of such banking company's investment committee are required to be attached to the Bid cum Application Form, failing which our Company and the Selling Shareholders reserve the right to reject any Bid without assigning any reason.

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949, as amended (the "**Banking Regulation Act**"), and the Master Direction – Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, is 10% of the paid-up share capital of the investee company or 10% of the banks' own paid-up share capital and reserves, whichever is less. Further, the aggregate investment in subsidiaries and other entities engaged in financial and non-financial services company cannot exceed 20% of the bank's paid-up share capital and reserves. A banking company may hold up to 30% of the paid-up share capital of the investee company with the prior approval of the RBI provided that the investee company is engaged in non-financial activities in which banking companies are permitted to engage under the Banking Regulation Act.

Bids by SCSBs

SCSBs participating in the Offer are required to comply with the terms of the SEBI circulars dated September 13, 2012 and January 2, 2013. Such SCSBs are required to ensure that for making applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBs. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for such applications.

Bids by Anchor Investors

In accordance with the SEBI ICDR Regulations, the key terms for participation by Anchor Investors are provided below.

(i) Anchor Investor Application Forms will be made available for the Anchor Investor Portion at the offices of the BRLMs.

(ii) The Bid must be for a minimum of such number of Equity Shares so that the Bid Amount exceeds ₹100 million. A Bid cannot be submitted for over 60% of the QIB Portion. In case of a Mutual Fund, separate Bids by individual schemes of a Mutual Fund will be aggregated to determine the minimum application size of ₹100 million.

(iii) One-third of the Anchor Investor Portion will be reserved for allocation to domestic Mutual Funds.

(iv) The Anchor Investor Bid/Offer Period shall be one Working Day prior to the Bid/Offer Opening Date.

(v) Our Company and the Investor Selling Shareholders, in consultation with the BRLMs and the Promoter Selling Shareholders will finalise allocation to the Anchor Investors on a discretionary basis, provided that the minimum number of Allottees in the Anchor Investor Portion will not be less than:

(a) a maximum of two Anchor Investors, where allocation under the Anchor Investor Portion is up to ₹100 million;

(b) a minimum of two and maximum of 15 Anchor Investors, where the allocation under the Anchor Investor Portion is more than ₹100 million but up to ₹2,500 million, subject to a minimum Allotment of ₹50 million per Anchor Investor; and

(c) in case of allocation above ₹2,500 million under the Anchor Investor Portion, a minimum of five such investors and a maximum of 15 Anchor Investors for allocation up to ₹2,500 million, and an additional 10 Anchor Investors for every additional ₹2,500 million, subject to minimum allotment of ₹50 million per Anchor Investor.

(vi) Allocation to Anchor Investors will be completed on the Anchor Investor Bidding Date. The number of Equity Shares allocated to Anchor Investors and the price at which the allocation is made will be made available in the public domain by the BRLMs before the Bid/ Offer Opening Date, through intimation to the Stock Exchange.

(vii) Anchor Investors cannot withdraw or lower the size of their Bids at any stage after submission of the Bid.

(viii) If the Offer Price is greater than the Anchor Investor Allocation Price, the additional amount being the difference between the Offer Price and the Anchor Investor Allocation Price will be payable by the Anchor Investors on the Anchor Investor Pay-in Date specified in the CAN. If the Offer Price is lower than the Anchor Investor Allocation Price, Allotment to successful Anchor Investors will be at the higher price, i.e., the Anchor Investor Offer Price.

(ix) Equity Shares Allotted in the Anchor Investor Portion will be locked in for a period of 30 days from the date of Allotment.

(x) The BRLMs, our Promoters, members of the Promoter Group or any person related to them (except for Mutual Funds sponsored by entities related to the BRLM) will not participate in the Anchor Investor Portion. The parameters for selection of Anchor Investors will be clearly identified by the BRLMs and made available as part of the records of the BRLMs for inspection by SEBI.

(xi) Bids made by QIBs under both the Anchor Investor Portion and the QIB Portion will not be considered as multiple Bids.

For details in relation to Bids by Anchor Investors, see "*Offer Procedure – Part B – General Information Document for Investing in Public Issues*" on page 474.

Bids by insurance companies

In case of Bids made by insurance companies registered with the IRDAI, a certified copy of certificate of registration issued by IRDAI must be attached to the Bid cum Application Form. Failing this, our Company and the Selling Shareholders reserve the right to reject any Bid without assigning any reason thereof.

The exposure norms for insurers, prescribed under the Insurance Regulatory and Development Authority (Investment) Regulations, 2016 as amended are broadly set forth below:

(a) equity shares of a company: the lower of 10% of the investee company's outstanding equity shares or 10% of the respective fund in case of life insurer or 10% of investment assets in case of general insurer or reinsurer;

(b) the entire group of the investee company: not more than 15% of the respective fund in case of a life insurer or 15% of investment assets in case of a general insurer or reinsurer or 15% of the investment assets in all companies belonging to the group, whichever is lower; and

(c) the industry sector in which the investee company operates: not more than 15% of the fund of a life insurer or a general insurer or a reinsurer, or 15% of the investment asset, whichever is lower.

The maximum exposure limit, in the case of an investment in equity shares, cannot exceed the lower of an amount of 10% of the investment assets of a life insurer or general insurer and the amount calculated under (a), (b) and (c) above, as the case may be.

Insurance companies participating in this Offer shall comply with all applicable regulations, guidelines and circulars issued by IRDAI from time to time.

Bids by provident funds/pension funds

In case of Bids made by provident funds/pension funds, subject to applicable laws, with minimum corpus of ₹250 million, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be attached to the Bid cum Application Form. Failing this, our Company in consultation with the Selling Shareholders reserves the right to reject any Bid, without assigning any reason thereof.

Bids under Power of Attorney

In case of Bids made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, Eligible FPIs, Mutual Funds, insurance companies, insurance funds set up by the army, navy or air force of the India, insurance funds set up by the Department of Posts, India or the National Investment Fund and provident funds with a minimum corpus of ₹250 million (subject to applicable law) and pension funds with a minimum corpus of ₹250 million, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged along with the Bid cum Application Form. Failing this, our Company in consultation with the Selling Shareholders reserve the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason thereof.

Our Company in consultation with the BRLMs and the Selling Shareholders in its absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application Form.

The above information is given for the benefit of the Bidders. Our Company, the Selling Shareholders and the BRLMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that any single Bid from them does not exceed the applicable investment limits or maximum number of the Equity Shares that can be held by them under applicable law or regulation or as specified in this Draft Red Herring Prospectus.

General Instructions

***Do's*:**

1. Check if you are eligible to apply as per the terms of the Red Herring Prospectus and under applicable law, rules, regulations, guidelines and approvals;

2. Ensure that you have Bid within the Price Band;

3. Read all the instructions carefully and complete the Bid cum Application Form in the prescribed form;

4. Ensure that you have mentioned the correct ASBA Account number in the Bid cum Application Form;

5. Ensure that the details about the PAN, DP ID and Client ID are correct and the Bidders depository account is active, as Allotment of the Offered Shares will be in the dematerialised form only;

6. Ensure that your Bid cum Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the Bidding Center within the prescribed time;

7. Ensure that you have funds equal to the Bid Amount in the ASBA Account maintained with the SCSB before submitting the ASBA Form to any of the respective members of the Syndicate (in the Specified Locations), the SCSBs, the Registered Brokers (at the Broker Centres), the RTA (at the Designated RTA Locations) or CDPs (at the Designated CDP Locations);

8. If the first applicant is not the bank account holder, ensure that the Bid cum Application Form is signed by the account holder. Ensure that you have mentioned the correct bank account number in the Bid cum Application Form;

9. Ensure that the signature of the First Bidder in case of joint Bids, is included in the Bid cum Application Forms;

10. In case of joint Bids, the Bid cum Application Form should contain the name of only the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names;

11. Ensure that you request for and receive a stamped acknowledgement of the Bid cum Application Form for all your Bid options from the concerned Designated Intermediary;

12. Ensure that you submit the revised Bids to the same Designated Intermediary, through whom the original Bid was placed and obtain a revised acknowledgment;

13. Bidders should note that in case the DP ID, Client ID and the PAN mentioned in their Bid cum Application Form and entered into the online IPO system of the Stock Exchanges by the relevant Designated Intermediary, as the case may be, do not match with the DP ID, Client ID and PAN available in the Depository database, then such Bids are liable to be rejected. Where the Bid cum Application Form is submitted in joint names, ensure that the beneficiary account is also held in the same joint names and such names are in the same sequence in which they appear in the Bid cum Application Form;

14. Except for Bids (i) on behalf of the Central or state governments and the officials appointed by the courts, who, in terms of the SEBI circular dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, and (ii) Bids by persons resident in the state of Sikkim, who, in terms of a SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, all Bidders should mention their PAN allotted under the IT Act. The exemption for the Central or the state government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the Demographic Details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same. All other applications in which PAN is not mentioned will be rejected;

15. Ensure that the Demographic Details are updated, true and correct in all respect;

16. Ensure that thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India are attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal;

17. Ensure that the category and the investor status is indicated;

18. Ensure that in case of Bids under power of attorney or by limited companies, corporates, trust, etc., relevant documents are submitted;

19. Ensure that Bids submitted by any person outside India are in compliance with applicable foreign and Indian laws;

20. Ensure that the Bidders' depository account is active, the correct DP ID, Client ID and the PAN are mentioned in their Bid cum Application Form and that the name of the Bidder, the DP ID, Client ID and the PAN entered into the online IPO system of the Stock Exchanges by the relevant Designated Intermediary, as applicable, matches with the name, DP ID, Client ID and PAN available in the Depository database; and

21. Ensure that you have correctly signed the authorisation/undertaking box in the Bid cum Application Form, or have otherwise provided an authorisation to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form at the time of submission of the Bid.

22. The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

23. Bids by Eligible NRIs and HUFs, for a Bid Amount of less than ₹200,000 would be considered under the Retail Category for the purposes of allocation and Bids for a Bid Amount exceeding ₹200,000 would be considered under the Non-Institutional Category for allocation in the Offer.

Don'ts:

1. Do not Bid for lower than the minimum Bid size;

2. Do not Bid/revise Bid Amount to less than the Floor Price or higher than the Cap Price;

3. Do not Bid on another Bid cum Application Form after you have submitted a Bid to a Designated Intermediary;

4. Do not Bid for a Bid Amount exceeding ₹200,000 for Bids by Retail Individual Bidders and ₹500,000 for Bids by Eligible Employees under the Employee Reservation Portion;

5. Do not pay the Bid Amount in cheques, demand drafts or by cash, money order, postal order or by stock invest;

6. Do not send Bid cum Application Forms by post; instead submit the same to the Designated Intermediary only;

7. Do not Bid at Cut-off Price (for Bids by QIBs and Non-Institutional Bidders);

8. Do not Bid on a Bid cum Application Form that does not have the stamp of the relevant Designated Intermediary;

9. Do not instruct your respective banks to release the funds blocked in the ASBA Account under the ASBA process;

10. Do not submit the Bid for an amount more than funds available in your ASBA Account;

11. Do not submit the General Index Register (GIR) number instead of the PAN;

12. Do not submit more than five Bid cum Application Forms per ASBA Account;

13. Anchor Investors should not Bid through the ASBA process;

14. Do not submit the Bid cum Application Forms to any non-SCSB bank or our Company;

15. Instruct your respective banks to release the funds blocked in the ASBA Account under the ASBA process;

16. Do not fill up the Bid cum Application Form such that the Equity Shares Bid for exceeds the Offer size and/ or investment limit or maximum number of the Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations or under the terms of the Red Herring Prospectus;

17. Do not submit Bids on plain paper or on incomplete or illegible Bid cum Application Forms or on Bid cum Application Forms in a colour prescribed for another category of Bidder;

18. Do not submit a Bid in case you are not eligible to acquire Equity Shares under applicable law or your relevant constitutional documents or otherwise;

19. Do not submit your Bid after 3.00 pm on the Bid/Offer Closing Date;

20. If you are a QIB, do not submit your Bid after 3.00 p.m. on the QIB Bid/Offer Closing Date;

21. Do not Bid if you are not competent to contract under the Indian Contract Act, 1872 (other than minors having valid depository accounts as per Demographic Details provided by the depository).

22. Do not withdraw your Bid or lower the size of your Bid (in terms of quantity of the Equity Shares or the Bid Amount) at any stage, if you are a QIB or a Non-Institutional Investor;

23. Do not Bid for shares more than specified by respective Stock Exchanges for each category.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

Grounds for Technical Rejections

In addition to the grounds for rejection of Bids on technical grounds as provided in the sub-section titled "*Part B –General Information Document for Investing in Public Issues – Offer Procedure in Book Built Offer– Rejection and Responsibility for Upload of Bids – Grounds for Technical Rejections*", Bidders are requested to note that Bids may be rejected on the following additional technical grounds.

1. Bid submitted without instruction to the SCSB to block the entire Bid Amount;

2. Bids which do not contain details of the Bid Amount and the bank account details in the ASBA Form;

3. Bids submitted on a plain paper;

4. Bids by HUFs not mentioned correctly as given in the sub-section titled *"Category of Investors eligible to participate in an issue"* on page 477;

5. ASBA Form submitted to a Designated Intermediary does not bear the stamp of the Designated Intermediary; and

6. Bids submitted without the signature of the First Bidder or sole Bidder;

7. The ASBA Form not being signed by the account holders, if the account holder is different from the Bidder;

8. Bids by persons for whom PAN details have not been verified and whose beneficiary accounts are "suspended for credit" in terms of SEBI circular (reference number: CIR/MRD/DP/ 22 /2010) dated July 29, 2010;

9. GIR number furnished instead of PAN;

10. Bids by Retail Individual Bidders or Eligible Employees Bidding in the Employee Reservation Portion with Bid Amount (net of Retail and Employee Discount, if any) for a value of more than ₹200,000 or ₹500,000, respectively;

11. Bids by persons who are not eligible to acquire Equity Shares in terms of all applicable laws, rules, regulations, guidelines and approvals;

12. Bids accompanied by stock invest, money order, postal order or cash;

13. Bids uploaded by QIBs after 4.00 pm on the QIB Bid/ Offer Closing Date and by Non-Institutional Bidders uploaded after 4.00 p.m. on the Bid/ Offer Closing Date, and Bids by Retail Individual Bidders and Eligible Employees Bidding in the Employee Reservation Portion uploaded after 5.00 p.m. on the Bid/ Offer Closing Date, unless extended by the Stock Exchanges.

Payment into Escrow Account for Anchor Investors

Our Company and the Investor Selling Shareholders, in consultation with the BRLMs and the Promoter Selling Shareholders, will decide the list of Anchor Investors to whom the CAN will be sent, pursuant to which the details of the Equity Shares allocated to them in their respective names will be notified to such Anchor Investors. For Anchor Investors, the payment instruments for payment into the Escrow Account should be drawn in favour of:

(a) In case of resident Anchor Investors: "[•] – Escrow Account – R"

(b) In case of Non-Resident Anchor Investors: "[•] – Escrow Account – NR"

Pre-Offer Advertisement

Subject to Section 30 of the Companies Act, 2013, our Company shall, after registering the Red Herring Prospectus with the RoC, publish a pre-Offer advertisement, in the form prescribed by the SEBI ICDR Regulations, in: (i) [•] edition of English national newspaper [•]; (ii) [•] editions of Hindi national newspaper [•]; and (iii) [•] edition of Kannada newspaper [•], each with wide circulation. The advertisement, subject to the provisions of Section 30 of the Companies ct, 2013, shall be in the format prescribed in Part A of Schedule XIII of the SEBI ICDR Regulations.

Signing of the Underwriting Agreement and the RoC Filing

(a) Our Company, the Selling Shareholders and the Syndicate intend to enter into an Underwriting Agreement after the finalisation of the Offer Price.

(b) After signing the Underwriting Agreement, an updated Red Herring Prospectus will be filed with the RoC in accordance with applicable law, which then would be termed as the 'Prospectus'. The Prospectus will contain details of the Offer Price, the Anchor Investor Offer Price, Offer size, and underwriting arrangements and will be complete in all material respects.

Impersonation

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013, which is reproduced below:

"*Any person who:*

(a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or

(b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or

***(c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447.*"**

The liability prescribed under Section 447 of the Companies Act, 2013 includes imprisonment for a term which shall not be less than six months extending up to 10 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.

Undertakings by our Company

Our Company undertakes the following:

- adequate arrangements shall be made to collect all Bid cum Application Forms submitted by Bidders.
- the complaints received in respect of the Offer shall be attended to by our Company expeditiously and satisfactorily;
- all steps for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed are taken within six Working Days of the Bid/Offer Closing Date will be taken;
- if Allotment is not made application money will be refunded/unblocked in the relevant ASBA Account within 15 days from the Bid/Offer Closing Date or such lesser time as specified by SEBI, failing which interest will be due to be paid to the Bidders at the rate of 15% per annum for the delayed period;
- the funds required for making refunds (to Anchor Investors, to the extent applicable) as per the mode(s) disclosed shall be made available to the Registrar to the Offer by our Company;
- Promoters' contribution shall be brought in advance before the Bid/Offer Opening Date;
- where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the applicants within 15 days from the Bid/Offer Closing Date, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;
- the certificates of the securities/refund orders to Eligible NRIs shall be despatched within specified time; and
- no further issue of the Equity Shares shall be made till the Equity Shares offered through the Red Herring Prospectus are listed or until the Bid monies are unblocked in ASBA Account/refunded on account of non-listing, under-subscription, etc.

Undertakings by the Selling Shareholders

The Selling Shareholders undertake that each of them is the legal and beneficial owner of, and has full clear and marketable title to the Equity Shares being offered by each of them in the Offer.

Further, each Selling Shareholder undertakes that:

- the Equity Shares being offered by it in the Offer, have been held by it for a period of at least one year prior to the filing of this Draft Red Herring Prospectus with SEBI, calculated in the manner as set out under Regulation 26(6) of the SEBI ICDR Regulations and are eligible for being offered for sale in the Offer for Sale.
- the Equity Shares being sold by it pursuant to the Offer are free and clear of any pre-emptive rights, liens, mortgages, charges, pledges or any other encumbrances and shall be in dematerialized form at the time of transfer and shall be transferred to the eligible investors within the time specified under applicable law;
- it shall provide all reasonable co-operation as requested by our Company in relation to the completion of allotment and dispatch of the Allotment Advice and CAN, if required, and refund orders to the extent of the Equity Shares offered by it pursuant to the Offer;
- it shall provide such reasonable support and extend such reasonable cooperation as may be required by our Company and the BRLMs in redressal of such investor grievances that pertain to the Equity Shares held by it and being offered pursuant to the Offer;
- funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed in the Red Herring Prospectus and Prospectus shall be made available to the Registrar to the Offer by the Selling Shareholder;
- it shall provide such reasonable support and extend such reasonable co-operation as may be required by our Company

in sending a suitable communication, where refunds are made through electronic transfer of funds, to the applicant within 15 days from the Bid/ Offer Closing Date or such other period as may be specified under applicable law, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;

- it shall not have recourse to the proceeds of the Offer until final approval for listing and trading of the Equity Shares from all Stock Exchanges where listing and trading is sought has been received;
- if the Selling Shareholder does not proceed with the Offer after the Bid/ Offer Closing Date, the reason thereof shall be given by our Company as a public notice within two days of the Bid/ Offer Closing Date. The public notice shall be issued in the same newspapers where the pre-Offer advertisements were published. The stock exchanges on which the Equity Shares are proposed to be listed shall also be informed promptly. It shall extend all reasonable cooperation requested by our Company and the BRLMs in this regard;
- it shall not further transfer the Equity Shares except in the Offer during the period commencing from submission of the Draft Red Herring Prospectus with SEBI until the final trading approvals from all the Stock Exchanges have been obtained for the Equity Shares Allotted/ to be Allotted pursuant to the Offer and shall not sell, dispose of in any manner or create any lien, charge or encumbrance on the Equity Shares offered by it in the Offer;
- it shall take all such steps as may be required to ensure that the Equity Shares being sold by it pursuant to the Offer are available for transfer in the Offer within the time specified under applicable law; and
- it shall comply with all applicable laws, in India, including the Companies Act, the SEBI ICDR Regulations, the FEMA and the applicable circulars, guidelines and regulations issued by SEBI and RBI, each in relation to the Equity Shares offered by it in the Offer.

Utilisation of Offer Proceeds

The Board of Directors certify that the details of all unutilised monies out of the funds received under the Promoters' contribution, if any, shall be disclosed under a separate head in the balance sheet of our Company indicating the form in which such unutilised monies have been invested.

Each Selling Shareholder, along with our Company declares that all monies received out its component of the Offer for Sale shall be credited/transferred to a separate bank account pursuant to sub-section (3) of Section 40 of the Companies Act, 2013.

PART B

General Information Document for Investing in Public Issues

This General Information Document highlights the key rules, processes and procedures applicable to public issues in accordance with the provisions of the Companies Act, the SCRA, the SCRR, SEBI Listing Regulations and the SEBI ICDR Regulations. Bidders/Applicants should not construe the contents of this General Information Document as legal advice and should consult their own legal counsel and other advisors in relation to the legal matters concerning the Offer. For taking an investment decision, the Bidders/Applicants should rely on their own examination of the Issuer and the Offer, and should carefully read the Red Herring Prospectus/Prospectus before investing in the Offer.

SECTION 1: PURPOSE OF THE GENERAL INFORMATION DOCUMENT (GID)

This document is applicable to the public issues undertaken through the Book-Building Process as well as to the Fixed Price Offers. The purpose of the "General Information Document for Investing in Public Issues" is to provide general guidance to potential Bidders/Applicants in IPOs and FPOs, on the processes and procedures governing IPOs and FPOs, undertaken in accordance with the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 ("**SEBI ICDR Regulations, 2009**").

Bidders/Applicants should note that investment in equity and equity related securities involves risk and Bidder/Applicant should not invest any funds in the Offer unless they can afford to take the risk of losing their investment. The specific terms relating to securities and/or for subscribing to securities in an Offer and the relevant information about the Issuer undertaking the Offer are set out in the Red Herring Prospectus ("**RHP**")/Prospectus filed by the Issuer with the Registrar of Companies ("**RoC**"). Bidders/Applicants should carefully read the entire RHP/Prospectus and the Bid cum Application Form/Application Form and the Abridged Prospectus of the Issuer in which they are proposing to invest through the Offer. In case of any difference in interpretation or conflict and/or overlap between the disclosure included in this document and the RHP/Prospectus, the disclosures in the RHP/Prospectus shall prevail. The RHP/Prospectus of the Issuer is available on the websites of stock exchanges, on the website(s) of the **BRLM(s)** to the Offer and on the website of Securities and Exchange Board of India ("**SEBI**") at www.sebi.gov.in.

For the definitions of capitalized terms and abbreviations used herein Bidders/Applicants may see "Glossary and Abbreviations".

SECTION 2: BRIEF INTRODUCTION TO IPOs/FPOs

2.1 Initial public offer (IPO)

An IPO means an offer of specified securities by an unlisted Issuer to the public for subscription and may include an Offer for Sale of specified securities to the public by any existing holder of such securities in an unlisted Issuer.

For undertaking an IPO, an Issuer is *inter-alia* required to comply with the eligibility requirements of in terms of either Regulation 26(1) or Regulation 26(2) of the SEBI ICDR Regulations, 2009. For details of compliance with the eligibility requirements by the Issuer, Bidders/Applicants may refer to the RHP/Prospectus.

2.2 Further public offer (FPO)

An FPO means an offer of specified securities by a listed Issuer to the public for subscription and may include Offer for Sale of specified securities to the public by any existing holder of such securities in a listed Issuer.

For undertaking an FPO, the Issuer is *inter-alia* required to comply with the eligibility requirements in terms of Regulation 26/ Regulation 27 of the SEBI ICDR Regulations, 2009. For details of compliance with the eligibility requirements by the Issuer, Bidders/Applicants may refer to the RHP/Prospectus.

2.3 Other Eligibility Requirements:

In addition to the eligibility requirements specified in paragraphs 2.1 and 2.2, an Issuer proposing to undertake an IPO or an FPO is required to comply with various other requirements as specified in the SEBI ICDR Regulations, 2009, the Companies Act, 2013, the Companies Act, 1956 (to the extent applicable), the Securities Contracts (Regulation) Rules, 1957 (the "SCRR"), industry-specific regulations, if any, and other applicable laws for the time being in force.

For details in relation to the above Bidders/Applicants may refer to the RHP/Prospectus.

2.4 Types of Public Issues – Fixed Price Issues and Book Built Issues

In accordance with the provisions of the SEBI ICDR Regulations, 2009, an Issuer can either determine the Offer Price through the Book Building Process ("**Book Built Issue**") or undertake a Fixed Price Offer ("**Fixed Price Issue**"). An Issuer may mention Floor Price or Price Band in the RHP (in case of a Book Built Issue) and a Price or Price Band in the Draft Prospectus (in case of a fixed price Issue) and determine the price at a later date before registering the Prospectus with the Registrar of Companies.

The cap on the Price Band should be less than or equal to 120% of the Floor Price. The Issuer shall announce the Price or the Floor Price or the Price Band through advertisement in all newspapers in which the pre-issue advertisement was given at least five Working Days before the Bid/Offer Opening Date, in case of an IPO and at least one Working Day before the Bid/Issue Opening Date, in case of an FPO.

The Floor Price or the Offer price cannot be lesser than the face value of the securities. Bidders/Applicants should refer to the RHP/Prospectus or Offer advertisements to check whether the Offer is a Book Built Issue or a Fixed Price Issue.

2.5 ISSUE PERIOD

The Offer may be kept open for a minimum of three Working Days (for all category of Bidders/Applicants) and not more than ten Working Days. Bidders/Applicants are advised to refer to the Bid cum Application Form and Abridged Prospectus or RHP/Prospectus for details of the Bid/Offer Period. Details of Bid/Offer Period are also available on the website of the Stock Exchange(s).

In case of a Book Built Issue, the Issuer may close the Bid/Offer Period for QIBs one Working Day prior to the Bid/Offer Closing Date if disclosures to that effect are made in the RHP. In case of revision of the Floor Price or Price Band in Book Built Issues the Bid/Issue Period may be extended by at least three Working Days, subject to the total Bid/Offer Period not exceeding 10 Working Days. For details of any revision of the Floor Price or Price Band, Bidders/Applicants may check the announcements made by the Issuer on the websites of the Stock Exchanges, and the advertisement in the newspaper(s) issued in this regard.

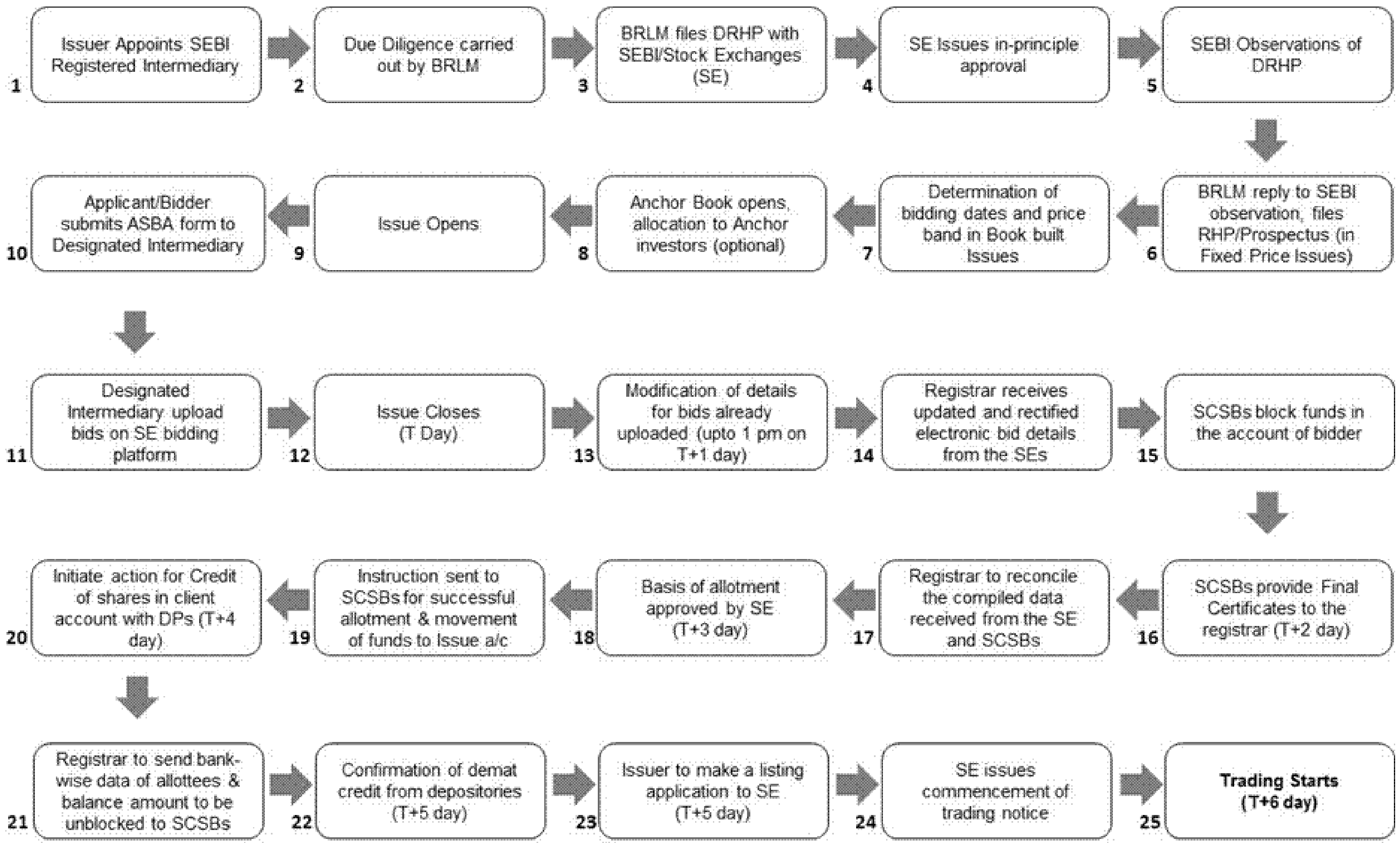
2.6 FLOWCHART OF TIMELINES

A flow chart of process flow in Fixed Price and Book Built Issues is as follows. Bidders/Applicants may note that this is not applicable for Fast Track FPOs:

- In case of Offer other than Book Build Issue (Fixed Price Issue) the process at the following of the below mentioned steps shall be read as:

  i. Step 7 : Determination of Offer Date and Price

  ii. Step 10: Applicant submits ASBA Form with any of the Designated Intermediaries


1
Issuer Appoints SEBI Registered Intermediary
2
Due Diligence carried out by BRLM
3
BRLM files DRHP with SEBI/Stock Exchanges (SE)
4
SE Issues in-principle approval
5
SEBI Observations of DRHP
6
BRLM reply to SEBI observation, files RHP/Prospectus (in Fixed Price Issues)
7
Determination of bidding dates and price band in Book built Issues
8
Anchor Book opens, allocation to Anchor investors (optional)
9
Issue Opens
10
Applicant/Bidder submits ASBA form to Designated Intermediary
11
Designated Intermediary upload bids on SE bidding platform
12
Issue Closes (T Day)
13
Modification of details for bids already uploaded (upto 1 pm on T+1 day)
14
Registrar receives updated and rectified electronic bid details from the SEs
15
SCSBs block funds in the account of bidder
16
SCSBs provide Final Certificates to the registrar (T+2 day)
17
Registrar to reconcile the compiled data received from the SE and SCSBs
18
Basis of allotment approved by SE (T+3 day)
19
Instruction sent to SCSBs for successful allotment & movement of funds to Issue a/c
20
Initiate action for Credit of shares in client account with DPs (T+4 day)
21
Registrar to send bank-wise data of allottees & balance amount to be unblocked to SCSBs
22
Confirmation of demat credit from depositories (T+5 day)
23
Issuer to make a listing application to SE (T+5 day)
24
SE issues commencement of trading notice
25
Trading Starts (T+6 day)

SECTION 3: CATEGORY OF INVESTORS ELIGIBLE TO PARTICIPATE IN AN ISSUE

Each Bidder/Applicant should check whether it is eligible to apply under applicable law.

Furthermore, certain categories of Bidders/Applicants, such as NRIs, FPIs and FVCIs may not be allowed to Bid/Apply in the Offer or to hold Equity Shares, in excess of certain limits specified under applicable law. Bidders/Applicants are requested to refer to the RHP/Prospectus for more details.

Subject to the above, an illustrative list of Bidders/Applicants is as follows:

- Indian nationals resident in India who are competent to contract under the Indian Contract Act, 1872, in single or joint names (not more than three);
- Bids/Applications belonging to an account for the benefit of a minor (under guardianship);
- Hindu Undivided Families or HUFs, in the individual name of the *Karta*. The Bidder/Applicant should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form/Application Form as follows: "Name of sole or first Bidder/Applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the *Karta*". Bids/Applications by HUFs may be considered at par with Bids/Applications from individuals;
- Companies, corporate bodies and societies registered under applicable law in India and authorised to invest in equity shares;
- QIBs;
- NRIs on a repatriation basis or on a non-repatriation basis subject to applicable law;
- Indian Financial Institutions, regional rural banks, co-operative banks (subject to RBI regulations and the SEBI ICDR Regulations, 2009 and other laws, as applicable);
- FPIs other than Category III foreign portfolio investors Bidding under the QIBs category;
- FPIs which are Category III foreign portfolio investors, Bidding under the NIIs category;
- Scientific organisations authorised in India to invest in the Equity Shares;
- Trusts/societies registered under the Societies Registration Act, 1860, or under any other law relating to trusts/societies and who are authorised under their respective constitutions to hold and invest in equity shares;
- Limited liability partnerships registered under the Limited Liability Partnership Act, 2008;
- Any other person eligible to Bid/Apply in the Offer, under the laws, rules, regulations, guidelines and policies applicable to them and under Indian laws; and
- As per the existing regulations, OCBs are not allowed to participate in an Offer.

SECTION 4: APPLYING IN THE ISSUE

Book Built Issue: Bidders should only use the specified ASBA Form (or in case of Anchor Investors, the Anchor Investor Application Form) bearing the stamp of a Designated Intermediary, as available or downloaded from the websites of the Stock Exchanges. Bid cum Application Forms are available with the BRLMs, the Designated Intermediaries at the Bidding Centres and at the registered office of the Issuer. Electronic Bid cum Application Forms will be available on the websites of the Stock Exchanges at least one day prior to the Bid/Offer Opening Date. For further details, regarding availability of Bid cum Application Forms, Bidders may refer to the RHP/Prospectus.

Fixed Price Issue: Applicants should only use the specified Bid cum Application Form bearing the stamp of the relevant Designated Intermediaries, as available or downloaded from the websites of the Stock Exchanges. Application Forms are available with the Designated Branches of the SCSBs and at the registered office of the Issuer. For further details, regarding availability of Application Forms, Applicants may refer to the Prospectus.

Bidders/Applicants should ensure that they apply in the appropriate category. The prescribed colour of the Bid cum Application Form for various categories of Bidders/Applicants is as follows:

Category	Colour of the Bid cum Application Form
Resident Indian, Eligible NRIs applying on a non repatriation basis	White

Category	Colour of the Bid cum Application Form
NRIs, FVCIs, FPIs, on a repatriation basis	Blue
Anchor Investors (where applicable) & Bidders/Applicants Bidding/applying in the reserved category	As specified by the Issuer

Securities issued in an IPO can only be in dematerialized form in compliance with Section 29 of the Companies Act, 2013. Bidders/Applicants will not have the option of getting the Allotment of specified securities in physical form. However, they may get the specified securities rematerialised subsequent to Allotment.

4.1 INSTRUCTIONS FOR FILLING THE BID CUM APPLICATION FORM/APPLICATION FORM

Bidders/Applicants may note that forms not filled completely or correctly as per instructions provided in this GID, the RHP and the Bid cum Application Form/Application Form are liable to be rejected.

Instructions to fill each field of the Bid cum Application Form can be found on the reverse side of the Bid cum Application Form. Specific instructions for filling various fields of the Resident Bid cum Application Form and Non-Resident Bid cum Application Form and samples are provided below.

The samples of the Bid cum Application Form for resident Bidders and the Bid cum Application Form for non-resident Bidders are reproduced below:

TEAR HERE

PLEASE FILL IN BLOCK LETTERS

COMMON BID CUM APPLICATION FORM	XYZ LIMITED - INITIAL PUBLIC ISSUE - R Address : .... Contact Details: .... CIN No	FOR RESIDENT INDIANS, INCLUDING RESIDENT QIBs AND ELIGIBLE NRIs APPLYING ON A NON-REPATRIATION BASIS

LOGO

TO,
THE BOARD OF DIRECTORS
XYZ LIMITED

BOOK BUILT ISSUE
ISIN : ____________

Bid cum Application Form No.

SYNDICATE MEMBER'S STAMP & CODE	BROKER/SCSB/DP/RTA STAMP & CODE
SUB-BROKER'S / SUB-AGENT'S STAMP & CODE	ESCROW BANK/SCSB BRANCH STAMP & CODE
BANK BRANCH SERIAL NO.	SCSB SERIAL NO.

1. NAME & CONTACT DETAILS OF SOLE / FIRST BIDDER

Mr. / Ms.

Address

Email

Tel. No (with STD code) / Mobile

2. PAN OF SOLE / FIRST BIDDER

3. BIDDER'S DEPOSITORY ACCOUNT DETAILS ☐ NSDL ☐ CDSL

For NSDL enter 8 digit DP ID followed by 8 digit Client ID / For CDSL enter 16 digit Client ID

4. BID OPTIONS (ONLY RETAIL INDIVIDUAL BIDDERS CAN BID AT "CUT-OFF")

Bid Options	No. of Equity Shares Bid (In Figures) (Bids must be in multiples of Bid Lot as advertised)	Price per Equity Share (₹)/ "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures)			
	8 | 7 | 6 | 5 | 4 | 3 | 2 | 1	Bid Price 3 | 2 | 1	Retail Discount 3 | 2 | 1	Net Price 3 | 2 | 1	"Cut-off" (Please ✓ tick)
Option 1					☐
(OR) Option 2					☐
(OR) Option 3					☐

5. CATEGORY

☐ Retail Individual Bidder
☐ Non-Institutional Bidder
☐ QIB

6. INVESTOR STATUS

☐ Individual(s) - IND
☐ Hindu Undivided Family* - HUF
☐ Bodies Corporate - CO
☐ Banks & Financial Institutions - FI
☐ Mutual Funds - MF
☐ Non-Resident Indians - NRI (Non-Repatriation basis)
☐ National Investment Fund - NIF
☐ Insurance Funds - IF
☐ Insurance Companies - IC
☐ Venture Capital Funds - VCF
☐ Alternative Investment Funds - AIF
☐ Others (Please specify) - OTH

* HUF should apply only through Karta (Application by HUF would be treated on par with individual)

7. PAYMENT DETAILS PAYMENT OPTION : FULL PAYMENT ☐ PART PAYMENT ☐

Amount paid (₹ in figures) (₹ in words)

ASBA Bank A/c No.

Bank Name & Branch

I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS BID CUM APPLICATION FORM AND THE ATTACHED ABRIDGED PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN PUBLIC ISSUES ("GID") AND HEREBY AGREE AND CONFIRM THE 'BIDDERS UNDERTAKING' AS GIVEN OVERLEAF. I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILLING UP THE BID CUM APPLICATION FORM GIVEN OVERLEAF.

8A. SIGNATURE OF SOLE/ FIRST BIDDER	8B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS)	BROKER / SCSB / DP / RTA STAMP (Acknowledging upload of Bid in Stock Exchange system)
	I/We authorize the SCSB to do all acts as are necessary to make the Application in the Issue	
	1)	
	2)	
Date :	3)	

TEAR HERE

LOGO

XYZ LIMITED INITIAL PUBLIC ISSUE - R	Acknowledgement Slip for Broker/SCSB/ DP/RTA	Bid cum Application Form No.

DPID / CLID

PAN of Sole / First Bidder

Amount paid (₹ in figures)	Bank & Branch	Stamp & Signature of SCSB Branch
ASBA Bank A/c No.		
Received from Mr./Ms.		
Telephone / Mobile	Email	

TEAR HERE

XYZ LIMITED - INITIAL PUBLIC ISSUE - R

	Option 1	Option 2	Option 3
No. of Equity Shares			
Bid Price			
Amount Paid (₹)			

ASBA Bank A/c No.
Bank & Branch

Stamp & Signature of Broker / SCSB / DP / RTA

Name of Sole / First Bidder

Acknowledgement Slip for Bidder

Bid cum Application Form No.

TEAR HERE

TEAR HERE

PLEASE FILL IN BLOCK LETTERS

COMMON BID CUM APPLICATION FORM	XYZ LIMITED - INITIAL PUBLIC ISSUE - R Address : .... Contact Details: .... CIN No	FOR RESIDENT INDIANS, INCLUDING RESIDENT QIBs AND ELIGIBLE NRIs APPLYING ON A NON-REPATRIATION BASIS

LOGO

TO,
THE BOARD OF DIRECTORS
XYZ LIMITED

BOOK BUILT ISSUE

ISIN : ....

Bid cum Application Form No.

SYNDICATE MEMBER'S STAMP & CODE	BROKER/SCSB/DP/RTA STAMP & CODE
SUB-BROKER'S / SUB-AGENT'S STAMP & CODE	ESCROW BANK/SCSB BRANCH STAMP & CODE
BANK BRANCH SERIAL NO.	SCSB SERIAL NO.

1. NAME & CONTACT DETAILS OF SOLE / FIRST BIDDER

Mr. / Ms.

Address

Email

Tel. No (with STD code) / Mobile

2. PAN OF SOLE / FIRST BIDDER

3. BIDDER'S DEPOSITORY ACCOUNT DETAILS ☐ NSDL ☐ CDSL

For NSDL enter 8 digit DP ID followed by 8 digit Client ID / For CDSL enter 16 digit Client ID

4. BID OPTIONS (ONLY RETAIL INDIVIDUAL BIDDERS CAN BID AT "CUT-OFF")

Bid Options	No. of Equity Shares Bid (In Figures) (Bids must be in multiples of Bid Lot as advertised)	Price per Equity Share (₹)/ "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures)			
	8 | 7 | 6 | 5 | 4 | 3 | 2 | 1	Bid Price 3 | 2 | 1	Retail Discount 3 | 2 | 1	Net Price 3 | 2 | 1	"Cut-off" (Please ✓ tick)
Option 1					☐
(OR) Option 2					☐
(OR) Option 3					☐

5. CATEGORY

☐ Retail Individual Bidder

☐ Non-Institutional Bidder

☐ QIB

6. INVESTOR STATUS

☐ Individual(s) - IND
☐ Hindu Undivided Family* - HUF
☐ Bodies Corporate - CO
☐ Banks & Financial Institutions - FI
☐ Mutual Funds - MF
☐ Non-Resident Indians - NRI (Non-Repatriation basis)
☐ National Investment Fund - NIF
☐ Insurance Funds - IF
☐ Insurance Companies - IC
☐ Venture Capital Funds - VCF
☐ Alternative Investment Funds - AIF
☐ Others (Please specify) - OTH

* HUF should apply only through Karta (Application by HUF would be treated on par with individual)

7. PAYMENT DETAILS

PAYMENT OPTION : FULL PAYMENT ☐ PART PAYMENT ☐

Amount paid (₹ in figures) (₹ in words) ....

ASBA Bank A/c No.

Bank Name & Branch

I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS BID CUM APPLICATION FORM AND THE ATTACHED ABRIDGED PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN PUBLIC ISSUES ("GID") AND HEREBY AGREE AND CONFIRM THE 'BIDDERS UNDERTAKING' AS GIVEN OVERLEAF. I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILLING UP THE BID CUM APPLICATION FORM GIVEN OVERLEAF.

8A. SIGNATURE OF SOLE/ FIRST BIDDER	8B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS)	BROKER / SCSB / DP / RTA STAMP (Acknowledging upload of Bid in Stock Exchange system)
	I/We authorize the SCSB to do all acts as are necessary to make the Application in the Issue	
	1)	
	2)	
Date :	3)	

TEAR HERE

LOGO

XYZ LIMITED INITIAL PUBLIC ISSUE - R	Acknowledgement Slip for Broker/SCSB/ DP/RTA	Bid cum Application Form No.

DPID / CLID

PAN of Sole / First Bidder

Amount paid (₹ in figures)	Bank & Branch	Stamp & Signature of SCSB Branch
ASBA Bank A/c No.		
Received from Mr./Ms.		
Telephone / Mobile	Email	

TEAR HERE

XYZ LIMITED - INITIAL PUBLIC ISSUE - R

	Option 1	Option 2	Option 3
No. of Equity Shares			
Bid Price			
Amount Paid (₹)			

ASBA Bank A/c No. ....

Bank & Branch ....

Stamp & Signature of Broker / SCSB / DP / RTA

Name of Sole / First Bidder

Acknowledgement Slip for Bidder

Bid cum Application Form No.

TEAR HERE

TEAR HERE

COMMON BID CUM APPLICATION FORM	XYZ LIMITED - INITIAL PUBLIC ISSUE - NR Address : .... Contact Details: .... CIN No	FOR NON-RESIDENTS, INCLUDING ELIGIBLE NRIS, FPIS OR FVCIS, ETC APPLYING ON A REPATRIATION BASIS

LOGO

TO,
THE BOARD OF DIRECTORS
XYZ LIMITED

BOOK BUILT ISSUE

ISIN : ....

Bid cum Application Form No.

SYNDICATE MEMBER'S STAMP & CODE	BROKER/SCSB/DP/RTA STAMP & CODE
SUB-BROKER'S / SUB-AGENT'S STAMP & CODE	ESCROW BANK/SCSB BRANCH STAMP & CODE
BANK BRANCH SERIAL NO.	SCSB SERIAL NO.

1. NAME & CONTACT DETAILS OF SOLE / FIRST BIDDER

Mr. / Ms.

Address

Email

Tel. No (with STD code) / Mobile

2. PAN OF SOLE / FIRST BIDDER

3. BIDDER'S DEPOSITORY ACCOUNT DETAILS ☐ NSDL ☐ CDSL

For NSDL enter 8 digit DP ID followed by 8 digit Client ID / For CDSL enter 16 digit Client ID

4. BID OPTIONS (ONLY RETAIL INDIVIDUAL BIDDERS CAN BID AT "CUT-OFF")

Bid Options	No. of Equity Shares Bid (In Figures) (Bids must be in multiples of Bid Lot as advertised)	Price per Equity Share (₹)/ "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures)			
		Bid Price	Retail Discount	Net Price	"Cut-off" (Please ✓ tick)
	8 | 7 | 6 | 5 | 4 | 3 | 2 | 1	3 | 2 | 1	3 | 2 | 1	3 | 2 | 1	
Option 1					☐
(OR) Option 2					☐
(OR) Option 3					☐

5. CATEGORY

☐ Retail Individual Bidder

☐ Non-Institutional Bidder

☐ QIB

6. INVESTOR STATUS

- NRI — Non-Resident Indian(s) (Repatriation basis)
- FII — FII or Sub-account not a Corporate/Foreign Individual
- FIISA — FII Sub-account Corporate/Individual
- FVCI — Foreign Venture Capital Investor
- FPI — Foreign Portfolio Investors
- OTH — Others (Please Specify)________

7. PAYMENT DETAILS PAYMENT OPTION : FULL PAYMENT ☐ PART PAYMENT ☐

Amount paid (₹ in figures) (₹ in words)

ASBA Bank A/c No.

Bank Name & Branch

I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS BID CUM APPLICATION FORM AND THE ATTACHED ABRIDGED PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN PUBLIC ISSUES ("GID") AND HEREBY AGREE AND CONFIRM THE 'BIDDERS UNDERTAKING' AS GIVEN OVERLEAF. I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILLING UP THE BID CUM APPLICATION FORM GIVEN OVERLEAF.

8A. SIGNATURE OF SOLE/ FIRST BIDDER	8B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS)	BROKER / SCSB / DP / RTA STAMP (Acknowledging upload of Bid in Stock Exchange system)
	I/We authorize the SCSB to do all acts as are necessary to make the Application in the Issue	
	1)	
	2)	
Date : ____________	3)	

PLEASE FILL IN BLOCK LETTERS

TEAR HERE

LOGO

XYZ LIMITED INITIAL PUBLIC ISSUE - NR	Acknowledgement Slip for Broker/SCSB/ DP/RTA	Bid cum Application Form No.

DPID / CLID

PAN of Sole / First Bidder

Amount paid (₹ in figures)	Bank & Branch	Stamp & Signature of SCSB Branch
ASBA Bank A/c No.		
Received from Mr./Ms.		
Telephone / Mobile	Email	

TEAR HERE

XYZ LIMITED - INITIAL PUBLIC ISSUE - NR

	Option 1	Option 2	Option 3
No. of Equity Shares			
Bid Price			
Amount Paid (₹)			

ASBA Bank A/c No. ________________

Bank & Branch ________________

Stamp & Signature of Broker / SCSB / DP / RTA

Name of Sole / First Bidder

Acknowledgement Slip for Bidder

Bid cum Application Form No.

TEAR HERE

4.1.1 **FIELD NUMBER 1: NAME AND CONTACT DETAILS OF THE SOLE/FIRST BIDDER/APPLICANT**

(a) Bidders/Applicants should ensure that the name provided in this field is exactly the same as the name in which the Depository Account is held.

(b) **Mandatory Fields**: Bidders/Applicants should note that the name and address fields are compulsory and e-mail and/or telephone number/mobile number fields are optional. Bidders/Applicants should note that the contact details mentioned in the Bid cum Application Form/Application Form may be used to dispatch communications in case the communication sent to the address available with the Depositories are returned undelivered or are not available. The contact details provided in the Bid cum Application Form may be used by the Issuer, the Designated Intermediaries and the Registrar to the Offer only for correspondence(s) related to an Offer and for no other purposes.

(c) **Joint Bids/Applications**: In the case of Joint Bids/Applications, the Bids/Applications should be made in the name of the Bidder/Applicant whose name appears first in the Depository account. The name so entered should be the same as it appears in the Depository records. The signature of only such first Bidder/Applicant would be required in the Bid cum Application Form/Application Form and such first Bidder/Applicant would be deemed to have signed on behalf of the joint holders. All communications may be addressed to such Bidder/Applicant and may be dispatched to his or her address as per the Demographic Details received from the Depositories.

(d) **Impersonation**: Attention of the Bidders/Applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

"*Any person who:*

(a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or

(b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or

(c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name,

***shall be liable for action under Section 447.*"**

The liability prescribed under Section 447 of the Companies Act, 2013 includes imprisonment for a term which shall not be less than six months extending up to 10 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.

(e) **Nomination Facility to Bidder/Applicant:** Nomination facility is available in accordance with the provisions of Section 72 of the Companies Act, 2013. In case of Allotment of the Equity Shares in dematerialized form, there is no need to make a separate nomination as the nomination registered with the Depository may prevail. For changing nominations, the Bidders/Applicants should inform their respective DP.

4.1.2 **FIELD NUMBER 2: PAN OF SOLE/FIRST BIDDER/APPLICANT**

(a) PAN (of the sole/first Bidder/Applicant) provided in the Bid cum Application Form/Application Form should be exactly the same as the PAN of the person in whose sole or first name the relevant beneficiary account is held as per the Depositories' records.

(b) PAN is the sole identification number for participants transacting in the securities market irrespective of the amount of transaction except for Bids/Applications on behalf of the Central or State Government, Bids/Applications by officials appointed by the courts and Bids/Applications by Bidders/Applicants residing in Sikkim ("PAN Exempted Bidders/Applicants"). Consequently, all Bidders/Applicants, other than the PAN Exempted Bidders/Applicants, are required to disclose their PAN in the Bid cum Application Form/Application Form, irrespective of the Bid/Application Amount. Bids/Applications by the Bidders/Applicants whose PAN is not available as per the Demographic Details available in their Depository records, are liable to be rejected.

(c) The exemption for the PAN Exempted Bidders/Applicants is subject to (a) the Demographic Details received from the respective Depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same.

(d) Bid cum Application Forms which provide the GIR Number instead of PAN may be rejected.

(e) Bids/Applications by Bidders/Applicants whose demat accounts have been 'suspended for credit' are liable to be rejected pursuant to the circular issued by SEBI on July 29, 2010, bearing number CIR/MRD/DP/22/2010. Such accounts are classified as "Inactive demat accounts" and Demographic Details are not provided by depositories.

4.1.3 **FIELD NUMBER 3: BIDDERS/APPLICANTS DEPOSITORY ACCOUNT DETAILS**

(a) Bidders/Applicants should ensure that DP ID and the Client ID are correctly filled in the Bid cum Application Form/Application Form. The DP ID and Client ID provided in the Bid cum Application Form/Application Form should match with the DP ID and Client ID available in the Depository database, **otherwise, the Bid cum Application Form is liable to be rejected.**

(b) Bidders/Applicants should ensure that the beneficiary account provided in the Bid cum Application Form/Application Form is active.

(c) Bidders/Applicants should note that on the basis of the DP ID and Client ID as provided in the Bid cum Application Form/Application Form, the Bidder/Applicant may be deemed to have authorized the Depositories to provide to the Registrar to the Offer, any requested Demographic Details of the Bidder/Applicant as available on the records of the depositories. These Demographic Details may be used, among other things, for other correspondence(s) related to an Offer.

(d) Bidders/Applicants are, advised to update any changes to their Demographic Details as available in the records of the Depository Participant to ensure accuracy of records. Any delay resulting from failure to update the Demographic Details would be at the Bidders/Applicants' sole risk.

4.1.4 **FIELD NUMBER 4: BID OPTIONS**

(a) Price or Floor Price or Price Band, minimum Bid Lot and Discount (if applicable) may be disclosed in the Prospectus/RHP by the Issuer. The Issuer is required to announce the Floor Price or Price Band, minimum Bid Lot and Discount (if applicable) by way of an advertisement in at least one English, one Hindi and one regional newspaper, with wide circulation, at least five Working Days before Bid/Offer Opening Date in case of an IPO, and at least one Working Day before Bid/Offer Opening Date in case of an FPO.

(b) The Bidders may Bid at or above Floor Price or within the Price Band for IPOs/FPOs undertaken through the Book Building Process. In the case of Alternate Book Building Process for an FPO, the Bidders may Bid at Floor Price or any price above the Floor Price (for further details Bidders may refer to Section 5.6 (e)).

(c) **Cut-Off Price:** Retail Individual Investors or Employees or Retail Individual Shareholders can Bid at the Cut-off Price indicating their agreement to Bid for and purchase the Equity Shares at the Offer Price as determined at the end of the Book Building Process. Bidding at the Cut-off Price is prohibited for QIBs and NIIs and such Bids from QIBs and NIIs may be rejected.

(d) **Minimum Application Value and Bid Lot**: The Issuer in consultation with the BRLMs may decide the minimum number of Equity Shares for each Bid to ensure that the minimum application value is within the range of ₹10,000 to ₹15,000. The minimum Bid Lot is accordingly determined by an Issuer on basis of such minimum application value.

(e) **Allotment:** The Allotment of specified securities to each RII shall not be less than the minimum Bid Lot, subject to availability of shares in the RII category, and the remaining available shares, if any, shall be Allotted on a proportionate basis. For details of the Bid Lot, Bidders may to the RHP/Prospectus or the advertisement regarding the Price Band published by the Issuer.

4.1.4.1 **Maximum and Minimum Bid Size**

(a) The Bidder may Bid for the desired number of Equity Shares at a specific price. Bids by Retail Individual Bidders, Employees and Retail Individual Shareholders must be for such number of shares so as to ensure that the Bid Amount less Discount (as applicable), payable by the Bidder does not exceed ₹200,000.

(b) Bids by Employees must be for such number of shares so as to ensure that the Bid Amount less Discount (as applicable), payable by such Bidder does not exceed ₹500,000. However, Allotment to the Employees under the employee reservation portion may exceed ₹200,000 (which will be less employee discount) only in the event of an under-subscription in the employee reservation portion and such unsubscribed portion may be allotted on a proportionate basis to Employees Bidding in the employee reservation portion, for a value in excess of ₹200,000, subject to total Allotment to an Employee not exceeding ₹500,000 (which will be less the employee discount).

(c) In case the Bid Amount exceeds ₹200,000 (except, Bids by Employees under the Employee Reservation Portion) due to revision of the Bid or any other reason, the Bid may be considered for allocation under the Non-Institutional Category, with it not being eligible for Discount then such Bid may be rejected if it is at the Cut-off Price.

(d) For NRIs, a Bid Amount of up to ₹200,000 may be considered under the Retail Category for the purposes of allocation and a Bid Amount exceeding ₹200,000 may be considered under the Non-Institutional Category for the purposes of allocation.

(e) Bids by QIBs and NIBs must be for such minimum number of shares such that the Bid Amount exceeds ₹200,000 and in multiples of such number of Equity Shares thereafter, as may be disclosed in the Bid cum Application Form and the RHP/Prospectus, or as advertised by the Issuer, as the case may be. NIBs and QIBs are not allowed to Bid at Cut-off Price.

(f) RIIs may revise their bids or withdraw their bids until the Bid/Offer Closing Date. QIBs and NIIs cannot withdraw or lower their Bids (in terms of quantity of Equity Share or the Bid Amount) at any stage after Bidding.

(g) In case the Bid Amount reduces to ₹200,000 or less due to a revision of the Price Band, Bids by the NIBs who are eligible for allocation in the Retail Category would be considered for allocation under the Retail Category.

(h) For Anchor Investors, if applicable, the Bid Amount shall be least ₹10 crores. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors. Bids by various schemes of a Mutual Fund shall be aggregated to determine the Bid Amount. A Bid cannot be submitted for more than 60% of the QIB Category under the Anchor Investor Portion. Anchor Investors cannot withdraw their Bids or lower the size of their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after the Anchor Investor Bid/Offer Period and are required to pay the Bid Amount at the time of submission of the Bid. In case the Anchor Investor Allocation Price is lower than the Offer Price, the balance amount shall be payable as per the pay-in-date mentioned in the revised CAN. In case the Offer Price is lower than the Anchor Investor Allocation Price, the amount in excess of the Offer Price paid by the Anchor Investors shall not be refunded to them.

(i) A Bid cannot be submitted for more than the Offer size.

(j) The maximum Bid by any Bidder including QIB Bidder should not exceed the investment limits prescribed for them under the applicable laws.

(k) The price and quantity options submitted by the Bidder in the Bid cum Application Form may be treated as optional bids from the Bidder and may not be cumulated. After determination of the Offer Price, the highest number of Equity Shares Bid for by a Bidder at or above the Offer Price may be considered for Allotment and the rest of the Bid(s), irrespective of the Bid Amount may automatically become invalid. This is not applicable in case of FPOs undertaken through Alternate Book Building Process (For details of Bidders may refer to (Section 5.6 (e))

4.1.4.2 **Multiple Bids**

(a) Bidder should submit only one Bid cum Application Form. Bidder shall have the option to make a maximum of three Bids at different price levels in the Bid cum Application Form and such options are not considered as multiple Bids.

(b) Submission of a second Bid cum Application Form to either the same or to another Designated Intermediary and duplicate copies of Bid cum Application Forms bearing the same application number shall be treated as multiple Bids and are liable to be rejected.

(c) Bidders are requested to note the following procedures may be followed by the Registrar to the Offer to detect multiple Bids:

i. All Bids may be checked for common PAN as per the records of the Depository. For Bidders other than Mutual Funds, Bids bearing the same PAN may be treated as multiple Bids by a Bidder and may be rejected.

ii. For Bids from Mutual Funds, submitted under the same PAN, as well as Bids on behalf of the PAN Exempted Bidders, the Bid cum Application Forms may be checked for common DP ID and Client

ID. Such Bids which have the same DP ID and Client ID may be treated as multiple Bids and are liable to be rejected.

(d) The following Bids may not be treated as multiple Bids:

i. Bids by Reserved Categories Bidding in their respective Reservation Portion as well as bids made by them in the Net Offer portion in public category.

ii. Separate Bids by Mutual Funds in respect of more than one scheme of the Mutual Fund provided that the Bids clearly indicate the scheme for which the Bid has been made.

iii. Bids by Mutual Funds, submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs.

iv. Bids by Anchor Investors under the Anchor Investor Portion and the QIB Category.

4.1.5 **FIELD NUMBER 5: CATEGORY OF BIDDERS**

(a) The categories of Bidders identified as per the SEBI ICDR Regulations, 2009 for the purpose of Bidding, allocation and Allotment in the Offer are RIBs, NIBs and QIBs.

(b) Up to 60% of the QIB Category can be allocated by the Issuer, on a discretionary basis subject to the criteria of minimum and maximum number of Anchor Investors based on allocation size, to the Anchor Investors, in accordance with SEBI ICDR Regulations, 2009, with one-third of the Anchor Investor Portion reserved for domestic Mutual Funds subject to valid Bids being received at or above the Offer Price. For details regarding allocation to Anchor Investors, Bidders may refer to the RHP/Prospectus.

(c) An Issuer can make reservation for certain categories of Bidders/Applicants as permitted under the SEBI ICDR Regulations, 2009. For details of any reservations made in the Offer, Bidders/Applicants may refer to the RHP/Prospectus.

(d) The SEBI ICDR Regulations, 2009, specify the allocation or Allotment that may be made to various categories of Bidders in an Offer depending upon compliance with the eligibility conditions. Details pertaining to allocation are disclosed on reverse side of the Revision Form. For Offer specific details in relation to allocation Bidder/Applicant may refer to the RHP/Prospectus.

4.1.6 **FIELD NUMBER 6: INVESTOR STATUS**

(a) Each Bidder/Applicant should check whether it is eligible to apply under applicable law and ensure that any prospective Allotment to it in the Offer is in compliance with the investment restrictions under applicable law.

(b) Certain categories of Bidders/Applicants, such as NRIs, FPIs and FVCIs may not be allowed to Bid/Apply in the Offer or hold Equity Shares exceeding certain limits specified under applicable law. Bidders/Applicants are requested to refer to the RHP/Prospectus for more details.

(c) Bidders/Applicants should check whether they are eligible to apply on non-repatriation basis or repatriation basis and should accordingly provide the investor status. Details regarding investor status are different in the Resident Bid cum Application Form and Non-Resident Bid cum Application Form.

(d) Bidders/Applicants should ensure that their investor status is updated in the Depository records.

4.1.7 **FIELD NUMBER 7: PAYMENT DETAILS**

(a) The full Bid Amount (net of any Discount, as applicable) shall be blocked in the ASBA Account based on the authorisation provided in the ASBA Form. If Discount is applicable in the Offer, RIBs should indicate the full Bid Amount in the Bid cum Application Form and funds shall be blocked for the Bid Amount net of Discount. Only in cases where the RHP/Prospectus indicates that part payment may be made, such an option can be exercised by the Bidder. In case of Bidders specifying more than one Bid Option in the Bid cum Application Form, the total Bid Amount may be calculated for the highest of three options at net price, i.e. Bid price less Discount offered, if any.

(b) RIBs who Bid at Cut-off Price shall arrange to block the Bid Amount based on the Cap Price.

(c) All Bidders (except Anchor Investors) have to participate in the Offer only through the ASBA mechanism.

(d) Bid Amount cannot be paid in cash, cheques, demand drafts, through money order or through postal order.

4.1.7.1 **Instructions for Anchor Investors:**

(a) Anchor Investors may submit their Bids through a Book Running Lead Manager.

(b) Payments should be made either by direct credit, RTGS or NEFT.

(c) The Escrow Collection Banks shall maintain the monies in the Escrow Account for and on behalf of the Anchor Investors until the Designated Date.

4.1.7.2 **Payment instructions for ASBA Bidders**

(a) Bidders may submit the ASBA Form either

i. in electronic mode through the internet banking facility offered by an SCSB authorizing blocking of funds that are available in the ASBA Account specified in the Bid cum Application Form, or

ii. in physical mode to any Designated Intermediary.

(b) Bidders must specify the Bank Account number in the Bid cum Application Form. The Bid cum Application Form submitted by Bidder and which is accompanied by cash, demand draft, cheque, money order, postal order or any mode of payment other than blocked amounts in the ASBA Account maintained with an SCSB, will not be accepted.

(c) Bidders should ensure that the Bid cum Application Form is also signed by the ASBA Account holder(s) if the Bidder is not the ASBA Account holder.

(d) Bidders shall note that for the purpose of blocking funds under ASBA facility clearly demarcated funds shall be available in the account.

(e) From one ASBA Account, a maximum of five Bids cum Application Forms can be submitted.

(f) Bidders should submit the Bid cum Application Form only at the Bidding Centers, i.e. to the respective member of the Syndicate at the Specified Locations, the Registered Brokers at the Broker Centres, the RTAs at the Designated RTA Locations or CDPs at the Designated CDP Locations.

(g) Bidders bidding through a Designated Intermediary, other than a SCSB, should note that ASBA Forms submitted to such Designated Intermediary may not be accepted, if the SCSB where the ASBA Account, as specified in the Bid cum Application Form, is maintained has not named at least one branch at that location for such Designated Intermediary, to deposit ASBA Forms.

(h) Bidders bidding directly through the SCSBs should ensure that the ASBA Form is submitted to a Designated Branch of a SCSB where the ASBA Account is maintained.

(i) Upon receipt of the ASBA Form, the Designated Branch of the SCSB may verify if sufficient funds equal to the Bid Amount are available in the ASBA Account, as mentioned in the ASBA Form.

(j) If sufficient funds are available in the ASBA Account, the SCSB may block an amount equivalent to the Bid Amount mentioned in the ASBA Form and for application directly submitted to SCSB by investor, may enter each Bid option into the electronic bidding system as a separate Bid.

(k) If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB may not accept such Bids and such bids are liable to be rejected.

(l) Upon submission of a completed ASBA Form each Bidder may be deemed to have agreed to block the entire Bid Amount and authorized the Designated Branch of the SCSB to block the Bid Amount specified in the ASBA Form in the ASBA Account maintained with the SCSBs.

(m) The Bid Amount may remain blocked in the aforesaid ASBA Account until finalisation of the Basis of Allotment and consequent transfer of the Bid Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal or failure of the Offer, or until withdrawal or rejection of the Bid, as the case may be.

(n) SCSBs bidding in the Offer must apply through an Account maintained with any other SCSB; else their Bids are liable to be rejected.

Additional payment instructions for Eligible NRIs

Eligible NRIs Bidding on non-repatriation basis must use the Bid cum Application Form for residents and make payment through the NRO Account. Eligible NRIs Bidding on a repatriation basis must use the Bid cum Application Form meant for Non-Residents. In the case of Bids by Eligible NRIs applying on a repatriation basis, payment shall not be accepted out of NRO Account.

4.1.7.2.1 **Unblocking of ASBA Account**

(a) Once the Basis of Allotment is approved by the Designated Stock Exchange, the Registrar to the Offer may provide the following details to the Designated Branches of each SCSB, along with instructions to unblock the relevant bank accounts and for successful applications transfer the requisite money to the Public Issue Account designated for this purpose, within the specified timelines: (i) the number of Equity Shares to be Allotted against each Bid, (ii) the amount to be transferred from the relevant bank account to the Public Issue Account, for each Bid, (iii) the date by which funds referred to in (ii) above may be transferred to the Public Issue Account, and (iv) details of rejected ASBA Bids, if any, along with reasons for rejection and details of withdrawn or unsuccessful Bids, if any, to enable the SCSBs to unblock the respective bank accounts.

(b) On the basis of instructions from the Registrar to the Offer, the SCSBs may transfer the requisite amount against each successful ASBA Bidder to the Public Issue Account and may unblock the excess amount, if any, in the ASBA Account.

(c) In the event of withdrawal or rejection of the ASBA Form and for unsuccessful Bids, the Registrar to the Offer may give instructions to the SCSB to unblock the Bid Amount in the relevant ASBA Account within six Working Days of the Bid/Offer Closing Date.

4.1.7.3 **Discount** (if applicable)

(a) The Discount is stated in absolute rupee terms.

(b) Bidders applying under RIB category, Retail Individual Shareholder and employees are only eligible for discount. For Discounts offered in the Offer, Bidders may refer to the RHP/Prospectus.

(c) The Bidders entitled to the applicable Discount in the Offer may block the Bid Amount less Discount.

Bidder may note that in case the net amount blocked (post Discount) is more than ₹200,000 or more than ₹500,000 in case of Employees bidding in the Employee Reservation Portion, the Bidding system automatically considers such applications for allocation under Non-Institutional Category. These applications are neither eligible for Discount nor fall under RIB category.

4.1.8 **FIELD NUMBER 8: SIGNATURES AND OTHER AUTHORISATIONS**

(a) Only the First Bidder/Applicant is required to sign the Bid cum Application Form/ Application Form. Bidders/Applicants should ensure that signatures are in one of the languages specified in the Eighth Schedule to the Constitution of India.

(b) If the ASBA Account is held by a person or persons other than the Bidder/Applicant, then the Signature of the ASBA Account holder(s) is also required.

(c) The signature has to be correctly affixed in the authorisation/undertaking box in the Bid cum Application Form/Application Form, or an authorisation has to be provided to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form/Application Form.

(d) Bidders/Applicants must note that Bid cum Application Form/Application Form without signature of Bidder/Applicant and/or ASBA Account holder is liable to be rejected.

4.1.9 **ACKNOWLEDGEMENT AND FUTURE COMMUNICATION**

(a) Bidders should ensure that they receive the Acknowledgment Slip duly signed and stamped by the Designated Intermediary, as applicable, for submission of the ASBA Form.

(b) All communications in connection with Bids made in the Offer may be addressed to the Registrar to the Offer with a copy to the relevant Designated Intermediary to whom the Bid cum Application Form was submitted. The Bidder should give full details such as name of the sole or first Bidder/Applicant, Bid cum Application Form number, Bidders'/Applicants' DP ID, Client ID, PAN, date of the submission of Bid cum Application Form, address of the Bidder, number of the Equity Shares applied for and the name and address of the Designated Intermediary where the Bid cum Application Form was submitted by the Bidder.

Further, the investor shall also enclose a copy of the Acknowledgment Slip duly received from the Designated Intermediaries in addition to the information mentioned hereinabove.

For further details, Bidder/Applicant may refer to the RHP/Prospectus and the Bid cum Application Form.

4.2 INSTRUCTIONS FOR FILING THE REVISION FORM

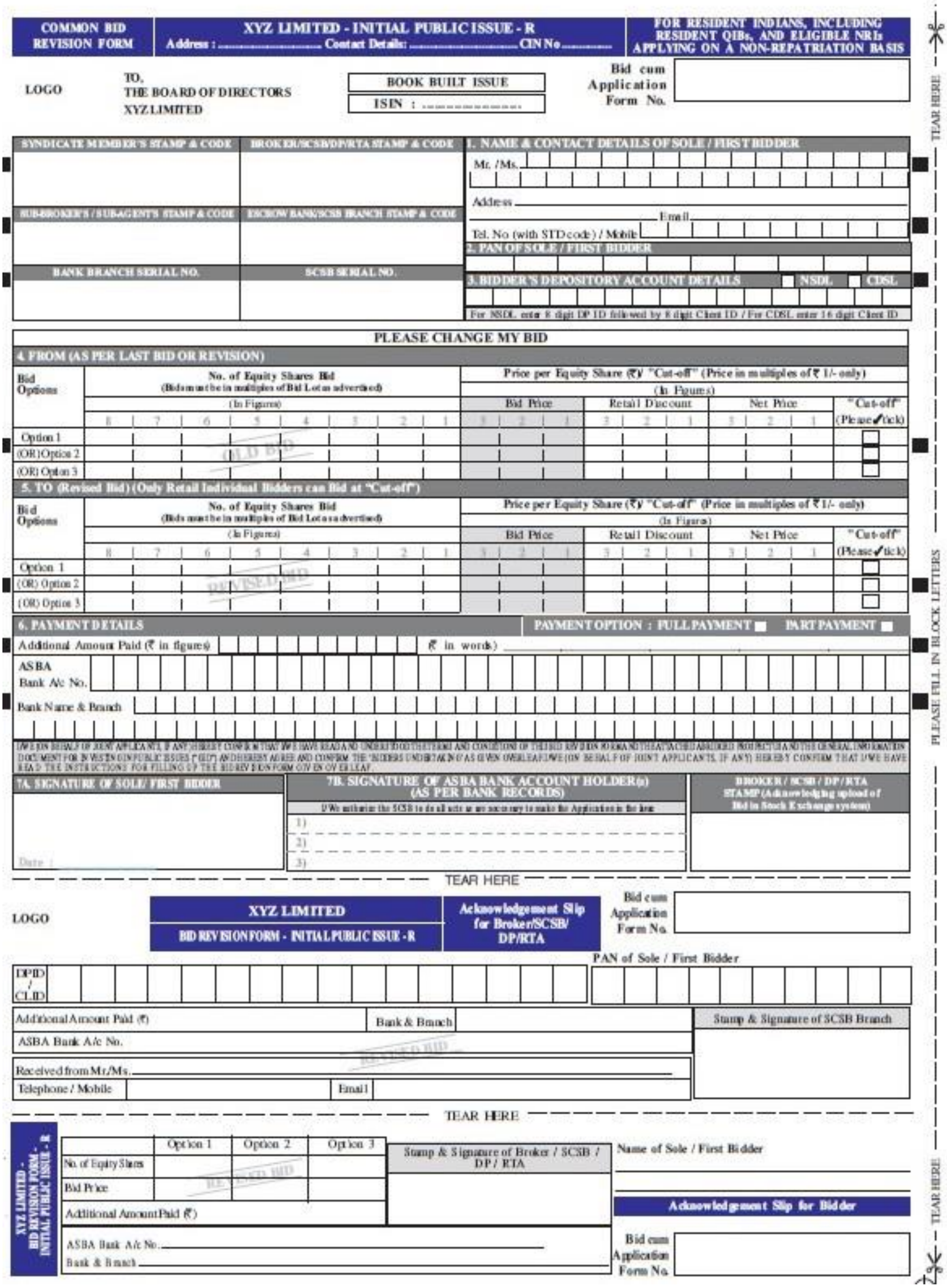
(a) During the Bid/Offer Period, any Bidder/Applicant (other than QIBs and NIBs, who can only revise their bid upwards) who has registered his or her interest in the Equity Shares at a particular price level is free to revise his or her Bid within the Price Band using the Revision Form, which is a part of the Bid cum Application Form.

(b) RIB may revise their bids or withdraw their Bids till the Bid/Offer Closing Date.

(c) Revisions can be made in both the desired number of Equity Shares and the Bid Amount by using the Revision Form.

(d) The Bidder/Applicant can make this revision any number of times during the Bid/Offer Period. However, for any revision(s) in the Bid, the Bidders/Applicants will have to use the services of the same Designated Intermediary through which such Bidder/Applicant had placed the original Bid. Bidders/Applicants are advised to retain copies of the blank Revision Form and the Bid(s) must be made only in such Revision Form or copies thereof.

A sample revision form is reproduced below:



COMMON BID REVISION FORM

XYZ LIMITED - INITIAL PUBLIC ISSUE - R

Address : .... Contact Details: .... CIN No ....

FOR RESIDENT INDIANS, INCLUDING RESIDENT QIBs, AND ELIGIBLE NRIs APPLYING ON A NON-REPATRIATION BASIS

LOGO

TO,
THE BOARD OF DIRECTORS
XYZ LIMITED

BOOK BUILT ISSUE

ISIN : ....

Bid cum Application Form No.

SYNDICATE MEMBER'S STAMP & CODE | BROKER/SCSB/DP/RTA STAMP & CODE

SUB-BROKER'S / SUB-AGENT'S STAMP & CODE | ESCROW BANK/SCSB BRANCH STAMP & CODE

BANK BRANCH SERIAL NO. | SCSB SERIAL NO.

1. NAME & CONTACT DETAILS OF SOLE / FIRST BIDDER

Mr. /Ms.

Address

Email

Tel. No (with STD code) / Mobile

2. PAN OF SOLE / FIRST BIDDER

3. BIDDER'S DEPOSITORY ACCOUNT DETAILS | NSDL | CDSL

For NSDL enter 8 digit DP ID followed by 8 digit Client ID / For CDSL enter 16 digit Client ID

PLEASE CHANGE MY BID

4. FROM (AS PER LAST BID OR REVISION)

Bid Options | No. of Equity Shares Bid (Bids must be in multiples of Bid Lot as advertised) (In Figures) | Price per Equity Share (₹)/ "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures): Bid Price, Retail Discount, Net Price, "Cut-off" (Please ✓ tick)

Option 1 / (OR) Option 2 / (OR) Option 3

OLD BID

5. TO (Revised Bid) (Only Retail Individual Bidders can Bid at "Cut-off")

Bid Options | No. of Equity Shares Bid (Bids must be in multiples of Bid Lot as advertised) (In Figures) | Price per Equity Share (₹)/ "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures): Bid Price, Retail Discount, Net Price, "Cut-off" (Please ✓ tick)

Option 1 / (OR) Option 2 / (OR) Option 3

REVISED BID

6. PAYMENT DETAILS | PAYMENT OPTION : FULL PAYMENT | PART PAYMENT

Additional Amount Paid (₹ in figures) | (₹ in words)

ASBA Bank A/c No.

Bank Name & Branch

I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS BID REVISION FORM AND THE ATTACHED ABRIDGED PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN PUBLIC ISSUES ("GID") AND HEREBY AGREE AND CONFIRM THE 'BIDDERS UNDERTAKING' AS GIVEN OVERLEAF. I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILLING UP THE BID REVISION FORM GIVEN OVERLEAF.

7A. SIGNATURE OF SOLE/ FIRST BIDDER

7B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(s) (AS PER BANK RECORDS)

I/We authorize the SCSB to do all acts as are necessary to make the Application in the Issue

1) 2) 3)

BROKER / SCSB / DP / RTA STAMP (Acknowledging upload of Bid in Stock Exchange system)

Date :

TEAR HERE

LOGO

XYZ LIMITED

BID REVISION FORM - INITIAL PUBLIC ISSUE - R

Acknowledgement Slip for Broker/SCSB/ DP/RTA

Bid cum Application Form No.

PAN of Sole / First Bidder

DPID / CLID

Additional Amount Paid (₹) | Bank & Branch | Stamp & Signature of SCSB Branch

ASBA Bank A/c No.

Received from Mr./Ms.

Telephone / Mobile | Email

TEAR HERE

XYZ LIMITED - BID REVISION FORM - INITIAL PUBLIC ISSUE - R

	Option 1	Option 2	Option 3
No. of Equity Shares			
Bid Price			
Additional Amount Paid (₹)			

ASBA Bank A/c No.

Bank & Branch

Stamp & Signature of Broker / SCSB / DP / RTA

Name of Sole / First Bidder

Acknowledgement Slip for Bidder

Bid cum Application Form No.

TEAR HERE

PLEASE FILL IN BLOCK LETTERS

Instructions to fill each field of the Revision Form can be found on the reverse side of the Revision Form. Other than instructions already highlighted at paragraph 4.1 above, point wise instructions regarding filling up various fields of the Revision Form are provided below:

4.2.1.1 FIELDS 1, 2 AND 3: NAME AND CONTACT DETAILS OF SOLE/FIRST BIDDER/APPLICANTS, PAN OF SOLE/FIRST BIDDER/APPLICANT & DEPOSITORY ACCOUNT DETAILS OF THE BIDDER/APPLICANT

Bidders/Applicants should refer to instructions contained in paragraphs 4.1.1, 4.1.2 and 4.1.3.

4.2.2 FIELD 4 & 5: BID OPTIONS REVISION 'FROM' AND 'TO'

(a) Apart from mentioning the revised options in the Revision Form, the Bidder/Applicant must also mention the details of all the bid options given in his or her Bid cum Application Form or earlier Revision Form. For example, if a Bidder/Applicant has Bid for three options in the Bid cum Application Form and such Bidder/Applicant is changing only one of the options in the Revision Form, the Bidder/Applicant must still fill the details of the other two options that are not being revised, in the Revision Form. The Designated Intermediaries may not accept incomplete or inaccurate Revision Forms.

(b) In case of revision, Bid options should be provided by Bidders/Applicants in the same order as provided in the Bid cum Application Form.

(c) In case of revision of Bids by RIBs, and Retail Individual Shareholders, such Bidders/Applicants should ensure that the Bid Amount, subsequent to revision, does not exceed ₹200,000. In case of revision in Bids by Employees under the Employee Reservation Portion, such Employees shall ensure that the Bid Amount, subsequent to revision does not exceed ₹500,000. In the event of under subscription in the employee reservation portion, the unsubscribed portion may be Allotted on a proportionate basis for a value in excess of ₹200,000, subject to total Allotment to an Employee not exceeding ₹500,000. In case the Bid Amount exceeds ₹200,000, except Bids by Employees under the Employee Reservation Portion, due to revision of the Bid or for any other reason, the Bid may be considered, subject to eligibility, for allocation under the Non-Institutional Category, not being eligible for Discount (if applicable) and such Bid may be rejected if it is at the Cut-off Price. The Cut-off Price option is given only to the RIBs, Employees and Retail Individual Shareholders indicating their agreement to Bid for and purchase the Equity Shares at the Offer Price as determined at the end of the Book Building Process.

(d) In case the total amount (i.e., original Bid Amount plus additional payment) exceeds ₹200,000, except Bids by Employees under the Employee Reservation Portion, the Bid will be considered for allocation under the Non-Institutional Category in terms of the RHP/Prospectus. If, however, the RIB does not either revise the Bid or make additional payment and the Offer Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares Bid, where possible. shall be adjusted downwards for the purpose of allocation, such that no additional payment would be required from the RIB and the RIB is deemed to have approved such revised Bid at Cut-off Price.

(e) In case of a downward revision in the Price Band, RIBs and Bids by Employees under the Reservation Portion, who have bid at the Cut-off Price could either revise their Bid or the excess amount paid at the time of Bidding may be unblocked after the allotment is finalised.

4.2.3 FIELD 6: PAYMENT DETAILS

(a) All Bidders/Applicants are required to authorise that the full Bid Amount (less Discount (if applicable) is blocked. In case of Bidders/Applicants specifying more than one Bid Option in the Bid cum Application Form, the total Bid Amount may be calculated for the highest of three options at net price, i.e. Bid price less discount offered, if any.

(b) Bidder/Applicants may issue instructions to block the revised amount based on cap of the revised Price Band (adjusted for the Discount (if applicable) in the ASBA Account, to the same Designated Intermediary through whom such Bidder/Applicant had placed the original Bid to enable the relevant SCSB to block the additional Bid Amount, if any.

(c) In case the total amount (i.e., original Bid Amount less discount (if applicable) plus additional payment) exceeds ₹200,000, except Bids by Employees under the Employee Reservation Portion, wherein the application amount shall not exceed ₹500,000, the Bid may be considered for allocation under the Non-Institutional Category in terms of the RHP/Prospectus. If, however, the Bidder/Applicant does not either revise the Bid or make additional payment and the Offer Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares Bid for, where possible, may be adjusted downwards for the purpose of Allotment, such that additional amount is required to be blocked and the Bidder/Applicant is deemed to have approved such revised Bid at the Cut-off Price.

(d) In case of a downward revision in the Price Band, RIBs, Employees and Retail Individual Shareholders, who have bid at the Cut-off Price, could either revise their Bid or the excess amount blocked at the time of Bidding may be unblocked after the finalisation of basis of allotment.

4.2.4 FIELDS 7 : SIGNATURES AND ACKNOWLEDGEMENTS

Bidders/Applicants may refer to instructions contained at paragraphs 4.1.8 and 4.1.9 for this purpose.

4.3 INSTRUCTIONS FOR FILING APPLICATION FORM IN ISSUES MADE OTHER THAN THROUGH THE BOOK BUILDING PROCESS (FIXED PRICE ISSUE)

4.3.1 FIELDS 1, 2, 3 NAME AND CONTACT DETAILS OF SOLE/FIRST BIDDER/APPLICANT, PAN OF SOLE/FIRST BIDDER/APPLICANT & DEPOSITORY ACCOUNT DETAILS OF THE BIDDER/APPLICANT

Applicants should refer to instructions contained in paragraphs 4.1.1, 4.1.2 and 4.1.3.

4.3.2 FIELD 4: PRICE, APPLICATION QUANTITY & AMOUNT

(a) The Issuer may mention Issue Price or Price Band in the draft Prospectus. However a prospectus registered with RoC contains one price or coupon rate (as applicable).

(b) **Minimum Application Value and Bid Lot**: The Issuer in consultation with the BRLMs may decide the minimum number of Equity Shares for each Bid to ensure that the minimum application value is within the range of ₹10,000 to ₹15,000. The minimum Lot size is accordingly determined by an Issuer on basis of such minimum application value.

(c) Applications by RIBs**,** Employees and Retail Individual Shareholders, must be for such number of shares so as to ensure that the application amount payable does not exceed ₹200,000, except for Bids by Employees bidding in the Employee Reservation Portion wherein the application amount payable should not exceed ₹500,000.

(d) Applications by other investors must be for such minimum number of shares such that the application amount exceeds ₹200,000 and in multiples of such number of Equity Shares thereafter, as may be disclosed in the application form and the Prospectus, or as advertised by the Issuer, as the case may be.

(e) An application cannot be submitted for more than the Offer size.

(f) The maximum application by any Applicant should not exceed the investment limits prescribed for them under the applicable laws.

(g) **Multiple Applications:** An Applicant should submit only one Application Form. Submission of a second Application Form to either the same or other Designated Intermediary and duplicate copies of Application Forms bearing the same application number shall be treated as multiple applications and are liable to be rejected.

(h) Applicants are requested to note the following procedures may be followed by the Registrar to the Offer to detect multiple applications:

i. All applications may be checked for common PAN as per the records of the Depository. For Applicants other than Mutual Funds, Applications bearing the same PAN may be treated as multiple applications by an Applicant and may be rejected.

ii. For applications from Mutual Funds, submitted under the same PAN, as well as Applications on behalf of the PAN Exempted Applicants, the Application Forms may be checked for common DP ID and Client ID. In any such applications which have the same DP ID and Client ID, these may be treated as multiple applications and may be rejected.

(i) The following applications may not be treated as multiple Bids:

i. Applications by Reserved Categories in their respective reservation portion as well as that made by them in the Net Offer portion in public category.

ii. Separate applications by Mutual Funds in respect of more than one scheme of the Mutual Fund provided that the Applications clearly indicate the scheme for which the Bid has been made.

iii. Applications by Mutual Funds, submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs.

4.3.3 FIELD NUMBER 5 : CATEGORY OF APPLICANTS

(a) The categories of applicants identified as per the SEBI ICDR Regulations, 2009 for the purpose of Bidding, allocation and Allotment in the Offer are RIBs, individual applicants other than RIB's and other investors (including corporate bodies or institutions, irrespective of the number of specified securities applied for).

(b) An Issuer can make reservation for certain categories of Applicants permitted under the SEBI ICDR Regulations, 2009. For details of any reservations made in the Offer, applicants may refer to the Prospectus.

(c) The SEBI ICDR Regulations, 2009 specify the allocation or Allotment that may be made to various categories of applicants in an Offer depending upon compliance with the eligibility conditions. Details pertaining to allocation are disclosed on reverse side of the Revision Form. For Offer specific details in relation to allocation applicant may refer to the Prospectus.

4.3.4 **FIELD NUMBER 6: INVESTOR STATUS**

Applicants should refer to instructions contained in paragraphs 4.1.6.

4.3.5 **FIELD 7: PAYMENT DETAILS**

(a) All Applicants (other than Anchor Investors) are required to make use of ASBA for applying in the Issue

(b) Application Amount cannot be paid in cash, through money order, cheque, demand draft or through postal order or through stock invest.

4.3.5.1 **Payment instructions for ASBA Applicants**

Applicants should refer to instructions contained in paragraphs 4.1.7.2.

4.3.5.2 **Unblocking of ASBA Account**

Applicants should refer to instructions contained in paragraphs 4.1.7.2.1.

4.3.5.3 **Discount** (if applicable)

Applicants should refer to instructions contained in paragraphs 4.1.7.3.

4.3.6 **FIELD NUMBER 8: SIGNATURES AND OTHER AUTHORISATIONS & ACKNOWLEDGEMENT AND FUTURE COMMUNICATION**

Applicants should refer to instructions contained in paragraphs 4.1.8 & 4.1.9.

4.4 SUBMISSION OF BID CUM APPLICATION FORM/APPLICATION FORM/REVISION FORM

4.4.1 **Bidders/Applicants may submit completed Bid cum application form/Revision Form in the following manner:-**

Mode of Application	Submission of Bid cum Application Form
Anchor Investors Application Form	1) To the Book Running Lead Managers at the locations mentioned in the Anchor Investors Application Form
ASBA Form	(a) To members of the Syndicate in the Specified Locations or Registered Brokers at the Broker Centres or the RTA at the Designated RTA Locations or the CDPs at the Designated CDP Locations (b) To the Designated Branches of the SCSBs

(a) Bidders/Applicants should submit the Revision Form to the same Designated Intermediary through which such Bidder/Applicant had placed the original Bid.

(b) Upon submission of the Bid cum Application Form, the Bidder/Applicant will be deemed to have authorized the Issuer to make the necessary changes in the RHP and the Bid cum Application Form as would be required for filing Prospectus with the RoC and as would be required by the RoC after such filing, without prior or subsequent notice of such changes to the relevant Bidder/Applicant.

(c) Upon determination of the Offer Price and filing of the Prospectus with the RoC, the Bid cum Application Form will be considered as the application form.

SECTION 5: ISSUE PROCEDURE IN BOOK BUILT ISSUE

Book Building, in the context of the Offer, refers to the process of collection of Bids within the Price Band or above the Floor Price and determining the Offer Price based on the Bids received as detailed in Schedule XI of SEBI ICDR Regulations, 2009.

The Offer Price is finalised after the Bid/Offer Closing Date. Valid Bids received at or above the Offer Price are considered for allocation in the Offer, subject to applicable regulations and other terms and conditions.

5.1 SUBMISSION OF BIDS

(a) During the Bid/Offer Period, Bidders/Applicants may approach any of the Designated Intermediaries to register their Bids. Anchor Investors who are interested in subscribing for the Equity Shares should approach the Book Running Lead Managers, to register their Bid.

(b) In case of Bidders/Applicants (excluding NIIs and QIBs) Bidding at Cut-off Price, the Bidders/Applicants may instruct the SCSBs to block Bid Amount based on the Cap Price less discount (if applicable).

(c) For details of the timing on acceptance and upload of Bids in the Stock Exchanges Platform Bidders/Applicants are requested to refer to the RHP.

5.2 ELECTRONIC REGISTRATION OF BIDS

(a) The Designated Intermediary may register the Bids using the on-line facilities of the Stock Exchanges. The Designated Intermediaries can also set up facilities for off-line electronic registration of Bids, subject to the condition that they may subsequently upload the off-line data file into the on-line facilities for Book Building on a regular basis before the closure of the issue.

(b) On the Bid/Offer Closing Date, the Designated Intermediaries may upload the Bids till such time as may be permitted by the Stock Exchanges and as disclosed in the Red Herring Prospectus.

(c) Only Bids that are uploaded on the Stock Exchanges Platform are considered for allocation/Allotment. The Designated Intermediaries are given till 1 p.m. on the next Working Day following the Bid/Offer Closing Date to modify select fields uploaded in the Stock Exchange Platform during the Bid/Offer Period after which the Stock Exchange(s) send the bid information to the Registrar to the Offer for further processing.

5.3 BUILD UP OF THE BOOK

(a) Bids received from various Bidders/Applicants through the Designated Intermediaries may be electronically uploaded on the Bidding Platform of the Stock Exchanges' on a regular basis. The book gets built up at various price levels. This information may be available with the BRLMs at the end of the Bid/Offer Period.

(b) Based on the aggregate demand and price for Bids registered on the Stock Exchanges Platform, a graphical representation of consolidated demand and price as available on the websites of the Stock Exchanges may be made available at the Bidding Centres during the Bid/Offer Period.

5.4 WITHDRAWAL OF BIDS

(a) RIBs can withdraw their Bids until Bid/Offer Closing Date. In case a RIB wishes to withdraw the Bid during the Bid/Offer Period, the same can be done by submitting a request for the same to the concerned Designated Intermediary who shall do the requisite, including unblocking of the funds by the SCSB in the ASBA Account.

(b) The Registrar to the Offer shall give instruction to the SCSB for unblocking the ASBA Account upon or after the finalisation of basis of allotment. QIBs and NIBs can neither withdraw nor lower the size of their Bids at any stage.

5.5 REJECTION & RESPONSIBILITY FOR UPLOAD OF BIDS

(a) The Designated Intermediaries are individually responsible for the acts, mistakes or errors or omission in relation to:

i. the Bids accepted by the Designated Intermediary,

ii. the Bids uploaded by the Designated Intermediary, and

iii. the Bid cum application forms accepted but not uploaded by the Designated Intermediary.

(b) Any RIB whose Bid has not been considered for Allotment, due to failures on the part of the SCSB may seek redressal from the concerned SCSB within three months of the listing date in accordance with the circular SEBI/HO/CFD/DIL2/CIR/P/2018/22 dated February 15, 2018.

(c) The BRLMs and their affiliate Syndicate Members, as the case may be, may reject Bids if all information required is not provided and the Bid cum Application Form is incomplete in any respect.

(d) The SCSBs shall have no right to reject Bids, except in case of unavailability of adequate funds in the ASBA Account or on technical grounds.

(e) In case of QIB Bidders, only the (i) SCSBs (for Bids other than the Bids by Anchor Investors); and (ii) BRLMs and their affiliate Syndicate Members (only in the Specified Locations) have the right to reject bids. However, such rejection shall be made at the time of receiving the Bid and only after assigning a reason for such rejection in writing.

(f) All bids by QIBs, NIBs & RIBs Bidders can be rejected on technical grounds listed herein.

5.5.1 **GROUNDS FOR TECHNICAL REJECTIONS**

Bid cum Application Forms/Application Forms can be rejected on the below mentioned technical grounds either at the time of their submission to any of the Designated Intermediaries, or at the time of finalisation of the Basis of Allotment. Bidders/Applicants are advised to note that the Bids/Applications are liable to be rejected, which have been detailed at various placed in this GID:-

(a) Bid/Application by persons not competent to contract under the Indian Contract Act, 1872, as amended, (other than minors having valid Depository Account as per Demographic Details provided by Depositories);

(b) Bids/Applications by OCBs;

(c) In case of partnership firms, Bid/Application for Equity Shares made in the name of the firm. However, a limited liability partnership can apply in its own name;

(d) In case of Bids/Applications under power of attorney or by limited companies, corporate, trust, etc., relevant documents are not being submitted along with the Bid cum application form;

(e) Bids/Applications by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;

(f) Bids/Applications by any person outside India if not in compliance with applicable foreign and Indian laws;

(g) PAN not mentioned in the Bid cum Application Form/Application Forms except for Bids/Applications by or on behalf of the Central or State Government and officials appointed by the court and by the investors residing in the State of Sikkim, provided such claims have been verified by the Depository Participant;

(h) In case no corresponding record is available with the Depositories that matches the DP ID, the Client ID and the PAN;

(i) Bids/Applications for lower number of Equity Shares than the minimum specified for that category of investors;

(j) Bids/Applications at a price less than the Floor Price & Bids/Applications at a price more than the Cap Price;

(k) Bids/Applications at Cut-off Price by NIBs and QIBs;

(l) The amounts mentioned in the Bid cum Application Form/Application Forms do not tally with the amount payable for the value of the Equity Shares Bid/Applied for;

(m) Bids/Applications for amounts greater than the maximum permissible amounts prescribed by the regulations;

(n) Bids/Applications for shares more than the prescribed limit by each Stock Exchanges for each category;

(o) Submission of more than five ASBA Forms/Application Forms per ASBA Account;

(p) Bids/Applications for number of Equity Shares which are not in multiples of Equity Shares as specified in the RHP;

(q) Multiple Bids/Applications as defined in this GID and the RHP/Prospectus;

(r) Bids not uploaded in the Stock Exchanges bidding system.

(s) Inadequate funds in the bank account to block the Bid/Application Amount specified in the ASBA Form/Application Form at the time of blocking such Bid/Application Amount in the bank account;

(t) Where no confirmation is received from SCSB for blocking of funds;

(u) Bids/Applications by Bidders (other than Anchor Investors) not submitted through ASBA process;

(v) Bids/Applications submitted to Designated Intermediaries at locations other than the Bidding Centers or to the Escrow Collecting Banks (assuming that such bank is not a SCSB where the ASBA Account is maintained), to the Issuer or the Registrar to the Offer;

(w) Bids/Applications not uploaded on the terminals of the Stock Exchanges;

(x) Bids/Applications by SCSBs wherein a separate account in its own name held with any other SCSB is not mentioned as the ASBA Account in the Bid cum Application Form/Application Form.

5.6 BASIS OF ALLOCATION

(a) The SEBI ICDR Regulations, 2009 specify the allocation or Allotment that may be made to various categories of Bidders/Applicants in an Offer depending on compliance with the eligibility conditions. Certain details pertaining to the percentage of Offer size available for allocation to each category is disclosed overleaf of the Bid cum Application Form and in the RHP/Prospectus. For details in relation to allocation, the Bidder/Applicant may refer to the RHP/Prospectus.

(b) Under-subscription in any category (except QIB Portion) is allowed to be met with spill-over from any other category or combination of categories at the discretion of the Issuer and in consultation with the BRLMs and the Designated Stock Exchange and in accordance with the SEBI ICDR Regulations, 2009. Unsubscribed portion in QIB Category is not available for subscription to other categories.

(c) In case of under subscription in the Net Offer, spill-over to the extent of such under-subscription may be permitted from the Reserved Portion to the Offer. For allocation in the event of an under-subscription applicable to the Issuer, Bidders/Applicants may refer to the RHP.

(d) **Illustration of the Book Building and Price Discovery Process**

Bidders should note that this example is solely for illustrative purposes and is not specific to the Offer; it also excludes Bidding by Anchor Investors.

Bidders can bid at any price within the price band. For instance, assume a price band of ₹20 to ₹24 per share, issue size of 3,000 equity shares and receipt of five bids from bidders, details of which are shown in the table below. The illustrative book given below shows the demand for the equity shares of the issuer company at various prices and is collated from bids received from various investors.

Bid Quantity	Bid Price (₹)	Cumulative Quantity	Subscription
500	24	500	16.70%
1,000	23	1,500	50.00%
1,500	22	3,000	100.00%
2,000	21	5,000	166.70%
2,500	20	7,500	250.00%

The price discovery is a function of demand at various prices. The highest price at which the issuer is able to issue the desired number of equity shares is the price at which the book cuts off, *i.e.*, ₹22.00 in the above example. The issuer, in consultation with the book running lead managers, will finalise the issue price at or below such cut-off price, *i.e.*, at or below ₹22.00. All bids at or above this issue price and cut-off bids are valid bids and are considered for allocation in the respective categories.

(e) **Alternate Method of Book Building**

In case of FPOs, Issuers may opt for an alternate method of Book Building in which only the Floor Price is specified for the purposes of Bidding ("**Alternate Book Building Process**").

The Issuer may specify the Floor Price in the RHP or advertise the Floor Price at least one Working Day prior to the Bid/Offer Opening Date. QIBs may Bid at a price higher than the Floor Price and the Allotment to the QIBs is made on a price priority basis. The Bidder with the highest Bid Amount is allotted the number of Equity Shares Bid for and then the second highest Bidder is Allotted Equity Shares and this process continues until all the Equity Shares have been allotted. RIBs, NIBs and Employees are Allotted Equity Shares at the Floor Price and Allotment to these categories of Bidders is made proportionately. If the number of Equity Shares Bid for at a price is more than available quantity then the Allotment may be done on a proportionate basis. Further, the Issuer may place a cap either in terms of number of specified securities or percentage of issued capital of the Issuer that may be Allotted to a single Bidder, decide whether a Bidder be allowed to revise the bid upwards or downwards in terms of price and/or quantity and also decide whether a Bidder be allowed single or multiple bids.

SECTION 6: ISSUE PROCEDURE IN FIXED PRICE ISSUE

Applicants may note that there is no Bid cum Application Form in a Fixed Price Offer. As the Offer Price is mentioned in the Fixed Price Offer therefore on filing of the Prospectus with the RoC, the Application so submitted is considered as the application form.

Applicants may only use the specified Application Form for the purpose of making an Application in terms of the Prospectus which may be submitted through the Designated Intermediary.

Applicants may submit an Application Form either in physical form to the any of the Designated Intermediaries or in the electronic form to the SCSB or the Designated Branches of the SCSBs authorising blocking of funds that are available in the bank account specified in the Application Form only ("ASBA Account"). The Application Form is also made available on the websites of the Stock Exchanges at least one day prior to the Bid/Offer Opening Date.

In a fixed price Offer, allocation in the net offer to the public category is made as follows: minimum fifty per cent to Retail Individual Bidders; and remaining to (i) individual investors other than Retail Individual Bidders; and (ii) other Applicants including corporate bodies or institutions, irrespective of the number of specified securities applied for. The unsubscribed portion in either of the categories specified above may be allocated to the Applicants in the other category.

For details of instructions in relation to the Application Form, Bidders/Applicants may refer to the relevant section of the GID.

SECTION 7: ALLOTMENT PROCEDURE AND BASIS OF ALLOTMENT

The Allotment of Equity Shares to Bidders/Applicants other than Retail Individual Bidders and Anchor Investors may be on proportionate basis. For Basis of Allotment to Anchor Investors, Bidders/Applicants may refer to RHP/Prospectus. No Retail Individual Bidder will be Allotted less than the minimum Bid Lot subject to availability of shares in Retail Individual Bidder Category and the remaining available shares, if any will be Allotted on a proportionate basis. The Issuer is required to receive a minimum subscription of 90% of the Net Offer (excluding any Offer for Sale of specified securities). However, in case the Offer is in the nature of Offer for Sale only, then minimum subscription may not be applicable.

7.1 ALLOTMENT TO RIBs

Bids received from the RIBs at or above the Offer Price may be grouped together to determine the total demand under this category. If the aggregate demand in this category is less than or equal to the Retail Category at or above the Offer Price, full Allotment may be made to the RIBs to the extent of the valid Bids. If the aggregate demand in this category is greater than the allocation to in the Retail Category at or above the Offer Price, then the maximum number of RIBs who can be Allotted the minimum Bid Lot will be computed by dividing the total number of Equity Shares available for Allotment to RIBs by the minimum Bid Lot ("**Maximum RIB Allottees**"). The Allotment to the RIBs will then be made in the following manner:

(a) In the event the number of RIBs who have submitted valid Bids in the Offer is equal to or less than Maximum RIB Allottees, (i) all such RIBs shall be Allotted the minimum Bid Lot; and (ii) the balance available Equity Shares, if any, remaining in the Retail Category shall be Allotted on a proportionate basis to the RIBs who have received Allotment as per (i) above for the balance demand of the Equity Shares Bid by them (i.e. who have Bid for more than the minimum Bid Lot).

(b) In the event the number of RIBs who have submitted valid Bids in the Offer is more than Maximum RIB Allottees, the RIBs (in that category) who will then be Allotted minimum Bid Lot shall be determined on the basis of draw of lots.

7.2 ALLOTMENT TO NIBS

Bids received from NIBs at or above the Offer Price may be grouped together to determine the total demand under this category. The Allotment to all successful NIBs may be made at or above the Offer Price. If the aggregate demand in this category is less than or equal to the Non-Institutional Category at or above the Offer Price, full Allotment may be made to NIBs to the extent of their demand. In case the aggregate demand in this category is greater than the Non-Institutional Category at or above the Offer Price, Allotment may be made on a proportionate basis up to a minimum of the Non-Institutional Category.

7.3 ALLOTMENT TO QIBs

For the Basis of Allotment to Anchor Investors, Bidders/Applicants may refer to the SEBI ICDR Regulations, 2009 or RHP/Prospectus. Bids received from QIBs Bidding in the QIB Category (net of Anchor Portion) at or above the Offer Price may be grouped together to determine the total demand under this category. The QIB Category may be available for Allotment to QIBs who have Bid at a price that is equal to or greater than the Offer Price. Allotment may be undertaken in the following manner:

(a) In the first instance allocation to Mutual Funds for up to 5% of the QIB Category may be determined as follows: (i) In the event that Bids by Mutual Fund exceeds 5% of the QIB Category, allocation to Mutual Funds may be done on a proportionate basis for up to 5% of the QIB Category; (ii) In the event that the aggregate demand from Mutual Funds is less than 5% of the QIB Category then all Mutual Funds may get full Allotment to the extent of valid Bids received above the Offer Price; and (iii) Equity Shares remaining unsubscribed, if any and not allocated to Mutual Funds may be available for Allotment to all QIBs as set out at paragraph 7.4(b) below;

(b) In the second instance, Allotment to all QIBs may be determined as follows: (i) In the event of oversubscription in the QIB Category, all QIBs who have submitted Bids above the Offer Price may be Allotted Equity Shares on a proportionate basis for up to 95% of the QIB Category; (ii) Mutual Funds, who have received allocation as per (a) above, for less than the number of Equity Shares Bid for by them, are eligible to receive Equity Shares on a proportionate basis along with other QIBs; and (iii) Under-subscription below 5% of the QIB Category, if any, from Mutual Funds, may be included for allocation to the remaining QIBs on a proportionate basis.

7.4 ALLOTMENT TO ANCHOR INVESTOR (IF APPLICABLE)

(a) Allocation of Equity Shares to Anchor Investors at the Anchor Investor Offer Price will be at the discretion of the issuer in consultation with the Selling Shareholder and the BRLMs, subject to compliance with the following requirements:

   i. not more than 60% of the QIB Category will be allocated to Anchor Investors;

   ii. one-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors; and

   iii. allocation to Anchor Investors shall be on a discretionary basis and subject to:

   - a maximum number of two Anchor Investors for allocation up to ₹100 million;
   - a minimum number of two Anchor Investors and maximum number of 15 Anchor Investors for allocation of more than ₹100 million and up to ₹2,500 million subject to minimum Allotment of ₹50 million per such Anchor Investor; and
   - a minimum number of five Anchor Investors and maximum number of 15 Anchor Investors for allocation of more than ₹2,500 million, and an additional 10 Anchor Investors for every additional ₹2,500 million or part thereof, subject to minimum Allotment of ₹50 million per such Anchor Investor.

(b) An Anchor Investor shall make an application of a value of at least ₹100 million in the Offer.

(c) A physical book is prepared by the Registrar on the basis of the Anchor Investor Application Forms received from Anchor Investors. Based on the physical book and at the discretion of the Issuer in consultation with the BRLMs, selected Anchor Investors will be sent a CAN and if required, a revised CAN.

(d) **In the event that the Offer Price is higher than the Anchor Investor Allocation Price**: Anchor Investors will be sent a revised CAN within one day of the Pricing Date indicating the number of Equity Shares allocated to such Anchor Investor and the pay-in date for payment of the balance amount. Anchor Investors are then required to pay any additional amounts, being the difference between the Offer Price and the Anchor Investor Allocation Price, as indicated in the revised CAN within the pay-in date referred to in the revised CAN. Thereafter, the Allotment Advice will be issued to such Anchor Investors.

(e) **In the event the Offer Price is lower than the Anchor Investor Allocation Price:** Anchor Investors who have been Allotted Equity Shares will directly receive Allotment Advice.

7.5 ALLOTMENT UNDER EMPLOYEE RESERVATION PORTION

Allotment to all successful Eligible Employees may be made at or above the Offer Price. If the aggregate demand in this category is less than or equal to the Employee Reservation Portion at or above the Offer Price, full Allotment may be made to Eligible Employees to the extent of their demand. In case the aggregate demand in this category is greater than the Employee Reservation Portion at or above the Offer Price, Allotment may be made on a proportionate basis up to a minimum of the Employee Reservation Portion.

7.6 BASIS OF ALLOTMENT FOR QIBs (OTHER THAN ANCHOR INVESTORS), NIBs AND RESERVED CATEGORY IN CASE OF OVER-SUBSCRIBED ISSUE

In the event of the Offer being over-subscribed, the Issuer may finalise the Basis of Allotment in consultation with the Designated Stock Exchange in accordance with the SEBI ICDR Regulations, 2009.

The allocation may be made in marketable lots, on a proportionate basis as explained below:

(a) Bidders may be categorized according to the number of Equity Shares applied for;

(b) The total number of Equity Shares to be Allotted to each category as a whole may be arrived at on a proportionate basis, which is the total number of Equity Shares applied for in that category (number of Bidders in the category multiplied by the number of Equity Shares applied for) multiplied by the inverse of the over-subscription ratio;

(c) The number of Equity Shares to be Allotted to the successful Bidders may be arrived at on a proportionate basis, which is total number of Equity Shares applied for by each Bidder in that category multiplied by the inverse of the over-subscription ratio;

(d) In all Bids where the proportionate Allotment is less than the minimum Bid Lot decided per Bidder, the Allotment may be made as follows: the successful Bidders out of the total Bidders for a category may be determined by a draw of lots in a manner such that the total number of Equity Shares Allotted in that category is equal to the number of Equity Shares calculated in accordance with (b) above; and each successful Bidder may be Allotted a minimum of such Equity Shares equal to the minimum Bid Lot finalised by the Issuer;

(e) If the proportionate Allotment to a Bidder is a number that is more than the minimum Bid lot but is not a multiple of one (which is the marketable lot), the decimal may be rounded off to the higher whole number if that decimal is 0.5 or higher. If that number is lower than 0.5 it may be rounded off to the lower whole number. Allotment to all Bidders in such categories may be arrived at after such rounding off; and

(f) If the Equity Shares allocated on a proportionate basis to any category are more than the Equity Shares Allotted to the Bidders in that category, the remaining Equity Shares available for Allotment may be first adjusted against any other category, where the Allotted Equity Shares are not sufficient for proportionate Allotment to the successful Bidders in that category. The balance Equity Shares, if any, remaining after such adjustment may be added to the category comprising Bidders applying for minimum number of Equity Shares.

7.7 DESIGNATED DATE AND ALLOTMENT OF EQUITY SHARES

(a) **Designated Date:** On the Designated Date, the Escrow Collection Banks shall transfer the funds represented by allocation of Equity Shares to Anchor Investors from the Escrow Account, as per the terms of the Escrow Agreement, into the Public Issue Account with the Banker to the Offer. The balance amount after transfer to the Public Issue Account shall be transferred to the Refund Account. Payments of refund to the Bidders applying in the Anchor Investor Portion shall be made from the Refund Account as per the terms of the Escrow Agreement and the RHP. On the Designated Date, the Registrar to the Issue shall instruct the SCSBs to transfer funds represented by allocation of Equity Shares from ASBA Accounts into the Public Issue Account.

(b) **Issuance of Allotment Advice:** Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall upload the same on its website. On the basis of the approved Basis of Allotment, the Issuer shall pass necessary corporate action to facilitate the Allotment and credit of Equity Shares. Bidders/Applicants are advised to instruct their Depository Participant to accept the Equity Shares that may be allotted to them pursuant to the Offer.

Pursuant to confirmation of such corporate actions, the Registrar will dispatch Allotment Advice to the Bidders/Applicants who have been Allotted Equity Shares in the Offer.

(c) The dispatch of Allotment Advice shall be deemed a valid, binding and irrevocable contract.

(d) Issuer will ensure that: (i) the Allotment of Equity Shares; and (ii) credit of shares to the successful Bidders/Applicants Depository Account will be completed within six Working Days of the Bid/Offer Closing Date.

SECTION 8: INTEREST AND REFUNDS

8.1 COMPLETION OF FORMALITIES FOR LISTING & COMMENCEMENT OF TRADING

The Issuer shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges are taken within six Working Days of the Bid/Offer Closing Date. The Registrar to the Offer may initiate corporate action for credit of Equity Shares the beneficiary account with Depositories, within six Working Days of the Bid/Offer Closing Date.

8.2 GROUNDS FOR REFUND

8.2.1 NON RECEIPT OF LISTING PERMISSION

An Issuer makes an application to the Stock Exchange(s) for permission to deal in/list and for an official quotation of the Equity Shares. All the Stock Exchanges from where such permission is sought are disclosed in RHP/Prospectus. The Designated Stock Exchange may be as disclosed in the RHP/Prospectus with which the Basis of Allotment may be finalised.

If the Issuer fails to make application to the Stock Exchange(s) or obtain permission for listing of the Equity Shares, in accordance with the provisions of Section 40 of the Companies Act, 2013, the Issuer shall be punishable with a fine which shall not be less than ₹5 lakhs but which may extend to ₹50 lakhs and every officer of the Issuer who is in default shall be punishable with imprisonment for a term which may extend to one year or with fine which shall not be less than ₹50,000 but which may extend to ₹3 lakhs, or with both.

If the permissions to deal in and an official quotation of the Equity Shares are not granted by any of the Stock Exchange(s), the Issuer may forthwith take steps to refund, without interest, all moneys received from Bidders/Applicants.

If such money is not refunded to the Bidders/Applicants within the prescribed time after the Issuer becomes liable to repay it, then the Issuer and every director of the Issuer who is an officer in default may, on and from such expiry of such period, be liable to repay the money, with interest at such rate, as disclosed in the RHP/Prospectus.

8.2.2 NON RECEIPT OF MINIMUM SUBSCRIPTION

If the Issuer does not receive a minimum subscription of 90% of the Net Offer (excluding any offer for sale of specified securities), including devolvement to the Underwriters, the Issuer may forthwith, take steps to unblock the entire subscription amount received within six Working Days of the Bid/Offer Closing Date and repay, without interest, all moneys received from Anchor Investors. In case the Offer is in the nature of Offer for Sale only, then minimum subscription may not be applicable. In case of under-subscription in the Offer involving a Fresh Issue and an Offer for Sale, the Equity Shares in the Fresh Issue will be issued prior to the sale of Equity Shares in the Offer for Sale.

If there is a delay beyond the prescribed time after the Issuer becomes liable to pay the amount received from Bidders, then the Issuer and every director of the Issuer who is an officer in default may on and from expiry of 15 days, be jointly and severally liable to repay the money, with interest at the rate of 15% per annum in accordance with the Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended.

8.2.3 MINIMUM NUMBER OF ALLOTTEES

The Issuer may ensure that the number of prospective Allottees to whom Equity Shares may be Allotted may not be less than 1,000 failing which the entire application monies may be refunded forthwith.

8.2.4 IN CASE OF ISSUES MADE UNDER COMPULSORY BOOK BUILDING

In case an Issuer not eligible under Regulation 26(1) of the SEBI ICDR Regulations, 2009 comes for an Offer under Regulation 26(2) of SEBI (ICDR) Regulations, 2009 but fails to Allot at least 75% of the Net Offer to QIBs, in such case full subscription money is to be refunded.

8.3 MODE OF REFUND

(a) **In case of ASBA Bids:** Within six Working Days of the Bid/Offer Closing Date, the Registrar to the Offer may give instructions to SCSBs for unblocking the amount in ASBA Accounts for unsuccessful Bids or for any excess amount blocked on Bidding.

(b) **In case of Anchor Investors:** Within six Working Days of the Bid/Offer Closing Date, the Registrar to the Offer may dispatch the refund orders for all amounts payable to unsuccessful Anchor Investors.

(c) In case of Anchor Investors, the Registrar to the Offer may obtain from the depositories the Bidders' bank account details, including the MICR code, on the basis of the DP ID, Client ID and PAN provided by the Anchor Investors in their Anchor Investor Application Forms for refunds. Accordingly, Anchor Investors are advised to immediately update their details as appearing on the records of their depositories. Failure to do so may result in delays in dispatch of refund orders or refunds through electronic transfer of funds, as applicable, and any such delay may be at the Anchor Investors' sole risk and neither the Issuer, the Registrar to the Offer, the Escrow Collection Banks, or the Syndicate, may be liable to compensate the Anchor Investors for any losses caused to them due to any such delay, or liable to pay any interest for such delay. Please note that refunds shall be credited only to the bank account from which the Bid Amount was remitted to the Escrow Bank.

8.3.1 Electronic mode of making refunds for Anchor Investors

The payment of refund, if any, may be done through various electronic modes as mentioned below:

(a) **NACH—**National Automated Clearing House is a consolidated system of ECS. Payment of refunds would be done through NACH for Anchor Investors having an account at one of the centres specified by the RBI, where such facility has been made available. This would be subject to availability of complete bank account details including Magnetic Ink Character Recognition (MICR) code wherever applicable from the depository. The payment of refunds through NACH is mandatory for Anchor Investors having a bank account at any of the centres where NACH facility has been made available by the RBI (subject to availability of all information for crediting the refund through NACH including the MICR code as appearing on a cheque leaf, from the depositories), except where applicant is otherwise disclosed as eligible to get refunds through NEFT or Direct Credit or RTGS;

(b) **NEFT**—Payment of refund may be undertaken through NEFT wherever the branch of the Anchor Investors' bank is NEFT enabled and has been assigned the Indian Financial System Code ("**IFSC**"), which can be linked to the MICR of that particular branch. The IFSC Code may be obtained from the website of RBI as at a date prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Anchor Investors have registered their nine-digit MICR number and their bank account number while opening and operating the demat account, the same may be duly mapped with the IFSC Code of that particular bank branch and the payment of refund may be made to the Anchor Investors through this method. In the event NEFT is not operationally feasible, the payment of refunds may be made through any one of the other modes as discussed in this section;

(c) **RTGS**—Anchor Investors having a bank account at any of the centers notified by SEBI where clearing houses are managed by the RBI, may have the option to receive refunds, if any, through RTGS.

(d) **Direct Credit**—Anchor Investors having their bank account with the Refund Banker may be eligible to receive refunds, if any, through direct credit to such bank account;

Please note that refunds through the abovementioned modes shall be credited only to the bank account from which the Bid Amount was remitted to the Escrow Bank.

For details of levy of charges, if any, for any of the above methods, Anchor Investors may refer to RHP/Prospectus.

8.4 INTEREST IN CASE OF DELAY IN ALLOTMENT OR REFUND

The Issuer may pay interest at the rate of 15% per annum if Allotment is not made and the refund instructions have not been given to the clearing system in the disclosed manner/instructions for unblocking of funds in the ASBA Account are not dispatched within 15 days of the Bid/Offer Closing Date.

The Issuer may pay interest at 15% per annum for any delay beyond 15 days from the Bid/Offer Closing Date, if Allotment is not made.

SECTION 9: GLOSSARY AND ABBREVIATIONS

Unless the context otherwise indicates or implies, certain definitions and abbreviations used in this document may have the meaning as provided below. References to any legislation, act or regulation may be to such legislation, act or regulation as amended from time to time.

Term	Description
Allotment/Allot/Allotted	The allotment of Equity Shares pursuant to the Offer to successful Bidders/Applicants
Allotment Advice	Note or advice or intimation of Allotment sent to the Bidders/Applicants who have been Allotted Equity Shares after the Basis of Allotment has been approved by the designated Stock Exchanges
Allottee	An Bidder/Applicant to whom the Equity Shares are Allotted
Anchor Investor	A Qualified Institutional Buyer, applying under the Anchor Investor Portion in accordance with the requirements specified in SEBI ICDR Regulations, 2009 and the Red Herring Prospectus.
Anchor Investor Application Form	The form used by an Anchor Investor to make a Bid in the Anchor Investor Portion and which will be considered as an application for Allotment in terms of the Red Herring Prospectus and Prospectus
Anchor Investor Portion	Up to 60% of the QIB Category which may be allocated by the Issuer in consultation with the BRLMs, to Anchor Investors on a discretionary basis. One-third of the Anchor Investor Portion is reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to Anchor Investors
Application Supported by Blocked Amount /ASBA	An application, whether physical or electronic, used by ASBA Bidders/Applicants, to make a Bid and authorising an SCSB to block the Bid Amount in the specified bank account maintained with such SCSB
Application Supported by Blocked Amount Form /ASBA Form	An application form, whether physical or electronic, used by ASBA Bidders/Applicants, which will be considered as the application for Allotment in terms of the Red Herring Prospectus and the Prospectus
ASBA Account	Account maintained with an SCSB which may be blocked by such SCSB to the extent of the Bid Amount of the ASBA Bidder
ASBA Bidder	All Bidders/Applicants except Anchor Investors
Banker(s) to the Offer/Escrow Collection Bank(s)/Collecting Banker	The banks which are clearing members and registered with SEBI as Banker to the Offer with whom the Escrow Account for Anchor Investors may be opened, and as disclosed in the RHP/Prospectus and Bid cum Application Form of the Issuer
Basis of Allotment	The basis on which the Equity Shares may be Allotted to successful Bidders/Applicants under the Offer
Bid	An indication to make an offer during the Bid/Offer Period by a prospective Bidder pursuant to submission of Bid cum Application Form or during the Anchor Investor Bid/Offer Period by the Anchor Investors, to subscribe for or purchase the Equity Shares of the Issuer at a price within the Price Band, including all revisions and modifications thereto. In case of issues undertaken through the fixed price process, all references to a Bid should be construed to mean an Application
Bid Amount	The highest value of the optional Bids indicated in the Bid cum Application Form and payable by the Bidder upon submission of the Bid (except for Anchor Investors), less discounts (if applicable). In case of issues undertaken through the fixed price process, all references to the Bid Amount should be construed to mean the Application Amount
Bid cum Application Form	The Anchor Investor Application Form or the ASBA Form, as the context requires
Bid/Offer Closing Date	Except in the case of Anchor Investors (if applicable), the date after which the Designated Intermediaries may not accept any Bids for the Offer, which may be notified in an English national daily, a Hindi national daily and a regional language newspaper at the place where the registered office of the Issuer is situated, each with wide circulation. Bidders/Applicants may refer to the RHP/Prospectus for the Bid/Offer Closing Date
Bid/Offer Opening Date	Except in case of Anchor Investors (if applicable), the date on which the Designated Intermediaries may start accepting Bids for the Offer, which may be the date notified in an English national daily, a Hindi national daily and a regional language newspaper at the place where the registered office of the Issuer is situated, each with wide circulation. Bidders/Applicants may refer to the RHP/Prospectus for the Bid/Offer Opening Date
Bid/Offer Period	Except in the case of Anchor Investors (if applicable), the period between the Bid/Offer Opening Date and the Bid/Offer Closing Date inclusive of both days and during which prospective ASBA Bidders/Applicants can submit their Bids, inclusive of any revisions thereof. The Issuer may consider closing the Bid/Offer Period for QIBs one working day prior to the Bid/Offer Closing Date in accordance with the SEBI ICDR Regulations, 2009. Bidders/Applicants may refer to the RHP/Prospectus for the Bid/Offer Period
Bidder/Applicant	Any prospective investor who makes a Bid/Application pursuant to the terms of the RHP/Prospectus and the Bid cum Application Form. In case of issues undertaken through the fixed price process, all references to a Bidder/Applicants should be construed to mean an Applicant
Book Built Process/Book Building Process/Book Building Method	The book building process as provided under SEBI ICDR Regulations, 2009, in terms of which the Offer is being made
Broker Centres	Broker centres notified by the Stock Exchanges, where Bidders/Applicants can submit the ASBA Forms to a Registered Broker. The details of such broker centres, along with the names and contact details of the Registered Brokers are available on the websites of the Stock Exchanges.

Term	Description
BRLM(s)/Book Running Lead Manager(s)/Lead Manager/LM	The Book Running Lead Manager to the Offer as disclosed in the RHP/Prospectus and the Bid cum Application Form of the Issuer. In case of issues undertaken through the fixed price process, all references to the Book Running Lead Manager should be construed to mean the Lead Manager or LM
CAN/Confirmation of Allocation Note	Notice or intimation of allocation of the Equity Shares sent to Anchor Investors, who have been allocated the Equity Shares, after the Anchor Investor Bid/Offer Period
Cap Price	The higher end of the Price Band, above which the Offer Price and the Anchor Investor Offer Price may not be finalised and above which no Bids may be accepted
Client ID	Client Identification Number maintained with one of the Depositories in relation to demat account
Collecting Depository Participant or CDPs	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Bids at the Designated CDP Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
Cut-off Price	Offer Price, finalised by the Issuer in consultation with the Book Running Lead Manager(s), which can be any price within the Price Band. Only RIBs, Retail Individual Shareholders and employees are entitled to Bid at the Cut-off Price. No other category of Bidders/Applicants are entitled to Bid at the Cut-off Price
DP	Depository Participant
DP ID	Depository Participant’s Identification Number
Depositories	National Securities Depository Limited and Central Depository Services (India) Limited
Demographic Details	Details of the Bidders/Applicants including the Bidder/Applicant’s address, name of the Applicant’s father/husband, investor status, occupation and bank account details
Designated Branches	Such branches of the SCSBs which may collect the Bid cum Application Forms used by Bidders/Applicants (excluding Anchor Investors) and a list of which is available on http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes
Designated CDP Locations	Such locations of the CDPs where Bidders can submit the ASBA Forms to Collecting Depository Participants. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com)
Designated Date	The date on which funds are transferred by the Escrow Collection Bank(s) from the Escrow Account and the amounts blocked by the SCSBs are transferred from the ASBA Accounts, as the case may be, to the Public Issue Account or the Refund Account, as appropriate, after the Prospectus is filed with the RoC, following which the board of directors may Allot Equity Shares to successful Bidders/Applicants in the Fresh Issue may give delivery instructions for the transfer of the Equity Shares constituting the Offer for Sale
Designated Intermediaries	Syndicate, sub-syndicate/agents, SCSBs, Registered Brokers, CDPs and RTAs, who are authorized to collect ASBA Forms from the ASBA Bidders and Anchor Investor Application Forms from Anchor Investors, as applicable, in relation to the Offer
Designated RTA Locations	Such locations of the RTAs where Bidders can submit the ASBA Forms to RTAs. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com)
Designated Stock Exchange	The designated stock exchange as disclosed in the RHP/Prospectus of the Issuer
Discount	Discount to the Offer Price that may be provided to Bidders/Applicants in accordance with the SEBI ICDR Regulations, 2009.
Draft Prospectus	The draft prospectus filed with SEBI in case of Fixed Price Issues and which may mention a price or a Price Band
Employees	Employees of an Issuer as defined under SEBI ICDR Regulations, 2009 and including, in case of a new company, persons in the permanent and full time employment of the promoting companies excluding the promoters and immediate relatives of the promoters. For further details, Bidder/Applicant may refer to the RHP/Prospectus
Equity Shares	Equity Shares of the Issuer
Escrow Account	Account opened with the Escrow Collection Bank(s) and in whose favour the Anchor Investors may transfer money through NEFT/RTGS/direct credit in respect of the Bid Amount when submitting a Bid
Escrow Agreement	Agreement to be entered into among the Issuer, the Registrar to the Offer, the Book Running Lead Manager(s), the Escrow Collection Bank(s) and the Refund Bank(s) for collection of the Bid Amounts from Anchor Investors and where applicable, remitting refunds of the amounts collected to the Anchor Investors on the terms and conditions thereof
Escrow Collection Bank(s)	Refer to definition of Banker(s) to the Offer
FCNR Account	Foreign Currency Non-Resident Account
First Bidder/Applicant	The Bidder/Applicant whose name appears first in the Bid cum Application Form or Revision Form
FII(s)	Foreign Institutional Investors as defined under the SEBI (Foreign Institutional Investors) Regulations, 1995 and registered with SEBI under applicable laws in India
Fixed Price Issue/Fixed Price Process/Fixed Price Method	The Fixed Price process as provided under SEBI ICDR Regulations, 2009, in terms of which the Offer is being made

Term	Description
Floor Price	The lower end of the Price Band, at or above which the Offer Price and the Anchor Investor Offer Price may be finalised and below which no Bids may be accepted, subject to any revision thereto
FPIs	Foreign Portfolio Investors as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014
FPO	Further public offering
Foreign Venture Capital Investors or FVCIs	Foreign Venture Capital Investors as defined and registered with SEBI under the SEBI (Foreign Venture Capital Investors) Regulations, 2000
IPO	Initial public offering
Issuer/Company	The Issuer proposing the initial public offering/further public offering as applicable
Maximum RIB Allottees	The maximum number of RIBs who can be Allotted the minimum Bid Lot. This is computed by dividing the total number of Equity Shares available for Allotment to RIBs by the minimum Bid Lot.
MICR	Magnetic Ink Character Recognition - nine-digit code as appearing on a cheque leaf
Mutual Fund	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996
Mutual Funds Portion	5% of the QIB Category (excluding the Anchor Investor Portion) available for allocation to Mutual Funds only, being such number of equity shares as disclosed in the RHP/Prospectus and Bid cum Application Form
NECS	National Electronic Clearing Service
NEFT	National Electronic Fund Transfer
NRE Account	Non-Resident External Account
NRI	NRIs from such jurisdictions outside India where it is not unlawful to make an offer or invitation under the Offer and in relation to whom the RHP/Prospectus constitutes an invitation to subscribe to or purchase the Equity Shares
NRO Account	Non-Resident Ordinary Account
Net Offer	The Offer less reservation portion
Non Institutional Investors or NIIs	All Bidders/Applicants, including sub accounts of FIIs registered with SEBI which are foreign corporates or foreign individuals and FPIs which are Category III foreign portfolio investors, that are not QIBs or RIBs and who have Bid for Equity Shares for an amount of more than ₹200,000 (but not including NRIs other than Eligible NRIs)
Non-Institutional Category	The portion of the Offer being such number of Equity Shares available for allocation to NIBs on a proportionate basis and as disclosed in the RHP/Prospectus and the Bid cum Application Form
Non-Resident	A person resident outside India, as defined under FEMA and includes Eligible NRIs, FPIs and FVCIs registered with SEBI
OCB/Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA
Offer	Public issue of Equity Shares of the Issuer including the Offer for Sale if applicable
Offer for Sale	Public offer of such number of Equity Shares as disclosed in the RHP/Prospectus through an offer for sale by the Selling Shareholder
Other Investors	Investors other than Retail Individual Bidders in a Fixed Price Issue. These include individual applicants other than Retail Individual Bidders and other investors including corporate bodies or institutions irrespective of the number of specified securities applied for
Offer Price	The final price, less discount (if applicable) at which the Equity Shares may be Allotted to Bidders other than Anchor Investors, in terms of the Prospectus. Equity Shares will be Allotted to Anchor Investors at the Anchor Investor Offer Price The Offer Price may be decided by the Issuer in consultation with the Book Running Lead Manager(s)
PAN	Permanent Account Number allotted under the Income Tax Act, 1961
Price Band	Price Band with a minimum price, being the Floor Price and the maximum price, being the Cap Price and includes revisions thereof. The Price Band and the minimum Bid lot size for the Offer may be decided by the Issuer in consultation with the Book Running Lead Manager(s) and advertised, at least five working days in case of an IPO and one working day in case of FPO, prior to the Bid/Offer Opening Date, in English national daily, Hindi national daily and regional language at the place where the registered office of the Issuer is situated, newspaper each with wide circulation
Pricing Date	The date on which the Issuer in consultation with the Book Running Lead Manager(s), finalise the Offer Price
Prospectus	The prospectus to be filed with the RoC in accordance with Section 26 of the Companies Act, 2013 after the Pricing Date, containing the Offer Price, the size of the Offer and certain other information
Public Issue Account	A Bank account opened with the Banker to the Offer to receive monies from the Escrow Account and from the ASBA Accounts on the Designated Date
QIB Category	The portion of the Offer being such number of Equity Shares to be Allotted to QIBs on a proportionate basis
Qualified Institutional Buyers or QIBs	As defined under SEBI ICDR Regulations, 2009
RTGS	Real Time Gross Settlement

Term	Description
Red Herring Prospectus/RHP	The red herring prospectus issued in accordance with Section 32 of the Companies Act, 2013, which does not have complete particulars of the price at which the Equity Shares are offered and the size of the Offer. The RHP may be filed with the RoC at least three days before the Bid/Offer Opening Date and may become a Prospectus upon filing with the RoC after the Pricing Date. In case of issues undertaken through the fixed price process, all references to the RHP should be construed to mean the Prospectus
Refund Account	The account opened with Refund Bank, from which refunds to Anchor Investors, if any, of the whole or part of the Bid Amount may be made
Refund Bank	Refund bank as disclosed in the RHP/Prospectus and Bid cum Application Form of the Issuer
Registrar and Share Transfer Agents or RTAs	Registrar and share transfer agents registered with SEBI and eligible to procure Bids at the Designated RTA Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
Registered Broker	Stock Brokers registered with the Stock Exchanges having nationwide terminals, other than the members of the Syndicate
Registrar to the Offer/RTO	The Registrar to the Offer as disclosed in the RHP/Prospectus and Bid cum Application Form
Reserved Category/Categories	Categories of persons eligible for making application/Bidding under reservation portion
Reservation Portion	The portion of the Offer reserved for such category of eligible Bidders/Applicants as provided under the SEBI ICDR Regulations, 2009
Retail Individual Bidders/ RIBs	Investors who applies or bids for a value of not more than ₹200,000.
Retail Individual Shareholders	Shareholders of a listed Issuer who applies or bids for a value of not more than ₹200,000.
Retail Category	The portion of the Offer being such number of Equity Shares available for allocation to RIBs which shall not be less than the minimum Bid Lot, subject to availability in RIB category and the remaining shares to be Allotted on proportionate basis.
Revision Form	The form used by the Bidders in an issue through Book Building Process to modify the quantity of Equity Shares and/or bid price indicated therein in any of their Bid cum Application Forms or any previous Revision Form(s)
RoC	The Registrar of Companies
SEBI	The Securities and Exchange Board of India constituted under the Securities and Exchange Board of India Act, 1992
SEBI ICDR Regulations, 2009	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
Self Certified Syndicate Bank(s) or SCSB(s)	A bank registered with SEBI, which offers the facility of ASBA and a list of which is available on http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes
Specified Locations	Refer to definition of Broker Centers
Stock Exchanges/SE	The stock exchanges as disclosed in the RHP/Prospectus of the Issuer where the Equity Shares Allotted pursuant to the Offer are proposed to be listed
Syndicate	The Book Running Lead Manager(s) and the Syndicate Member
Syndicate Agreement	The agreement to be entered into among the Issuer, and the Syndicate in relation to collection of ASBA Forms by Syndicate Members
Syndicate Member(s)/SM	The Syndicate Member(s) as disclosed in the RHP/Prospectus
Underwriters	The Book Running Lead Manager(s) and the Syndicate Member(s)
Underwriting Agreement	The agreement amongst the Issuer, and the Underwriters to be entered into on or after the Pricing Date
Working Day	"Working Day", means all days, other than second and fourth Saturdays of a month, Sundays or a public holiday, on which commercial banks in Mumbai are open for business, provided that with reference to (a) announcement of Price Band; and (b) Bid/Offer Period, shall mean all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business; and (c) the time period between the Bid/Offer Closing Date and the listing of the Equity Shares on the Stock Exchanges, shall mean all trading days of Stock Exchanges, excluding Sundays and bank holidays, as per the SEBI Circular SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016.

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and FEMA. While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of the Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The RBI and the concerned ministries/departments are responsible for granting approval for foreign investment. The Government has from time to time made policy pronouncements on foreign direct investment ("**FDI**") through press notes and press releases. The Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India ("**DIPP**"), issued the Consolidated FDI Policy Circular of 2017 ("**FDI Circular 2017**"), which, with effect from August 28, 2017, consolidated and superseded all previous press notes, press releases and clarifications on FDI issued by the DIPP that were in force and effect as on August 27, 2017. The Government proposes to update the consolidated circular on FDI policy once every year and therefore, FDI Circular 2017 will be valid until the DIPP issues an updated circular.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the RBI, provided that (i) the activities of the investee company are under the automatic route under the foreign direct investment policy and transfer does not attract the provisions of the Takeover Regulations; (ii) the non-resident shareholding is within the sectoral limits under the FDI policy; and (iii) the pricing is in accordance with the guidelines prescribed by the SEBI/RBI.

As per the existing policy of the Government of India, OCBs cannot participate in this Offer.

The Equity Shares have not been and will not be registered under the Securities Act or any other applicable securities laws of any state or other jurisdiction of the United States and, unless so registered, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. Accordingly, the Equity Shares are only being offered and sold (i) within the United States only to persons reasonably believed to be U.S. QIBs pursuant to Rule 144A or any other available exemption from the registration requirements of the Securities Act, and (ii) outside the United States in offshore transactions in reliance on Regulation S and pursuant to the applicable laws of the jurisdictions where those offers and sales occur.

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

The above information is given for the benefit of the Bidders. Our Company, the Selling Shareholders and the BRLMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the applicable limits under laws or regulations.

SECTION VIII: MAIN PROVISIONS OF ARTICLES OF ASSOCIATION

The Articles of Association of the Company comprise of two parts, Part A and Part B, which parts shall, unless the context otherwise requires, co-exist with each other. In case of inconsistency between Part A and Part B, the provisions of Part B shall be applicable. However, other than the definitions of Inflow, Investor Benchmark Rate, IRR, Outflow and Tax under Article 2.1, and Article 18 of Part B ("Surviving Articles"), Part B of the Articles of Association shall automatically terminate and cease to have any force and effect from the date of listing of equity shares of the Company on a recognized stock exchange in India pursuant to an initial public offering of the Equity Shares of the Company, without any further action, including any corporate action, by the Company or by the shareholders. The Surviving Articles shall continue to be operative notwithstanding such termination of Part B of the Articles of Association, subject to approval of the same by the shareholders of the Company, by way of a special resolution, post listing of the Equity Shares of the Company.

PART A

1. CONSTITUTION OF THE COMPANY

a) *The regulations contained in table "F" of schedule I to the Companies Act, 2013 shall apply only in so far as the same are not provided for or are not inconsistent with these Articles.*

b) *The regulations for the management of the Company and for the observance of the shareholders thereof and their representatives shall be such as are contained in these Articles subject however to the exercise of the statutory powers of the company in respect of repeal, additions, alterations, substitution, modifications and variations thereto by special resolution as prescribed by the Companies Act, 2013.*

2. INTERPRETATION

A. DEFINITIONS

In the interpretation of these Articles the following words and expressions shall have the following meanings unless repugnant to the subject or context. In these Articles, all capitalized items not defined herein below shall have the meanings assigned to them in the other parts of these Articles when defined for use.

a. "**Act**" means the Companies Act, 2013, and Companies Act, 1956 (to the extent that such enactment is in force and applicable to the context in which such term is used herein), and all rules and clarifications issued thereunder, and shall include all amendments, modifications and re-enactments of the foregoing.

b. "**ADR(s)**" shall mean American Depository Receipt(s) issued by a U.S. Bank representing specified number of share(s) in a foreign stock traded on a U.S. stock exchange(s).

c. "**Alternate Director**" shall mean a director appointed in accordance Article 45 herein below.

d. "**Annual General Meeting**" shall mean a General Meeting of the Shareholders entitled to vote at such meeting held in accordance with the applicable provisions of the Act and any adjournment thereof.

e. **"Articles"** shall mean these Articles of Association as adopted or as from time to time altered in accordance with the provisions of these Articles and Act.

f. **"Auditors"** shall mean and include those persons appointed as such for the time being by the company in accordance with the applicable provisions of the Act.

g. **"Board" or "Board of Directors"** shall mean the board of directors of the company, as constituted from time to time, in accordance with law and the provisions of these Articles.

h. **"Board Meeting"** shall mean any meeting of the Board, as convened from time to time and any adjournment thereof, in accordance with law and the provisions of these Articles.

i. **"Beneficial Owner"** shall mean beneficial owner as defined in Clause (a) of subsection (1) of section 2 of the Depositories Act.

j. **"Chairman"** shall mean such director as appointed in accordance with Article 71 for Board Meeting and such person as is nominated or appointed in accordance with Article 38 for General Meeting herein below.

k. **“Company” or “this company”** shall mean **SANSERA ENGINEERING LIMITED,** a public company limited by shares incorporated under the Companies Act, 1956 and having its registered office at 261/C, Bommasandra Industrial Area, Hebbagodi Post, Anekal Taluk, Bangalore, Karnataka 560099 India**.**

l. **“Committees”** shall mean a committee constituted in accordance with Article 74.

m. **“Debenture”** shall include debenture stock, bonds, and any other instrument of the Company evidencing a debt, whether constituting a charge on the assets of the Company or not, issued by the Company in accordance with the law.

n. **“Depositories Act”** shall mean The Depositories Act, 1996 and shall include any statutory modification or re-enactment thereof.

o. **“Depository”** shall mean a Depository as defined in Clause (e) of sub-section (1) of section 2 of the Depositories Act.

p. **“Director”** shall mean any director of the company, including alternate directors, independent directors and nominee directors appointed to the Board of a Company in accordance with law and the provisions of these Articles.

q. **“Dividend”** means dividend declared in accordance with the provisions of Section 123 of the Act and includes interim dividend.

r. “**Equity Share Capital**” shall mean the total issued and paid-up equity share capital of the Company, calculated on a Fully Diluted Basis and within the meaning of Section 43 of the Act, as amended from time to time.

s. “**Equity Shares**” shall mean fully paid-up equity shares of the Company.

t. **“Executor”** or **“Administrator”** shall mean a person who has obtained probate or letters of administration, as the case may be, from a court of competent jurisdiction and shall include the holder of a succession certificate authorizing the holder thereof to negotiate or transfer the Equity Share or Equity Shares of the deceased Shareholder and shall also include the holder of a certificate granted by the Administrator-General appointed under the Administrator Generals Act, 1963.

u. **“Extraordinary General Meeting”** shall mean an extraordinary general meeting of the Shareholders entitled to vote at such meeting, duly called and constituted in accordance with the provisions of the Act and any adjournment thereof.

v. “**Financial Year**” shall mean any fiscal year of the Company, beginning on April 1 of each calendar year and ending on March 31 of the following calendar year.

w. “**Fully Diluted Basis**” shall mean, in reference to any calculation, that the calculation should be made in relation to the equity share capital of any Person, assuming that all outstanding convertible preference shares or debentures, options, warrants and other equity securities convertible into or exercisable or exchangeable for equity shares of that Person (whether or not by their terms then currently convertible, exercisable or exchangeable), have been so converted, exercised or exchanged to the maximum number of equity shares possible under the terms thereof.

x. **“GDRs”** means any instrument issued by the Company in the form of a depository receipt, by whatever name called, created by a foreign depository outside India..

y. **“General Meeting”** shall mean Annual General Meeting, Extra-Ordinary General Meeting or any other meeting of shareholders, convened from time to time in accordance with Law and the provisions of these Articles.

z. “**Independent Director**” shall mean an independent director as defined under the Act and under the SEBI Listing Regulations.

aa. **“India”** shall mean the Republic of India.

bb. “**Investor 1**” shall mean Client Ebene Limited.

cc. “**Investor 2**” shall mean CVCIGP II Employee Ebene Limited.

dd. "**Key Managerial Personnel**" in relation to the Company, means collectively, the chief executive officer/managing director/manager, the company secretary, the whole-time directors, the chief financial officer and such other officer as maybe prescribed under the Companies Act from time to time.

ee. **“Law”** shall mean all applicable provisions of all (i) constitutions, treaties, statutes, laws (including the common law), codes, rules, regulations, circulars, ordinances or orders of any governmental authority and SEBI, (ii) governmental approvals or other governmental restriction or any similar form of decision of, or determination by, or any interpretation or adjudication having the force of law of any of the foregoing, by any governmental authority having jurisdiction over the matter in question, (iii) orders, decisions, injunctions, judgments, awards and decrees of or agreements with any governmental authority or other governmental restriction or any similar form of decision of, or determination by, or any interpretation or adjudication having the force of law of any of the foregoing by any governmental authority having jurisdiction over the matter in question, (iv) rules, policy, regulations or requirements of any stock exchanges, (v) international treaties, conventions and protocols, and (vi) Indian Accounting Standard (“**IND AS**”) or any other generally accepted accounting principles.

ff. “**Managing Director**” shall have the meaning assigned to it under the Act.

gg. “**MCA**” shall mean the Ministry of Corporate Affairs, Government of India.

hh. “**Member**” means a member of the Company within the meaning of Clause (55) of Section 2 of the Act, as amended from time to time.

ii. “**Memorandum**” shall mean the memorandum of association of the Company, as amended from time to time.

jj. **“Office”** shall mean the registered office for the time being of the Company.

kk. **“Officer”** shall have the meaning assigned thereto by Section 2(59) of the Act.

ll. “**Original Director**” shall have the meaning ascribed to such term in Article 45.

mm. **“Ordinary Resolution**” shall have the meaning assigned thereto by Section 114 of the Act.

nn. “**Paid up**” or “**Paid-up share capital**” or “**Share capital paid-up**” shall have the same meaning assigned therto by clause (64) of Section 2 of the Act.

oo. “**Person**” shall mean any natural person, sole proprietorship, Hindu Undivided Family, partnership, company(whether limited or unlimited), body corporate, limited liability partnership, voluntary association, governmental authority, joint venture, trust, union, any agency, political subdivision, association or other entity (whether registered or not and whether or not having separate legal personality).

pp. “**Preference Share Capital**” means in relation to the Company, its preference share capital within the meaning of Section 43 of the Act, as amended from time to time.

qq. “**Promoters**” shall mean S. Sekhar Vasan, F.R. Singhvi, Unni Rajagopal K and D. Devaraj.

rr. “**Register of Members**” shall mean the register of shareholders to be kept pursuant to Section 88 of the Act.

ss. “**Registrar**” shall mean the Registrar of Companies, from time to time having jurisdiction over the Company.

tt. “**Rules**” shall mean the rules made under the Act and notified from time to time.

uu. “**Seal**” shall mean the common seal(s) for the time being of the Company.

vv. “**SEBI**” shall mean the Securities and Exchange Board of India, constituted under the Securities and Exchange Board of India Act, 1992.

ww. “**SEBI Listing Regulations**” Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

xx. **“Secretary”** shall mean a company secretary as defined in clause (c) of sub-section (1) of section 2 of the Company Secretaries Act, 1980 who is appointed by a company to perform the functions of a company secretary under the Act.

yy. “**Securities**” shall mean any Equity Shares or any other securities, debentures, warrants or options whether or not, directly or indirectly convertible into, or exercisable or exchangeable into or for Equity Shares.

zz. **“Share Equivalents”** shall mean any Debentures, preference shares, foreign currency convertible bonds, floating rate notes, options (including options to be approved by the Board (whether or not issued) pursuant to an employee stock option plan) or warrants or other Securities or rights which are by their terms convertible or exchangeable into Equity Shares.

aaa. “**Shareholder**” shall mean any shareholder of the Company, from time to time.

bbb. “**Share Capital**” means Equity Share Capital and Preference Share Capital.

ccc. **“Special Resolution”** shall have the meaning assigned to it under Section 114 of the Act.

ddd. “**Subsidiaries**” shall mean Fitwel Tools and Forgings Private Limited, Sansera Engineering Pvt. Ltd., Mauritius and Sansera Sweden AB.

eee. **“Transfer”** shall mean (i) any, direct or indirect, transfer or other disposition of any shares, securities (including convertible securities), or voting interests or any interest therein, including, without limitation, by operation of Law, by court order, by judicial process, or by foreclosure, levy or attachment; (ii) any, direct or indirect, sale, assignment, gift, donation, redemption, conversion or other disposition of such shares, securities (including convertible securities) or voting interests or any interest therein, pursuant to an agreement, arrangement, instrument or understanding by which legal title to or beneficial ownership of such shares, securities (including convertible securities) or voting interests or any interest therein passes from one Person to another Person or to the same Person in a different legal capacity, whether or not for value; (iii) the granting of any security interest or encumbrance in, or extending or attaching to, such shares, securities (including convertible securities) or voting interests or any interest therein, and the word “**Transferred**” shall be construed accordingly.

fff. “**Tribunal**” shall mean the National Company Law Tribunal constitutes under Section 408 of the Act.

B. CONSTRUCTION

In these Articles (unless the context requires otherwise):

(i) References to a Party shall, where the context permits, include such Party’s respective successors, legal heirs and permitted assigns.

(ii) The descriptive headings of Articles are inserted solely for convenience of reference and are not intended as complete or accurate descriptions of content thereof and shall not be used to interpret the provisions of these Articles and shall not affect the construction of these Articles.

(iii) References to articles and sub-articles are references to Articles and Sub-articles of and to these Articles unless otherwise stated and references to these Articles include references to the articles and Sub-articles herein.

(iv) Words importing the singular include the plural and vice versa, pronouns importing a gender include each of the masculine, feminine and neuter genders, and where a word or phrase is defined, other parts of speech and grammatical forms of that word or phrase shall have the corresponding meanings.

(v) Wherever the words “include,” “includes,” or “including” is used in these Articles, such words shall be deemed to be followed by the words “without limitation”.

(vi) The terms “hereof”, “herein”, “hereto”, “hereunder” or similar expressions used in these Articles mean and refer to these Articles and not to any particular Article of these Articles, unless expressly stated otherwise.

(vii) Unless otherwise specified, time periods within or following which any payment is to be made or act is to be done shall be calculated by excluding the day on which the period commences and including the day on which the period ends and by extending the period to the next Business Day following if the last day of such period is not a Business Day; and whenever any payment is to be made or action to be taken under these Articles is required to be made or taken on a day other than a Business Day, such payment shall be made or action taken on the next Business Day following.

(viii) A reference to a Party being liable to another Party, or to liability, includes, but is not limited to, any liability in equity, contract or tort (including negligence).

(ix) Reference to statutory provisions shall be construed as meaning and including references also to any amendment or re-enactment for the time being in force and to all statutory instruments or orders made pursuant to such statutory provisions.

(x) References to any particular number or percentage of securities of a Person (whether on a Fully Diluted Basis or otherwise) shall be adjusted for any form of restructuring of the share capital of that Person, including without limitation, consolidation or subdivision or splitting of its shares, issue of bonus shares, issue of shares in a scheme of arrangement (including amalgamation or de-merger) and reclassification of equity shares or variation of rights into other kinds of securities.

(xi) References made to any provision of the Act shall be construed as meaning and including the references to the rules and regulations made in relation to the same by the MCA. The applicable provisions of the Companies Act, 1956 shall cease to have effect from the date on which the corresponding provisions under the Act have been notified.

(xii) In the event any of the provisions of the Articles are contrary to the provisions of the Act and the Rules, the provisions of the Act and Rules will prevail.

3. EXPRESSIONS IN THE ACT AND THESE ARTICLES

Save as aforesaid, any words or expressions defined in the Act shall, if not inconsistent with the subject or context, bear the same meaning in these Articles.

4. PUBLIC COMPANY

The company is a public company as defined in clause (71) of Section 2 of the Act.

5. SHARE CAPITAL

(i) The authorised Share Capital of the Company shall be as stated under Clause V of the Memorandum of Association of the Company from time to time.

(ii) The Company has power, from time to time, to increase its authorised or issued and Paid up Share Capital in accordance with the Articles and the legislative provisions for the time being in force in this regard and with the power also to divide the Shares in the capital for the time being into Equity Share Capital and Preference Share Capital and to attach thereto respectively any preferential, qualified or special rights, privileges or conditions, in accordance with the provisions of the Act and these Articles.

(iii) The Company may issue the following kinds of Shares in accordance with these Articles, the Act and other applicable Laws:

(a) Equity Share Capital:

- with voting rights; and / or
- with differential rights as to dividend, voting or otherwise; and

(b) Preference Share Capital

(iv) Subject to the provisions of these Articles, all Equity Shares shall be of the same class and shall be alike in all respects and the holders thereof shall be entitled to identical rights and privileges including without limitation to identical rights and privileges with respect to dividends, voting rights, and distribution of assets in the event of voluntary or involuntary liquidation, dissolution or winding up of the Company.

(v) A further issue of Shares may be made in any manner whatsoever as the Board may determine including by way of preferential offer or private placement, subject to and in accordance with the Act. Save as otherwise provided herein, the Company shall be entitled to treat the registered holder of any Share as the absolute owner thereof and accordingly shall not, except as ordered by a court of competent jurisdiction, or as by Law required, be bound to recognize any equitable or other claim to or interest in such Shares on the part of any other person.

(vi) The Board may allot and issue shares of the Company as payment or part payment for any property purchased by the Company or in respect of goods sold or transferred or machinery or appliances supplied or for services rendered to the Company in or about the formation of the Company or the acquisition and/or in the conduct of its business or for any goodwill provided to the Company; and any shares which may be so allotted may be issued as fully/partly paid up shares and if so issued shall be deemed as fully/partly paid up shares. However, the aforesaid shall be subject to the approval of shareholders under the relevant provisions of the Act and Rules.

(vii) The amount payable on application on each share shall not be less than 5 per cent of the nominal value of the share or, as may be specified by SEBI.

(viii) Nothing herein contained shall prevent the Directors from issuing fully paid up shares either on payment of the entire nominal value thereof in cash or in satisfaction of any outstanding debt or obligation of the Company.

(ix) Except so far as otherwise provided by the conditions of issue or by these presents, any Capital raised by the creation of new Equity Shares, shall be considered as part of the existing Capital and shall be subject to the provisions herein contained with reference to the payment of calls and installments, forfeiture, lien, surrender, transfer and transmission, voting and otherwise.

(x) All of the provisions of these Articles shall apply to the Shareholders.

(xi) Any application signed by or on behalf of an applicant for shares in the Company, followed by an allotment of any Equity Shares therein, shall be an acceptance of shares within the meaning of these Articles and every person who thus or otherwise accepts any shares and whose name is on the Register of Members shall for the purposes of these Articles be a Shareholder.

(xii) The money, (if any), which the Board shall, on the allotment of any shares being made by them, require or direct to be paid by way of deposit, call or otherwise, in respect of any shares allotted by them, shall immediately on the insertion of the name of the allottee, in the Register of Members as the name of the holder of such Equity Shares, become a debt due to and recoverable by the Company from the allottee thereof, and shall be paid by him accordingly.

6. BRANCH OFFICES

The Company shall have the power to establish one or more branch offices, in addition to the Office, in such places at its Board may deem fit.

7. PREFERENCE SHARES

(a) **Redeemable Preference Shares**

1. The Company, subject to the applicable provisions of Section 55 of the Act and the consent of the Board, shall have the power to issue on a cumulative or non-cumulative basis or convertible or non-convertible or compulsory convertible, preference shares liable to be redeemed in any manner permissible under the Act and the Directors may, subject to the applicable provisions of the Act, exercise such power in any manner as they deem fit and provide for redemption of such shares on such terms including the right to redeem at a premium or otherwise and/or conversion of such shares into such Securities on such terms as they deem fit. The period of redemption of such Preference Shares shall not exceed the maximum period for redemption provided under Section 55 of the Act.

8. PROVISIONS IN CASE OF PREFERENCE SHARES

Upon the issue of preference shares pursuant to Article 7 above, the following provisions shall apply:

(a) No such shares shall be redeemed except out of profits of the Company which would otherwise be available for Dividend or out of the proceeds of a fresh issue of shares made for the purposes of the redemption;

(b) No such shares shall be redeemed unless they are fully paid;

(c) The premium, if any, payable on redemption shall have been provided for out of the profits of the Company or out of the Company's securities premium account, before the shares are redeemed;

(d) Where any such shares are proposed to be redeemed out of the profits of the Company, there shall, out of such profits, be transferred, a sum equal to the nominal amount of the shares to be redeemed, to a reserve, to be called the "**Capital Redemption Reserve Account**" and the applicable provisions of the Act relating to the reduction of the Share Capital of the Company shall, except as provided by Section 55 of the Act, apply as if the Capital Redemption Reserve Account were Paid up Share Capital of the Company;

(e) The redemption of preference shares under this Article by the Company shall not be taken as reduction of Share Capital;

(f) The Capital Redemption Reserve Account may, notwithstanding anything in this Article, be applied by the Company, in paying up un-issued shares of the Company to be issued to the Shareholders as fully paid bonus shares; and

(g) Whenever the Company shall redeem any redeemable preference shares or cumulative convertible redeemable preference shares, the Company shall, within 30 (thirty) days thereafter, give notice thereof to the Registrar of Companies as required by Section 64 of the Act.

9. SHARE EQUIVALENT

The Company shall, subject to the applicable provisions of the Act, compliance with Law and the consent of the Board, have the power to issue Share Equivalents on such terms and in such manner as the Board deems fit including their conversion, repayment, and redemption whether at a premium or otherwise.

10. ADRS/ GDRS

The Company shall, subject to the applicable provisions of the Act, compliance with all Laws and the consent of the Board, have the power to issue ADRs or GDRs on such terms and in such manner as the Board deems fit including their conversion and repayment. Such terms may include at the discretion of the Board, limitations on voting by holders of ADRs or GDRs, including without limitation, exercise of voting rights in accordance with the directions of the Board.

11. ALTERATION OF SHARE CAPITAL

Subject to these Articles and Section 61 of the Act, the Company may, by Ordinary Resolution in General Meeting, from time to time, alter the conditions of its Memorandum as follows:

(a) increase its Share Capital by such amount as it thinks expedient;

(b) consolidate and divide all or any of its Share Capital into shares of larger amount than its existing shares;

Provided that no consolidation and division which results in changes in the voting percentage of shareholders shall take effect unless it is approved by the Tribunal on an application made in the prescribed manner.

(c) convert all or any of its fully Paid up shares into stock and reconvert that stock into fully Paid up shares of any denomination;

(d) sub-divide its shares, or any of them, into shares of smaller amount than is fixed by the Memorandum, so however, that in the sub-division the proportion between the amount paid and the amount, if any, unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived; and

(e) cancel shares which, at the date of the passing of the resolution in that behalf, have not been taken or agreed to be taken by any person, and diminish the amount of its Share Capital by the amount of the shares so cancelled. A cancellation of shares in pursuance of this Article shall not be deemed to be a reduction of Share Capital within the meaning of the Act.

12. REDUCTION OF SHARE CAPITAL

The Company may, subject to the applicable provisions of Section 66 of the Act, from time to time, by special resolution reduce its Capital, any capital redemption reserve account and the securities premium account in any manner for the time being authorized by Law. This Article is not to derogate any power the Company would have under Law, if it were omitted.

13. POWER OF COMPANY TO PURCHASE ITS OWN SECURITIES

Notwithstanding anything contained in these Articles and subject to the provisions of Sections 68 to 70 and other applicable provisions of the Act, the Company shall have the power to purchase its own Shares or other securities, as it may consider necessary.

14. POWER TO MAKE COMPROMISE AND ARRANGEMENTS

Subject to the provisions of Section 230 to 240 of the Act and other applicable provisions, the Company shall have the power to make compromise or make arrangements with creditors and Members, consolidate, demerge, amalgamate or merge with other company or companies in accordance with the provisions of the Act and any other applicable Laws.

15. POWER TO MODIFY RIGHTS

Where, the Share Capital of the Company is divided (unless otherwise provided by the terms of issue of the shares of that class) into different classes of shares, all or any of the rights and privileges attached to each class may, subject to the provisions of Section 48 of the Act and Law, and whether or not the Company is being wound up, be modified, commuted, affected or abrogated or dealt with by agreement between the Company and any Person purporting to contract on behalf of that class, provided the same is effected with consent in writing and by way of a Special Resolution passed at a separate meeting of the holders of the issued shares of that class. Subject to Section 48(2) of the Act and Law, all provisions hereafter contained as to General Meetings (including the provisions relating to quorum at such meetings) shall mutatis mutandis apply to every such meeting.

16. REGISTERS TO BE MAINTAINED BY THE COMPANY

(f) The Company shall, in terms of the provisions of Section 88 of the Act and the provisions of the Depositories Act, 1996, cause to be kept the following registers in terms of the applicable provisions of the Act

(i) A Register of Members indicating separately for each class of Equity Shares and preference shares held by each Shareholder residing in or outside India;

(ii) A register of Debenture holders; and

(iii) A register of any other security holders.

(g) The Company shall also be entitled to keep in any country outside India, a part of the registers referred above, called “foreign register” containing names and particulars of the Shareholders, Debenture holders or holders of other Securities or beneficial owners residing outside India.

(h) The registers mentioned in this Article shall be kept and maintained in the manner prescribed under the Companies (Management and Administration) Rules, 2014, as amended from time to time.

17. SHARES AND SHARE CERTIFICATES

(a) The Company shall issue, re-issue and issue duplicate share certificates in accordance with the provisions of Section 46 of the Act and other applicable provisions of the Act and in the form and manner prescribed under the Companies (Share Capital and Debentures) Rules, 2014, as amended from time to time.

(b) A duplicate certificate of shares may be issued, if such certificate:

i. is proved to have been lost or destroyed; or

ii. has been defaced, mutilated or torn and is surrendered to the Company.

(c) The Company shall be entitled to dematerialize its existing shares, rematerialize its shares held in the depository and/or to offer its fresh shares in a dematerialized form pursuant to the Depositories Act, 1996 and the rules framed thereunder, if any.

(d) A certificate, issued under the common seal of the Company, specifying the shares held by any Person shall be *prima facie* evidence of the title of the Person to such shares. Where the shares are held in depository form, the record of depository shall be the *prima facie* evidence of the interest of the beneficial owner.

(e) If any certificate be worn out, defaced, mutilated or torn or if there be no further space on the back thereof for endorsement of transfer, then upon production and surrender thereof to the Company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Company deems adequate, being given, a new Certificate in lieu thereof shall be given to the party entitled to such lost or destroyed Certificate, within a period of 30 days from the receipt of such lodgement. Every Certificate under the Articles shall be issued without payment of fees if the Directors so decide, or on payment of such fees (not exceeding Rupees two for each certificate) as the Directors shall prescribe. Provided that, no fee shall be charged for issue of a new certificate in replacement of those which are old, defaced or worn out or where there is no further space on the back thereof for endorsement of transfer.

Provided that notwithstanding what is stated above, the Directors shall comply with the applicable provisions of the Act and Law.

(f) The provisions of this Article shall *mutatis mutandis* apply to Debentures and other Securities of the Company.

(g) When a new share certificate has been issued in pursuance of sub-article (e) of this Article, it shall be in the form and manner stated under the Companies (Share Capital and Debentures) Rules, 2014, as amended from time to time.

(h) Where a new share certificate has been issued in pursuance of sub-articles (e) or (f) of this Article, particulars of every such share certificate shall be entered in a Register of Renewed and Duplicate Certificates maintained in the form and manner specified under the Companies (Share Capital and Debentures) Rules, 2014, as amended from time to time.

(i) All blank forms to be used for issue of share certificates shall be printed and the printing shall be done only on the authority of a Resolution of the Board. The blank forms shall be consecutively machine–numbered and the forms and the blocks, engravings, facsimiles and hues relating to the printing of such forms shall be kept in the custody of the Secretary or of such other person as the Board may authorize for the purpose and the Secretary or the other person aforesaid shall be responsible for rendering an account of these forms to the Board.

(j) The Secretary shall be responsible for the maintenance, preservation and safe custody of all books and documents relating to the issue of share certificates including the blank forms of the share certificate referred to in sub-article (i) of this Article.

(k) All books referred to in sub-article (j) of this Article, shall be preserved in the manner specified in the Companies (Share Capital and Debentures) Rules, 2014, as amended from time to time.

(l) The details in relation to any renewal or duplicate share certificates shall be entered into the register of renewed and duplicate share certificates, as prescribed under the Companies (Share Capital and Debentures) Rules, 2014, as amended from time to time.

(m) If any Share stands in the names of 2 (two) or more Persons, the Person first named in the Register of Members shall as regards receipt of Dividends or bonus, or service of notices and all or any other matters connected with the Company except voting at meetings and the transfer of shares, be deemed the sole holder thereof, but the joint holders of a share shall be severally as well as jointly liable for the payment of all installments and calls due in respect of such shares, and for all incidents thereof according to these Articles.

(n) Except as ordered by a court of competent jurisdiction or as may be required by Law, the Company shall be entitled to treat the Shareholder whose name appears on the Register of Members as the holder of any share or whose name appears as the beneficial owner of shares in the records of the Depository, as the absolute owner thereof and accordingly shall not be bound to recognise any benami, trust or equity or equitable, contingent or other claim to or interest in such share on the part of any other Person whether or not he shall have express or implied notice thereof. The Board shall be entitled at their sole discretion to register any shares in the joint names of any 2 (two) or more Persons or the survivor or survivors of them.

18. SHARES AT THE DISPOSAL OF THE DIRECTORS

(a) Subject to the provisions of Section 62 and other applicable provisions of the Act, and these Articles, the shares in the Capital of the Company for the time being (including any shares forming part of any increased Capital of the Company) shall be under the control of the Board who may issue, allot or otherwise dispose of the same or any of them to Persons in such proportion and on such terms and conditions and either at a premium or at par or at discount (subject to compliance with Section 53 of the Act) at such time as they may, from time to time, think fit to give to any person or persons the option or right to call for any shares either at par or premium or at a discount subject to the provisions of the Act during such time and for such consideration as the Directors think fit, and may issue and allot Shares in the capital of the Company on payment in full or part of any property sold and transferred or for any services rendered to the Company in the conduct of its business and any shares which may be so allotted may be issued as fully paid up shares and if so issued, shall be deemed to be fully paid up shares. Provided that option or right to call shares shall not be given to any Person or Persons without the sanction of the Company in the General Meeting.

(b) If, by the conditions of allotment of any share, the whole or part of the amount thereof shall be payable by installments, every such installment shall, when due, be paid to the Company by the person who, for the time being, shall be the registered holder of the shares or by his executor or administrator.

(c) Every Shareholder, or his heirs, Executors, or Administrators shall pay to the Company, the portion of the Capital represented by his share or shares which may for the time being remain unpaid thereon in such amounts at such time or times and in such manner as the Board shall from time to time in accordance with the Articles require or fix for the payment thereof.

(d) In accordance with Section 56 and other applicable provisions of the Act and the Rules:

(a) Every Shareholder or allottee of shares shall be entitled without payment, to receive one or more certificates specifying the name of the Person in whose favour it is issued, the shares to which it relates and the amount paid up thereon. Such certificates shall be issued only in pursuance of a resolution passed by the Board and on surrender to the Company of its letter of allotment or its fractional coupon of requisite value, save in cases of issue of share certificates against letters of acceptance or of renunciation, or in cases of issue of bonus shares. Such share certificates shall also be issued in the event of consolidation or sub-division of shares of the Company. Every such certificate shall be issued under the Seal of the Company which shall be affixed in the presence of 2 (two) Directors or persons acting on behalf of the Board under a duly registered power of attorney and the Secretary or some other person appointed by the Board for the purpose and the 2 (two) Directors or their attorneys and the Secretary or other person shall sign the shares certificate(s), provided that if the composition of the Board permits, at least 1 (one) of the aforesaid 2 (two) Directors shall be a person other than a Managing Director(s) or an executive director(s). Particulars of every share certificate issued shall be entered in the Register of Members against the name of the Person, to whom it has been issued, indicating the date of issue. For any further certificate, the Board shall be entitled, but shall not be bound to prescribe a charge not exceeding rupees two.

(b) Every Shareholder shall be entitled, without payment, to one or more certificates, in marketable lots, for all the shares of each class or denomination registered in his name, or if the Directors so approve (upon paying such fee as the Directors may from time to time determine) to several certificates, each for one or more of such shares and the Company shall complete and have ready for delivery such certificates within 2 (two) months from the date of allotment, or within 1 (one) month of the receipt of instrument of transfer, transmission, sub-division, consolidation or renewal of its shares as the case may be. Every certificate of shares shall be in the form and manner as specified in Article 17 above and in respect of a share or shares held jointly by several Persons, the Company shall not be bound to issue more than one certificate and delivery of a certificate of shares to the first named joint holders shall be sufficient delivery to all such holders. Post listing of its equity shares on recognised stock exchanges, the Company shall register transfer of its securities in the name of the transferee(s) and issue certificates or receipts or advices, as applicable, of transfers; or issue any valid objection or intimation to the transferee or transferor, as the case may be, within a period of fifteen days from the date of such receipt of request for transfer or such other period as prescribed under applicable law. Further, post listing, transmissions requests for securities held in dematerialized mode and physical mode shall be processed within seven days and twenty one days respectively, after receipt of the specified documents or such other period as prescribed under applicable law.

(c) the Board may, at their absolute discretion, refuse any applications for the sub-division of share certificates or Debenture certificates, into denominations less than marketable lots except where sub-division is required to be made to comply with any statutory provision or an order of a competent court of law or at a request from a Shareholder or to convert holding of odd lot into transferable/marketable lot.

(d) A Director may sign a share certificate by affixing his signature thereon by means of any machine, equipment or other mechanical means, such as engraving in metal or lithography, but not by means of a rubber stamp, provided that the Director shall be responsible for the safe custody of such machine, equipment or other material used for the purpose.

19. UNDERWRITING AND BROKERAGE

(a) The Company may at any time pay a commission to any person in consideration of his subscribing or agreeing to subscribe or procuring or agreeing to procure subscription, (whether absolutely or conditionally), for any shares, Debentures or any securities in the Company in accordance with the provisions of sub-section (6) of Section 40 read with Rule 13 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 of the Act, as amended from time to time.

(b) The Company may also, on any issue of shares or Debentures, pay such brokerage as may be lawful.

20. CALLS

(a) Subject to the provisions of Section 49 of the Act, the Board may, from time to time, subject to the terms on which any shares may have been issued and subject to the conditions of allotment, by a resolution passed at a meeting of the Board, (and not by circular resolution), make such call as it thinks fit upon the Shareholders in respect of all money unpaid on the shares held by them respectively and each Shareholder shall pay the amount of every call so made on him to the Person or Persons and Shareholders and at the times and places appointed by the Board. A call may be made payable by installments. Provided that the Board shall not give the option or right to call on shares to any person except with the sanction of the Company in the General Meeting.

(b) 30 (thirty) days' notice in writing at the least of every call (otherwise than on allotment) shall be given by the Company specifying the time and place of payment and if payable to any Person other than the Company, the name of the person to whom the call shall be paid, provided that before the time for payment of such call, the Board may by notice in writing to the Shareholders revoke the same.

(c) The Board may, when making a call by resolution, determine the date on which such call shall be deemed to have been made, not being earlier than the date of resolution making such call and thereupon the call shall be deemed to have been made on the date so determined and if no date is determined, the call shall be deemed to have been made at the time when the resolution of the Board authorising such call was passed and may be made payable by the Shareholders whose names appear on the Register of Members on such date or at the discretion of the Board on such subsequent date as shall be fixed by the Board. A call may be revoked or postponed at the discretion of the Board.

(d) The joint holder of a share shall be jointly and severally liable to pay all instalments and calls due in respect thereof.

(e) The Board may, from time to time at its discretion, extend the time fixed for the payment of any call and may extend such time as to all or any of the Shareholders who, from residence at a distance or other cause the Board may deem fairly entitled to such extension; but no Shareholders shall be entitled to such extension save as a matter of grace and favour.

(f) If any Shareholder or allottee fails to pay the whole or any part of any call or installment, due from him on the day appointed for payment thereof, or any such extension thereof as aforesaid, he shall be liable to pay interest on the same from the day appointed for the payment thereof to the time of actual payment at such rate as shall from time to time be fixed by the Board but nothing in this Article shall render it obligatory for the Board to demand or recover any interest from any such Shareholder.

(g) Any sum, which by the terms of issue of a share or otherwise, becomes payable on allotment or at any fixed date or by installments at a fixed time whether on account of the nominal value of the share or by way of premium shall for the purposes of these Articles be deemed to be a call duly made and payable on the date on which by the terms of issue or otherwise the same became payable, and in case of non-payment, all the relevant provisions of these Articles as to payment of call, interest, expenses, forfeiture or otherwise shall apply as if such sum became payable by virtue of a call duly made and notified.

(h) On the trial or hearing of any action or suit brought by the Company against any Shareholder or his legal representatives for the recovery of any money claimed to be due to the Company in respect of his shares, it shall be sufficient to prove that the name of the Shareholder in respect of whose shares the money is sought to be recovered appears entered on the Register of Members as the holder, or one of the holders at or subsequent to the date at which the money sought to be recovered is alleged to have become due on the shares; that the resolution making the call is duly recorded in the minute book, and that notice of such call was duly given to the Shareholder or his representatives so sued in pursuance of these Articles; and it shall not be necessary to prove the appointment of the Directors who made such call nor that a quorum of Directors was present at the Board at which any call was made, nor that the meeting at which any call was made was duly convened or constituted nor any other matters whatsoever; but the proof of the matters aforesaid shall be conclusive evidence of the debt.

(i) Neither a judgment nor a decree in favour of the Company for calls or other money due in respect of any share nor any part payment or satisfaction thereunder, nor the receipt by the Company of a portion of any money which shall from time to time be due from any Shareholder to the Company in respect of his shares, either by way of principal or interest, nor any indulgence granted by the Company in respect of the payment of any such money shall preclude the Company from thereafter proceeding to enforce a forfeiture of such shares as hereinafter provided.

(j) The Board may, if it thinks fit (subject to the provisions of Section 50 of the Act) agree to and receive from any Shareholder willing to advance the same, the whole or any part of the money due upon the shares held by him beyond the sums actually called up, and upon the amount so paid or satisfied in advance or so much thereof as from time to time and at any time thereafter as exceeds the amount of the calls then made upon and due in respect of the shares in respect of which such advance has been made, the Company may pay interest, as the Shareholder paying such sum in advance and the Board agree upon, provided that the money paid in advance of calls shall not confer a right to participate in profits or dividend. The Directors may at any time repay the amount so advanced.

(k) No Shareholder shall be entitled to voting rights in respect of the money(ies) so paid by him until the same would but for such payment, become presently payable.

(l) The provisions of these Articles shall *mutatis mutandis* apply to the calls on Debentures and other securities of the Company.

21. COMPANY'S LIEN:

i. On shares:

(a) The Company shall have a first and paramount lien:

on every share (not being a fully paid share), for all money (whether presently payable or not) called, or payable at a fixed time, in respect of that share;

Provided that the Board may, at any time, declare any shares wholly or in part to be exempt from the provisions of this Article.

(b) Company's lien, if any, on such partly paid shares, shall extend to all Dividends payable and bonuses declared from time to time in respect of such shares.

(c) Unless otherwise agreed, the registration of a transfer of shares shall operate as a waiver of the Company's lien, if any, on such shares. The fully paid up shares shall be free from all lien and that in case of partly paid shares, the Company's lien shall be restricted to money called or payable at a fixed price in respect of such shares.

(d) For the purpose of enforcing such lien, the Board may sell the shares, subject thereto in such manner as they shall think fit, and for that purpose may cause to be issued a duplicate certificate in respect of such shares and may authorise one of their Shareholders to execute and register the transfer thereof on behalf of and in the name of any purchaser. The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.

Provided that no sale shall be made:

(i) unless a sum in respect of which the lien exists is presently payable; or

(ii) until the expiration of 14 days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or the person entitled thereto by reason of his death or insolvency.

The net proceeds of any such sale shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable. The residue, if any, shall (subject to a like lien for sums not presently payable as existed upon the shares before the sale) be paid to the Person entitled to the shares at the date of the sale.

(e) No Shareholder shall exercise any voting right in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid, or in regard to which the Company has exercised any right of lien.

ii. On Debentures:

(a) The Company shall have a first and paramount lien:

(i) on every Debenture (not being a fully paid Debenture), for all money (whether presently payable or not) called, or payable at a fixed time, in respect of that Debenture;

(ii) on all Debentures (not being fully paid Debentures) standing registered in the name of a single person, for all money presently payable by him or his estate to the Company

Provided that the Board may, at any time, declare any Debentures wholly or in part to be exempt from the provisions of this Article.

(b) Company's lien, if any, on the Debentures, shall extend to all interest and premium payable in respect of such Debentures.

(c) Unless otherwise agreed, the registration of a transfer of Debentures shall operate as a waiver of the

Company's lien, if any, on such Debentures. The fully paid up Debentures shall be free from all lien and that in case of partly paid Debentures, the Company's lien shall be restricted to money called or payable at a fixed price in respect of such Debentures.

(d) For the purpose of enforcing such lien, the Board may sell the Debentures, subject thereto in such manner as they shall think fit, and for that purpose may cause to be issued a duplicate certificate in respect of such Debentures and may authorize the debenture trustee acting as trustee for the holders of Debentures or one of the holder of Debentures to execute and register the transfer thereof on behalf of and in the name of any purchaser. The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the Debentures be affected by any irregularity or invalidity in the proceedings in reference to the sale.

Provided that no sale shall be made:

(i) unless a sum in respect of which the lien exists is presently payable; or

(ii) until the expiration of 14 days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the Debenture or the person entitled thereto by reason of his death or insolvency.

The net proceeds of any such sale shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable. The residue, if any, shall (subject to a like lien for sums not presently payable as existed upon the Debentures before the sale) be paid to the Person entitled to the Debentures at the date of the sale.

(e) No holder of Debentures shall exercise any voting right in respect of any Debentures registered in his name on which any calls or other sums presently payable by him have not been paid, or in regard to which the Company has exercised any right of lien.

22. FORFEITURE OF SHARES

(a) If any Shareholder fails to pay any call or installment or any part thereof or any money due in respect of any shares either by way of principal or interest on or before the day appointed for the payment of the same or any such extension thereof as aforesaid, the Board may, at any time thereafter, during such time as the call or installment or any part thereof or other money remain unpaid or a judgment or decree in respect thereof remain unsatisfied, give notice to him or his legal representatives requiring him to pay the same together with any interest that may have accrued and all expenses that may have been incurred by the Company by reason of such non-payment.

(b) The notice shall name a day, (not being less than 14 (fourteen) days from the date of the notice), and a place or places on or before which such call or installment or such part or other money as aforesaid and interest thereon, (at such rate as the Board shall determine and payable from the date on which such call or installment ought to have been paid), and expenses as aforesaid are to be paid. The notice shall also state that in the event of non-payment at or before the time and at the place appointed, the shares in respect of which the call was made or installment is payable, will be liable to be forfeited.

(c) If the requirements of any such notice as aforesaid are not be complied with, any share in respect of which such notice has been given, may at any time, thereafter before payment of all calls, installments, other money due in respect thereof, interest and expenses as required by the notice has been made, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all Dividends declared or any other money payable in respect of the forfeited share and not actually paid before the forfeiture subject to the applicable provisions of the Act. There shall be no forfeiture of unclaimed Dividends before the claim becomes barred by Law.

(d) When any share shall have been so forfeited, notice of the forfeiture shall be given to the Shareholder on whose name it stood immediately prior to the forfeiture or if any of his legal representatives or to any of the Persons entitled to the shares by transmission, and an entry of the forfeiture with the date thereof, shall forthwith be made in the Register of Members, but no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice or to make any such entry as aforesaid.

(e) Any share so forfeited shall be deemed to be the property of the Company and may be sold; re-allotted, or otherwise disposed of either to the original holder thereof or to any other Person upon such terms and in such manner as the Board shall think fit.

(f) Any Shareholder whose shares have been forfeited shall, notwithstanding the forfeiture, be liable to pay and shall forthwith pay to the Company on demand all calls, installments, interest and expenses and other money owing upon or in respect of such shares at the time of the forfeiture together with interest thereon from the time of the forfeiture until payment at such rate as the Board may determine and the Board may enforce, (if it thinks fit), payment thereof as if it were a new call made at the date of forfeiture.

(g) The forfeiture of a share shall involve extinction at the time of the forfeiture of all interest in all claims and demands against the Company, in respect of the share and all other rights incidental to the share, except only such of these rights as by these Articles are expressly saved.

(h) A duly verified declaration in writing that the declarant is a Director or Secretary of the Company and that a share in the Company has been duly forfeited in accordance with these Articles on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all Persons claiming to be entitled to the shares.

(i) Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers hereinbefore given, the Board may appoint some Person to execute an instrument of transfer of the shares sold and cause the purchaser's name to be entered in the Register of Members in respect of the shares sold and the purchaser shall not be bound to see to the regularity of the proceedings, or to the application of the purchase money, and after his name has been entered in the Register of Members in respect of such shares, the validity of the sale shall not be impeached by any person and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively.

(j) Upon any sale, re-allotment or other disposal under the provisions of the preceding Articles, the certificate(s) originally issued in respect of the relevant shares shall, (unless the same shall on demand by the Company have been previously surrendered to it by the defaulting Shareholder), stand cancelled and become null and void and of no effect and the Board shall be entitled to issue a new certificate or certificates in respect of the said shares to the person or persons entitled thereto.

(k) The Board may, at any time, before any share so forfeited shall have been sold, re-allotted or otherwise disposed of, annul the forfeiture thereof upon such conditions as it thinks fit.

23. FURTHER ISSUE OF SHARE CAPITAL

(a) Where at any time, the Company proposes to increase its subscribed capital by the issue of further shares, such shares shall be offered—

(i) to persons who, at the date of the offer, are holders of Equity Shares of the Company in proportion, as nearly as circumstances admit, to the Paid up Share Capital on those shares by sending a letter of offer subject to the following conditions, namely:-

a. the offer shall be made by notice specifying the number of shares offered and limiting a time not being less than 15 (fifteen) days and not exceeding 30 (thirty) days from the date of the offer within which the offer, if not accepted, shall be deemed to have been declined;

b. the offer aforesaid shall be deemed to include a right exercisable by the Person concerned to renounce the shares offered to him or any of them in favour of any other Person; and the notice referred to in clause a. above shall contain a statement of this right;

c. after the expiry of the time specified in the notice aforesaid, or on receipt of earlier intimation from the Person to whom such notice is given that he declines to accept the shares offered, the Board may dispose of them in such manner which is not disadvantageous to the Shareholders and the Company;

(ii) to employees under a scheme of employees' stock option, subject to Special Resolution passed by the Company and subject to the Rules and such other conditions, as may be prescribed under Law; or

(iii) to any persons, if it is authorised by a Special Resolution, whether or not those Persons include the Persons referred to in clause (i) or clause (ii) above, either for cash or for a consideration other than cash, if the price of such shares is determined by the valuation report of a registered valuer subject to the compliance with the applicable provisions of Chapter III of the Act and any other conditions as may be prescribed in the Act and rules thereunder.

(b) The notice referred to in sub-clause a. of clause (i) of sub-article (a) shall be dispatched through registered post or speed post or through electronic mode or courier or any other mode having proof of delivery to all the existing Shareholders at least 3 (three) days before the opening of the issue. Nothing in such notice shall be deemed:

- To extend the time within which the offer should be accepted; or

- To authorize any person to exercise the right of renunciation for a second time, on the ground that the person in whose favour the renunciation was first made has declined to take the shares comprised in the renunciation.

(c) Nothing in this Article shall apply to the increase of the subscribed capital of a Company caused by the exercise of an option as a term attached to the Debentures issued or loan raised by the Company to convert such Debentures or loans into shares in the Company:

Provided that the terms of issue of such Debentures or loan containing such an option have been approved before the issue of such Debentures or the raising of loan by a Special Resolution passed by the Company in a General Meeting.

(d) Notwithstanding anything contained in sub-article (c) above, where any debentures have been issued or loan has been obtained from any Government by the Company, and if that Government considers it necessary in the public interest so to do, it may, by order, direct that such debentures or loans or any part thereof shall be converted into shares in the Company on such terms and conditions as appear to the Government to be reasonable in the circumstances of the case even if terms of the issue of such debentures or the raising of such loans do not include a term for providing for an option for such conversion.

Provided that where the terms and conditions of such conversion are not acceptable to the Company, it may, within sixty days from the date of communication of such order, appeal to the Tribunal which shall after hearing the company and the Government pass such order as it deems fit.

(e) In determining the terms and conditions of conversion under sub-article (d), the Government shall have due regard to the financial position of the company, the terms of issue of debentures or loans, as the case may be, the rate of interest payable on such debentures or loans and such other matters as it may consider necessary.

(f) Where the Government has, by an order made under sub-article (d), directed that any debenture or loan or any part thereof shall be converted into shares in a company and where no appeal has been preferred to the Tribunal under sub-article (d) or where such appeal has been dismissed, the memorandum of such company shall, where such order has the effect of increasing the authorised share capital of the company, stand altered and the authorised share capital of such company shall stand increased by an amount equal to the amount of the value of shares which such debentures or loans or part thereof has been converted into.

(g) The provisions contained in this Article shall be subject to the provisions of Section 42 and Section 62 of the Act, the Rules and the applicable provisions of the Act.

24. TRANSFER AND TRANSMISSION OF SECURITIES

(a) The Company shall maintain a "Register of Transfers" and shall have recorded therein fairly and distinctly particulars of every transfer or transmission of any Share, Debenture or other Security held in a material form.

(b) In accordance with Section 56 of the Act, the Rules and such other conditions as may be prescribed under Law, every instrument of transfer of shares held in physical form shall be in writing. In case of transfer of shares where the Company has not issued any certificates and where the shares are held in dematerialized form, the provisions of the Depositories Act shall apply.

(c) (i) An application for the registration of a transfer of the shares in the Company may be made either by the transferor or the transferee within the time frame prescribed under the Act.

(ii) Where the application is made by the transferor and relates to partly paid shares, the transfer shall not be registered unless the Company gives notice of the application to the transferee in a prescribed manner and the transferee communicates no objection to the transfer within 2 (two) weeks from the receipt of the notice.

(d) Every such instrument of transfer shall be executed by both, the transferor and the transferee and attested and the transferor shall be deemed to remain the holder of such share until the name of the transferee shall have been entered in the Register of Members in respect thereof.

(e) Subject to Section 91 of the Act and rules thereunder, the Board shall have power on giving not less than 7 (seven) days previous notice by advertisement in a vernacular newspaper and in an English newspaper having wide circulation in the city, town or village in which the Office of the Company is situated, and publishing the notice on the website as may be notified by the Central Government and on the website of the Company, to close the transfer books, the Register of Members and/or Register of Debenture-holders at such time or times and for such period or periods, not exceeding 30 (thirty) days at a time and not exceeding in the aggregate 45 (forty-five) days in each year, as it may deem expedient.

(f) Subject to the provisions of Sections 58 and 59 of the Act, these Articles and other applicable provisions of the Act or any other Law for the time being in force, the Board may, refuse to register the transfer of, or the transmission by operation of law of the right to, any securities or interest of a Shareholder in the Company. The Company shall, within 30 (thirty) days from the date on which the instrument of transfer, or the intimation of such transmission, as the case may be, was delivered to the Company, send a notice of refusal to the transferee and transferor or to the person giving notice of such transmission, as the case may be, giving reasons for such refusal.

Provided that, registration of a transfer shall not be refused on the ground of the transferor being either alone or jointly with any other Person or Persons indebted to the Company on any account whatsoever except where the Company has a lien on shares.

(g) Subject to the applicable provisions of the Act and these Articles, the Directors shall have the absolute and uncontrolled discretion to refuse to register a Person entitled by transmission to any shares or his nominee as if he were the transferee named in any ordinary transfer presented for registration, and shall not be bound to give any reason for such refusal and in particular may also decline in respect of shares upon which the Company has a lien.

(h) Subject to the provisions of these Articles, any transfer of shares in whatever lot should not be refused, though there would be no objection to the Company refusing to split a share certificate into several scripts of any small denominations or, to consider a proposal for transfer of shares comprised in a share certificate to several Shareholders, involving such splitting, if on the face of it such splitting/transfer appears to be unreasonable or without a genuine need. The Company should not, therefore, refuse transfer of shares in violation of the stock exchange listing requirements on the ground that the number of shares to be transferred is less than any specified number.

(i) In case of the death of any one or more Shareholder named in the Register of Members as the joint-holders of any shares, the survivor(s) shall be the only Shareholder or Shareholders recognized by the Company as having any title to or interest in such shares, but nothing therein contained shall be taken to release the estate of a deceased joint-holder from any liability on shares held by him jointly with any other Person.

(j) The Executors or Administrators or holder of the succession certificate or the legal representatives of a deceased Shareholder, (not being one of two or more joint-holders), shall be the only Shareholders recognized by the Company as having any title to the shares registered in the name of such Shareholder, and the Company shall not be bound to recognize such Executors or Administrators or holders of succession certificate or the legal representatives unless such Executors or Administrators or legal representatives shall have first obtained probate or letters of administration or succession certificate, as the case may be, from a duly constituted court in India, provided that the Board may in its absolute discretion dispense with production of probate or letters of administration or succession certificate, upon such terms as to indemnity or otherwise as the Board may in its absolute discretion deem fit and may under Article 24 of these Articles register the name of any Person who claims to be absolutely entitled to the shares standing in the name of a deceased Shareholder, as a Shareholder.

(k) The Board shall not knowingly issue or register a transfer of any share to a minor or insolvent or Person of unsound mind, except fully paid shares through a legal guardian.

(l) Subject to the provisions of Articles, any Person becoming entitled to shares in consequence of the death, lunacy, bankruptcy of any Shareholder or Shareholders, or by any lawful means other than by a transfer in accordance with these Articles, may with the consent of the Board, (which it shall not be under any obligation to give), upon producing such evidence that he sustains the character in respect of which he proposes to act under this Article, or of his title, as the Board thinks sufficient, either be registered himself as the holder of the shares or elect to have some Person nominated by him and approved by the Board, registered as such holder; provided nevertheless, that if such Person shall elect to have his nominee registered, he shall testify the election by executing in favour of his nominee an instrument of transfer in accordance with the provisions herein contained and until he does so, he shall not be freed from any liability in respect of the shares.

(m) A Person becoming entitled to a share by reason of the death or insolvency of a Shareholder shall be entitled to the same Dividends and other advantages to which he would be entitled if he were the registered holder of the shares, except that he shall not, before being registered as a Shareholder in respect of the shares, be entitled to exercise any right conferred by membership in relation to meetings of the Company.

Provided that the Directors shall, at any time, give notice requiring any such Person to elect either to be registered himself or to transfer the shares, and if such notice is not complied with within 90 (ninety) days, the Directors may thereafter withhold payment of all Dividends, bonuses or other monies payable in respect of the shares until the requirements of the notice have been complied with.

(n) Every instrument of transfer shall be presented to the Company duly stamped for registration accompanied by such evidence as the Board may require to prove the title of the transferor, his right to transfer the shares. Every registered instrument of transfer shall remain in the custody of the Company until destroyed by order of the Board.

Where any instrument of transfer of shares has been received by the Company for registration and the transfer of such shares has not been registered by the Company for any reason whatsoever, the Company shall transfer the Dividends in relation to such shares to a special account unless the Company is authorized by the registered holder of such shares, in writing, to pay such Dividends to the transferee and will keep in abeyance any offer of right shares and/or bonus shares in relation to such shares.

In case of transfer and transmission of shares or other marketable securities where the Company has not issued any certificates and where such shares or Securities are being held in any electronic and fungible form in a Depository, the provisions of the Depositories Act shall apply.

(o) Before the registration of a transfer, the certificate or certificates of the share or shares to be transferred must be delivered to the Company along with a properly stamped and executed instrument of transfer in accordance with the provisions of Section 56 of the Act.

(p) No fee shall be payable to the Company, in respect of the registration of transfer or transmission of shares, or for registration of any power of attorney, probate, letters of administration and succession certificate, certificate of death or marriage or other similar documents, sub division and/or consolidation of shares and debentures and sub-divisions of letters of allotment, renounceable letters of right and split, consolidation, renewal and genuine transfer receipts into denomination corresponding to the market unit of trading.

(q) The Company shall incur no liability or responsibility whatsoever in consequence of its registering or giving effect to any transfer of shares made or purporting to be made by any apparent legal owner thereof, (as shown or appearing in the Register of Members), to the prejudice of a Person or Persons having or claiming any equitable right, title or interest to or in the said shares, notwithstanding that the Company may have had any notice of such equitable right, title or interest or notice prohibiting registration of such transfer, and may have entered such notice or referred thereto, in any book of the Company and the Company shall not be bound or required to regard or attend or give effect to any notice which may be given to it of any equitable right, title or interest or be under any liability whatsoever for refusing or neglecting so to do, though it may have been entered or referred to in some book of the Company but the Company shall nevertheless be at liberty to regard and attend to any such notice, and give effect thereto if the Board shall so think fit.

(r) The Company shall not register the transfer of its securities in the name of the transferee(s) when the transferor(s) objects to the transfer.

Provided that the transferor serves on the Company, within sixty working days of raising the objection, a prohibitory order of a Court of competent jurisdiction.

(s) The Board may delegate the power of transfer of securities to a committee or to compliance officer or to the registrar to an issue and/or share transfer agent(s).

Provided that the delegated authority shall report on transfer of securities to the Board in each meeting.

(t) There shall be a common form of transfer in accordance with the Act and Rules.

(u) The provision of these Articles shall be subject to the applicable provisions of the Act, the Rules and any requirements of Law. Such provisions shall mutatis mutandis apply to the transfer or transmission by operation of Law to other Securities of the Company.

25. DEMATERIALIZATION OF SECURITIES

(a) Dematerialization:

Notwithstanding anything contained in these Articles, and subject to the applicable provisions of the Act, the Company shall be entitled to dematerialize its existing Securities, rematerialize its Securities held in the Depositories and/or to offer its fresh Securities in a dematerialized form pursuant to the Depositories Act, and the rules framed thereunder, if any.

(b) Subject to the applicable provisions of the Act, instead of issuing or receiving certificates for the Securities, as the case maybe, either the Company or the investor may exercise an option to issue, dematerialize, hold the securities (including shares) with a Depository in electronic form and the certificates in respect thereof shall be dematerialized, in which event the rights and obligations of the parties concerned and matters connected therewith or incidental thereto shall be governed by the provisions of the Depositories Act as amended from time to time or any statutory modification thereto or re-enactment thereof.

(c) Notwithstanding anything contained in these Articles to the contrary, in the event the Securities of the Company are dematerialized, the Company shall issue appropriate instructions to the Depository not to Transfer the Securities of any Shareholder except in accordance with these Articles. The Company shall cause the Promoters to direct their respective Depository participants not to accept any instruction slip or delivery slip or other authorisation for Transfer in contravention of these Articles.

(d) If a Person opts to hold his Securities with a Depository, then notwithstanding anything to the contrary contained in these Articles the Company shall intimate such Depository the details of allotment of the Securities and on receipt of the information, the Depository shall enter in its record the name of the allottee as the Beneficial Owner of the Securities.

(e) <u>Securities in Depositories to be in fungible form</u>:

All Securities held by a Depository shall be dematerialized and be held in fungible form. Nothing contained in Sections 88, 89 and 186 of the Act shall apply to a Depository in respect of the Securities held by it on behalf of the Beneficial Owners.

(f) <u>Rights of Depositories & Beneficial Owners</u>:

(i) Notwithstanding anything to the contrary contained in the Act or these Articles, a Depository shall be deemed to be the Registered Owner for the purposes of effecting transfer of ownership of Securities on behalf of the Beneficial Owner.

(ii) Save as otherwise provided in (i) above, the Depository as the Registered Owner of the Securities shall not have any voting rights or any other rights in respect of the Securities held by it.

(iii) Every person holding shares of the Company and whose name is entered as the Beneficial Owner in the records of the Depository shall be deemed to be a Shareholder of the Company.

(iv) The Beneficial Owner of Securities shall, in accordance with the provisions of these Articles and the Act, be entitled to all the rights and subject to all the liabilities in respect of his Securities, which are held by a Depository.

(g) Except as ordered by a court of competent jurisdiction or as may be required by Law required and subject to the applicable provisions of the Act, the Company shall be entitled to treat the person whose name appears on the Register as the holder of any share or whose name appears as the Beneficial Owner of any share in the records of the Depository as the absolute owner thereof and accordingly shall not be bound to recognize any benami trust or equity, equitable contingent, future, partial interest, other claim to or interest in respect of such shares or (except only as by these Articles otherwise expressly provided) any right in respect of a share other than an absolute right thereto in accordance with these Articles, on the part of any other person whether or not it has expressed or implied notice thereof but the Board shall at their sole discretion register any share in the joint names of any two or more persons or the survivor or survivors of them.

(h) <u>Register and Index of Beneficial Owners:</u>

The Company shall cause to be kept a register and index of members with details of shares and debentures held in materialized and dematerialized forms in any media as may be permitted by Law including any form of electronic media.

The register and index of Beneficial Owners maintained by a Depository under the Depositories Act shall be deemed to be a register and index of members for the purposes of this Act. The Company shall have the power to keep in any state or country outside India a register resident in that state or country.

(i) Cancellation of Certificates upon surrender by Person:

Upon receipt of certificate of securities on surrender by a person who has entered into an agreement with the Depository through a participant, the Company shall cancel such certificates and shall substitute in its record, the name of the Depository as the registered owner in respect of the said Securities and shall also inform the Depository accordingly.

(j) Service of Documents:

Notwithstanding anything contained in the Act or these Articles to the contrary, where Securities are held in a Depository, the records of the beneficial ownership may be served by such Depository on the Company by means of electronic mode or by delivery of floppies or discs.

(k) Transfer of Securities:

(i) Nothing contained in Section 56 of the Act or these Articles shall apply to a transfer of Securities effected by transferor and transferee both of whom are entered as Beneficial Owners in the records of a Depository.

(ii) In the case of transfer or transmission of shares or other marketable Securities where the Company has not issued any certificates and where such shares or Securities are being held in any electronic or fungible form in a Depository, the provisions of the Depositories Act shall apply.

(l) Allotment of Securities dealt with in a Depository:

Notwithstanding anything in the Act or these Articles, where Securities are dealt with by a Depository, the Company shall intimate the details of allotment of relevant Securities thereof to the Depository immediately on allotment of such Securities.

(m) Certificate Number and other details of Securities in Depository:

Nothing contained in the Act or these Articles regarding the necessity of having certificate number/distinctive numbers for Securities issued by the Company shall apply to Securities held with a Depository.

(n) Register and Index of Beneficial Owners:

The Register and Index of Beneficial Owners maintained by a Depository under the Depositories Act, shall be deemed to be the Register and Index (if applicable) of Shareholders and Security-holders for the purposes of these Articles.

(o) Provisions of Articles to apply to Shares held in Depository:

Except as specifically provided in these Articles, the provisions relating to joint holders of shares, calls, lien on shares, forfeiture of shares and transfer and transmission of shares shall be applicable to shares held in Depository so far as they apply to shares held in physical form subject to the provisions of the Depositories Act.

(p) Depository to furnish information:

Every Depository shall furnish to the Company information about the transfer of securities in the name of the Beneficial Owner at such intervals and in such manner as may be specified by Law and the Company in that behalf.

(q) Option to opt out in respect of any such Security:

If a Beneficial Owner seeks to opt out of a Depository in respect of any Security, he shall inform the Depository accordingly. The Depository shall on receipt of such information make appropriate entries in its records and shall inform the Company. The Company shall within 30 (thirty) days of the receipt of intimation from a Depository and on fulfillment of such conditions and on payment of such fees as may be specified by the regulations, issue the certificate of securities to the Beneficial Owner or the transferee as the case may be.

(r) Overriding effect of this Article:

Provisions of this Article will have full effect and force not withstanding anything to the contrary or inconsistent contained in any other Articles.

26. NOMINATION BY SECURITIES HOLDERS

(a) Every holder of Securities of the Company may, at any time, nominate, in the manner prescribed under the provisions of Section 72 read with Companies (Share Capital and Debentures) Rules, 2014 of the Act, as amended from time to time, a Person as his nominee in whom the Securities of the Company held by him shall vest in the event of his death.

(b) Where the Securities of the Company are held by more than one Person jointly, the joint holders may together nominate, in the manner prescribed under the provisions of Section 72 read with Companies (Share Capital and Debentures) Rules, 2014 of the Act, as amended from time to time, a Person as their nominee in whom all the rights in the Securities Company shall vest in the event of death of all the joint holders.

(c) Notwithstanding anything contained in any other Law for the time being in force or in any disposition, whether testamentary or otherwise, in respect of the Securities of the Company, where a nomination made in the manner prescribed under the provisions of Section 72 of the Act, read with Companies (Share Capital and Debentures) Rules, 2014 as amended from time to time, purports to confer on any Person the right to vest the Securities of the Company, the nominee shall, on the death of the holder of Securities of the Company or, as the case may be, on the death of the joint holders become entitled to all the rights in Securities of the holder or, as the case may be, of all the joint holders, in relation to such Securities of the Company to the exclusion of all other Persons, unless the nomination is varied or cancelled in the prescribed manner under the Companies (Share Capital and Debentures) Rules, 2014, as amended from time to time.

(d) Where the nominee is a minor, the holder of the Securities concerned, can make the nomination to appoint in prescribed manner under the provisions of Section 72 of the Act read with Companies (Share Capital and Debentures) Rules, 2014, as amended from time to time, any Person to become entitled to the Securities of the Company in the event of his death, during the minority.

(e) The transmission of Securities of the Company by the holders of such Securities and transfer in case of nomination shall be subject to and in accordance with the provisions of the Companies (Share Capital and Debentures) Rules, 2014.

27. NOMINATION FOR DEPOSITS

A depositor (who shall be the member of the Company) may, at any time, make a nomination of any person to whom his deposits shall vest in the event of his death and the provisions of Rule 11 of Companies (Acceptance of Deposits) Rules, 2014 read with Section 72 of the Act, as amended from time to time, shall, as far as may be, apply to the nominations made in relation to the deposits.

28. NOMINATION IN CERTAIN OTHER CASES

Subject to the applicable provisions of the Act and these Articles, any person becoming entitled to Securities in consequence of the death, lunacy, bankruptcy or insolvency of any holder of Securities, or by any lawful means other than by a transfer in accordance with these Articles, may, with the consent of the Board (which it shall not be under any obligation to give), upon producing such evidence that he sustains the character in respect of which he proposes to act under this Article or of such title as the Board thinks sufficient, either be registered himself as the holder of the Securities or elect to have some Person nominated by him and approved by the Board registered as such holder; provided nevertheless that, if such Person shall elect to have his nominee registered, he shall testify the election by executing in favour of his nominee an instrument of transfer in accordance with the provisions herein contained and until he does so, he shall not be freed from any liability in respect of the Securities.

29. COPIES OF MEMORANDUM AND ARTICLES TO BE SENT TO SHAREHOLDERS

Copies of the Memorandum and Articles of Association of the Company and other documents referred to in Section 17 of the Act shall be sent by the Company to every Shareholder at his request within 7 (seven) days of the request on payment of such sum as prescribed under the Companies (Incorporation) Rules, 2014.

30. BORROWING POWERS

(a) Subject to the provisions of Sections 73, 179 and 180, and other applicable provisions of the Act and these Articles, the Board may, from time to time, at its discretion by resolution passed at the meeting of a Board:

(i) accept or renew deposits from members;

(ii) borrow money by way of issuance of Debentures;

(iii) borrow money otherwise than on Debentures;

(iv) accept deposits from Shareholders either in advance of calls or otherwise; and

(v) generally raise or borrow or secure the payment of any sum or sums of money for the purposes of the Company.

Provided, however, that where the money to be borrowed together with the money already borrowed (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) exceed the aggregate of the Paid-up capital of the Company, its free reserves (not being reserves set apart for any specific purpose) and securities premium, the Board shall not borrow such money without the consent of the Company by way of a Special Resolution in a General Meeting.

(b) Subject to the provisions of these Articles, the payment or repayment of money borrowed as aforesaid may be secured in such manner and upon such terms and conditions in all respects as the resolution of the Board shall prescribe including by the issue of bonds, perpetual or redeemable Debentures or debenture–stock, or any mortgage, charge, hypothecation, pledge, lien or other security on the undertaking of the whole or any part of the property of the Company, both present and future. Provided however that the Board shall not, except with the consent of the Company by way of a Special Resolution in General Meeting mortgage, charge or otherwise encumber, the Company's uncalled Capital for the time being or any part thereof and Debentures and other Securities may be assignable free from any equities between the Company and the Person to whom the same may be issued.

(c) Any bonds, Debentures, debenture-stock or other Securities may if permissible in Law be issued at a discount, premium or otherwise by the Company and shall with the consent of the Board be issued upon such terms and conditions and in such manner and for such consideration as the Board shall consider to be for the benefit of the Company, and on the condition that they or any part of them may be convertible into Equity Shares of any denomination, and with any privileges and conditions as to the redemption, surrender, allotment of shares, appointment of Directors or otherwise. Provided that Debentures with rights to allotment of or conversion into Equity Shares shall not be issued except with, the sanction of the Company in General Meeting accorded by a Special Resolution.

(d) Subject to the applicable provisions of the Act and these Articles, if any uncalled Capital of the Company is included in or charged by any mortgage or other security, the Board shall make calls on the Shareholders in respect of such uncalled Capital in trust for the Person in whose favour such mortgage or security is executed, or if permitted by the Act, may by instrument under seal authorize the Person in whose favour such mortgage or security is executed or any other Person in trust for him to make calls on the Shareholders in respect of such uncalled Capital and the provisions hereinafter contained in regard to calls shall *mutatis mutandis* apply to calls made under such authority and such authority may be made exercisable either conditionally or unconditionally or either presently or contingently and either to the exclusion of the Board's power or otherwise and shall be assignable if expressed so to be.

(e) The Board shall cause a proper Register to be kept in accordance with the provisions of Section 85 of the Act of all charges specifically affecting the property of the Company; and shall cause the requirements of the relevant provisions of the Act in that behalf to be duly complied with within the time prescribed under the Act or such extensions thereof as may be permitted under the Act, as the case may be, so far as they are required to be complied with by the Board.

(f) Any capital required by the Company for its working capital and other capital funding requirements may be obtained in such form as decided by the Board from time to time.

(g) The Company shall also comply with the provisions of Chapter VI of the Act i.e. Registration of Charges, as amended from time to time, in relation to the creation, registration and satisfaction of aforesaid charges by the Company.

31. CONVERSION OF SHARES INTO STOCK AND RECONVERSION

The Company in General Meeting may, by Ordinary Resolution, convert any Paid-up shares into stock and when any shares shall have been converted into stock, the several holders of such stock may henceforth transfer their respective interest therein, or any part of such interests, in the same manner and subject to the same regulations as those subject to which shares from which the stock arose might have been transferred, if no such conversion had taken place or as near thereto as circumstances will admit. The Company may, by an Ordinary Resolution, at any time reconvert any stock into Paid-up shares of any denomination. Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so however such minimum shall not exceed the nominal account from which the stock arose.

The holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards Dividends, voting at meetings of the Company, and other matters, as if they held the shares from which the stock arose, but no such privileges or advantages, (except participation in the Dividends and profits of the Company and in the assets on winding-up), shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.

32. ANNUAL GENERAL MEETING

In accordance with the provisions of Section 96 of the Act, the Company shall in each year hold a General Meeting as its Annual General Meeting and shall specify the meeting as such in the notices convening such meetings. Further, not more than 15 (fifteen) months gap shall exist between the date of one Annual General Meeting and the date of the next. All General Meetings other than Annual General Meetings shall be Extraordinary General Meetings.

33. WHEN ANNUAL GENERAL MEETING TO BE HELD

In accordance with the provisions of Section 96 of the Act, the company shall convene the meeting within a period of six months, from the date of closing of financial year. Nothing contained in the foregoing provisions shall be taken as affecting the right conferred upon the Registrar under the provisions of Section 96(1) of the Act to extend the time within which any Annual General Meeting may be held, by a period not exceeding three months.

34. VENUE, DAY AND TIME FOR HOLDING ANNUAL GENERAL MEETING

(a) Every Annual General Meeting shall be called during business hours, that is, between 9 A.M. and 6 P.M. on a day that is not a national holiday, and shall be held at the Office of the Company or at some other place within the city, town or village in which the Office of the Company is situated, as the Board may determine and the notices calling the Meeting shall specify it as the Annual General Meeting.

(b) Every Shareholder of the Company shall be entitled to attend the Annual General Meeting either in person or by proxy and the Auditor of the Company shall have the right to attend and to be heard at any General Meeting which he attends on any part of the business which concerns him as Auditor. At every Annual General Meeting of the Company there shall be laid on the table, the Directors' Report and Audited Statement of Accounts, Auditors' Report, (if not already incorporated in the Audited Statement of Accounts), the proxy Register with proxies and the Register of Directors' shareholdings which latter Register shall remain open and accessible during the continuance of the Meeting. The Board shall cause to be prepared the Annual Return and forward the same to the concerned Registrar of Companies, in accordance with Sections 92 and 137 of the Act. The Directors are also entitled to attend the Annual General Meeting.

35. NOTICE OF GENERAL MEETINGS

(a) Number of days' notice of General Meeting to be given: A General Meeting of the Company may be called by giving not less than 21 (twenty one) days clear notice in writing or in electronic mode, excluding the day on which notice is served or deemed to be served (i.e., on expiry of 48 (forty eight) hours after the letter containing the same is posted). However, a General Meeting may be called after giving shorter notice if consent is given in writing or by electronic mode by:

- in the case of an Annual General Meeting, not less than 95 (ninety five) percent of the members entitled to vote at that meeting.
- in case of any other general meeting, by members of the company holding, majority in number of members entitled to vote and who represent not less than ninety-five per cent. of such part of the paid-up share capital of the company as gives a right to vote at the meeting.

The notice of every meeting shall be given to:

(a) every member, legal representative of any deceased member or the assignee of an insolvent member of the Company,

(b) Auditor or Auditors of the Company, and

(c) all Directors.

(b) Notice of meeting to specify place, etc., and to contain statement of business: Notice of every meeting of the Company shall specify the place, date, day and hour of the meeting, and shall contain a statement of the business to be transacted thereat shall be given in the manner prescribed under Section 102 of the Act.

(c) Contents and manner of service of notice and Persons on whom it is to be served: In accordance with the provisions of Section 101 read with Rule 18 of Companies (Management and Administration) Rules, 2014, as amended form time to time, every notice may be served by the Company on any Shareholder thereof either personally or by sending it by post to their/its registered address in India or through electronic mode and if there be no registered address in India, to the address supplied by the Shareholder to the Company for giving the notice to the Shareholder.

(d) Special Business: Subject to the applicable provisions of Section 102 of the Act, where any items of business to be transacted at the meeting are deemed to be special, there shall be annexed to the notice of the meeting a statement setting out all material facts concerning each item of business including any particular nature of the concern or interest if any therein of every Director or manager (as defined under the provisions of the Act), if any or key managerial personnel (as defined under the provisions of the Act) or the relatives of any of the aforesaid and where any item of special business relates to or affects any other company, the extent of shareholding interest in that other company of every Director or manager (as defined under the provisions of the Act), if any or key managerial personnel (as defined under the provisions of the Act) or the relatives of any of the aforesaid of the first mentioned company shall also be set out in the statement if the extent of such interest is not less than 2 per cent of the paid up share capital of that other company. All business transacted at any meeting of the Company shall be deemed to be special and all business transacted at the Annual General Meeting of the Company with the exception of the business specified in Section 102 of the Act shall be deemed to be special.

(e) Resolution requiring Special Notice: With regard to resolutions in respect of which special notice is required to be given by the Act, a special notice shall be given as required by Section 115 read with Rule 23 of Companies (Management and Administration) Rules, 2014, as amended form time to time, of the Act.

(f) Notice of Adjourned Meeting when necessary: When a meeting is adjourned for 30 (thirty) days or more, notice of the adjourned meeting shall be given as in the case of an original meeting in accordance with the applicable provisions of the Act.

(g) Notice when not necessary: Save as aforesaid, and as provided in Section 103 of the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

(h) The notice of the General Meeting shall comply with the provisions of Companies (Management and Administration) Rules, 2014, as amended from time to time.

36. REQUISITION OF EXTRAORDINARY GENERAL MEETING

(a) The Board may, whenever it thinks fit, call an Extraordinary General Meeting and it shall do so upon a requisition received from such number of members who hold, on the date of receipt of the requisition, not less than one-tenth of such of the Paid up Share Capital of the Company as on that date carries the right of voting and such meeting shall be held at the Office or at such place and at such time as the Board thinks fit.

(b) Any valid requisition so made by members must state the object(s) of the meeting proposed to be called, and must be signed by them and sent to the Office; provided that such requisition may consist of several documents in like form each signed by one or more requisitionists.

(c) Upon the receipt of any such valid requisition, the Board shall forthwith call an Extraordinary General Meeting and if they do not proceed within 21 (twenty-one) days from the date of the requisition being received at the Office to cause a meeting to be called on a day not later than 45 (forty-five) days from the date of receipt of the requisition, the requisitionists or such of their number as represent either a majority in value of the Paid up Share Capital held by all of them or not less than one-tenth of such of the Paid-up Share Capital of the Company as is referred to in Section 100 of the Act, whichever is less, may themselves call the meeting, but in either case any meeting so called shall be held within three months from the date of the requisition as aforesaid.

(d) Any meeting called under the foregoing sub-articles by the requisitionists, shall be called in the same manner, as nearly as possible, as that in which a meeting is to be called by the Board.

(e) The accidental omission to give any such notice as aforesaid to any of the Shareholders, or the non-receipt thereof, shall not invalidate any resolution passed at any such meeting.

(f) No General Meeting, Annual or Extraordinary, shall be competent to enter into, discuss or transact any business which has not been mentioned in the notice or notices by which it was convened.

(g) The Extraordinary General Meeting called under this article shall be subject to and in accordance with the provisions contained under the Companies (Management and Administration) Rules, 2014, as amended from time to time.

37. NO BUSINESS TO BE TRANSACTED IN GENERAL MEETING IF QUORUM IS NOT PRESENT

The quorum for the General Meeting shall be in accordance with Section 103 of the Act. Subject to the provisions of Section 103(2) of the Act, if such a quorum is not present within half an hour from the time set for the General Meeting, the General Meeting shall be adjourned to the same time and place or to such other date and such other time and place as the Board may determine and the agenda for the adjourned General Meeting shall remain the same. If at such adjourned meeting also, a quorum is not present, at the expiration of half an hour from the time appointed for holding the meeting, the members present shall be a quorum, and may transact the business for which the meeting was called.

38. CHAIRMAN OF THE GENERAL MEETING

The Chairman of the Board shall be entitled to take the Chair at every General Meeting, whether Annual or Extraordinary. If there is no such Chairman of the Board or if at any meeting he shall not be present within fifteen minutes of the time appointed for holding such meeting or if he is unable or unwilling to take the Chair, then the Directors present shall elect one of them as Chairman. If no Director is present or if all the Directors present decline to take the Chair, then the Shareholders present shall elect, on a show of hands or on a poll if properly demanded, one of their member to be the Chairman of the meeting. No business shall be discussed at any General Meeting except the election of a Chairman while the Chair is vacant.

39. CHAIRMAN CAN ADJOURN THE GENERAL MEETING

The Chairman may, with the consent given in the meeting at which a quorum is present (and if so directed by the meeting) adjourn the General Meeting from time to time and from place to place within the city, town or village in which the Office of the Company is situate but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

40. PASSING OF RESOLUTIONS IN GENERAL MEETING(S)

(a) At any General Meeting, a resolution put to the vote of the General Meeting shall, unless a poll is demanded, be decided by a show of hands. Before or on the declaration of the result of the voting on any resolution by a show of hands, a poll may be carried out in accordance with the applicable provisions of the Act or the voting is carried out electronically. Unless a poll is demanded, a declaration by the Chairman that a resolution has, on a show of hands, been carried or carried unanimously, or by a particular majority, or lost and an entry to that effect in the Minute Book of the Company shall be conclusive evidence of the fact, of passing of such resolution or otherwise.

(b) In the case of equal votes, the Chairman shall both on a show of hands and at a poll, (if any), have a casting vote in addition to the vote or votes to which he may be entitled as a Shareholder.

(c) If a poll is demanded as aforesaid, the same shall subject to anything stated in these Articles be taken at such time, (not later than forty-eight hours from the time when the demand was made), and place within the City, Town or Village in which the Office of the Company is situate and either by a show of hands or by ballot or by postal ballot, as the Chairman shall direct and either at once or after an interval or adjournment, or otherwise and the result of the poll shall be deemed to be the decision of the meeting at which the poll was demanded. Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll. The demand for a poll may be withdrawn at any time by the Person or Persons who made the demand.

(d) Where a poll is to be taken, the Chairman of the meeting shall appoint two scrutinizers to scrutinise the votes given on the poll and to report thereon to him. One of the scrutinizers so appointed shall always be a Shareholder, (not being an officer or employee of the Company), present at the meeting provided such a Shareholder is available and willing to be appointed. The Chairman shall have power at any time before the result of the poll is declared, to remove a scrutinizer from office and fill vacancies in the office of scrutinizer arising from such removal or from any other cause.

(e) Any poll duly demanded on the election of a Chairman of a meeting or any question of adjournment, shall be taken at the meeting forthwith. A poll demanded on any other question shall be taken at such time not later than 48 hours from the time of demand, as the Chairman of the meeting directs.

(f) The demand for a poll except on the question of the election of the Chairman and of an adjournment shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll has been demanded.

(g) No report of the proceedings of any General Meeting of the Company shall be circulated or advertised at the expense of the Company unless it includes the matters required by these Articles or Section 118 of the Act to be contained in the Minutes of the proceedings of such meeting.

(h) The Shareholders will do nothing to prevent the taking of any action by the Company or act contrary to or with the intent to evade or defeat the terms as contained in these Articles.

41. PASSING RESOLUTIONS BY POSTAL BALLOT

(a) Notwithstanding any of the provisions of these Articles, the Company may, and in the case of resolutions relating to such business as notified under the Companies (Management and Administration) Rules, 2014, as amended from time to time, or other Law required to be passed by postal ballot, shall get any resolution passed by means of a postal ballot, instead of transacting the business in the General Meeting of the Company. Also, the Company may, in respect of any item of business other than ordinary business and any business in respect of which Directors or Auditors have a right to be heard at any meeting, transact the same by way of postal ballot.

(b) Where the Company decides to pass any resolution by resorting to postal ballot, it shall follow the procedures as prescribed under Section 110 of the Act and the Companies (Management and Administration) Rules, 2014, as amended from time to time and applicable Law.

42. VOTES OF SHAREHOLDERS

(a) No Shareholder shall be entitled to vote either personally or by proxy at any General Meeting or meeting of a class of Shareholders either upon a show of hands or upon a poll in respect of any shares registered in his name on which calls or other sums presently payable by him have not been paid or in regard to which the Company has exercised any right of lien.

(b) No shareholder shall be entitled to vote at a General Meeting unless all calls or other sums presently payable by him have been paid, or in regard to which the Company has lien and has exercised any right of lien.

(c) Subject to the provisions of these Articles, without prejudice to any special privilege or restrictions as to voting for the time being attached to any class of shares for the time being forming a part of the Capital of the Company, every Shareholder not disqualified by the last preceding Article, shall be entitled to be present, and to speak and vote at such meeting, and on a show of hands, every Shareholder present in person shall have one vote and upon a poll, the voting right of such Shareholder present, either in person or by proxy, shall be in proportion to his share of the Paid Up Share Capital of the Company held alone or jointly with any other Person or Persons.

Provided however, if any Shareholder holding Preference shares be present at any meeting of the Company, save as provided in Section 47(2) of the Act, he shall have a right to vote only on resolutions placed before the Meeting, which directly affect the rights attached to his preference shares.

(d) On a poll taken at a meeting of the Company, a Shareholder entitled to more than one vote, or his proxy, or any other Person entitled to vote for him (as the case may be), need not, if he votes, use or cast all his votes in the same way.

(e) A Shareholder of unsound mind or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, through a committee or through his legal guardian; and any such committee or guardian may, on a poll vote by proxy. If any Shareholder be a minor his vote in respect of his Share(s) shall be exercised by his guardian(s), who may be selected (in case of dispute) by the Chairman of the meeting.

(f) If there be joint registered holders of any shares, any one of such Persons may vote at any meeting or may appoint another Person, (whether a Shareholder or not) as his proxy in respect of such shares, as if he were solely entitled thereto; but the proxy so appointed shall not have any right to speak at the meeting and if more than one of such joint-holders be present at any meeting, then one of the said Persons so present whose name stands higher in the Register of Members shall alone be entitled to speak and to vote in respect of such shares, but the other joint-holders shall be entitled to be present at the meeting. Several Executors or Administrators of a deceased Shareholder in whose name shares stand shall for the purpose of these Articles be deemed joint-holders thereof.

(g) Subject to the provision of these Articles, votes may be given personally or by an attorney or by proxy. A body corporate, whether or not a Company within the meaning of the Act, being a Shareholder may vote either by a proxy or by a representative duly authorised in accordance with Section 113 of the Act and such representative shall be entitled to exercise the same rights and powers, (including the right to vote by proxy), on behalf of the body corporate which he represents as that body could have exercised if it were an individual Shareholder.

(h) Any Person entitled to transfer any shares of the Company may vote at any General Meeting in respect thereof in the same manner as if he were the registered holder of such shares, provided that forty-eight hours at least before the time of holding the meeting or adjourned meeting, as the case may be, at which he proposes to vote, he shall satisfy the Board of his right to such shares and give such indemnity (if any) as the Board may require unless the Board shall have previously admitted his right to vote at such meeting in respect thereof.

(i) Every proxy, (whether a Shareholder or not), shall be appointed in writing under the hand of the appointer or his attorney, or if such appointer is a corporation under the Common Seal of such corporation or be signed by director(s) or an officer or an attorney duly authorised by it, and any committee or guardian may appoint proxy. The proxy so appointed shall not have any right to speak at a meeting.

(j) An instrument of proxy may appoint a proxy either for (i) the purposes of a particular meeting (as specified in the instrument) or (ii) for any adjournment thereof or (iii) it may appoint a proxy for the purposes of every meeting of the Company, or (iv) of every meeting to be held before a date specified in the instrument for every adjournment of any such meeting.

(k) A Shareholder present by proxy shall be entitled to vote only on a poll.

(l) An instrument appointing a proxy and a power of attorney or other authority (including by way of a Board Resolution, (if any),) under which it is signed or a notarially certified copy of that power or authority or resolution as the case may be, shall be deposited at the Office not later than forty-eight hours before the time for holding the meeting at which the Person named in the instrument proposes to vote and in default the instrument of proxy shall not be treated as valid. No instrument appointing a proxy shall be valid after the expiration of 12 months from the date of its execution. An attorney shall not be entitled to vote unless the power of attorney or other instrument or resolution as the case may be appointing him or a notarially certified copy thereof has either been registered in the records of the Company at any time not less than forty-eight hours before the time for holding the meeting at which the attorney proposes to vote, or is deposited at the Office of the Company not less than forty-eight hours before the time fixed for such meeting as aforesaid. Notwithstanding that a power of attorney or other authority has been registered in the records of the Company, the Company may, by notice in writing addressed to the Shareholder or the attorney, given at least 48 (forty eight) hours before the meeting, require him to produce the original power of attorney or authority or resolution as the case may be and unless the same is deposited with the Company not less than forty-eight hours before the time fixed for the meeting, the attorney shall not be entitled to vote at such meeting unless the Board in their absolute discretion excuse such non-production and deposit.

(m) Every instrument of proxy whether for a specified meeting or otherwise should, as far as circumstances admit, be in any of the forms set out in the Companies (Management and Administration) Rules, 2014, as amended from time to time.

(n) If any such instrument of appointment be confined to the object of appointing an attorney or proxy for voting at meetings of the Company it shall remain permanently or for such time as the Directors may determine in the custody of the Company; if embracing other objects a copy thereof, examined with the original, shall be delivered to the Company to remain in the custody of the Company.

(o) A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death of the principal, or revocation of the proxy or of any power of attorney under which such proxy was signed, or the transfer of the Share in respect of which the vote is given, provided that no intimation in writing of the death, revocation or transfer shall have been received at the Office before the meeting.

(p) No objection shall be made to the validity of any vote, except at the Meeting or poll at which such vote shall be tendered, and every vote whether given personally or by proxy, not disallowed at such meeting or poll shall be deemed valid for all purposes of such meeting or poll whatsoever.

(q) The Chairman of any meeting shall be the sole judge of the validity of every vote tendered at such meeting. The Chairman present at the taking of a poll shall be in the sole judge of the validity of every vote tendered at such poll.

  (i) The Company shall cause minutes of all proceedings of every General Meeting to be kept by making within 30 (thirty) days of the conclusion of every such meeting concerned, entries thereof in books kept for that purpose with their pages consecutively numbered.

  (ii) Each page of every such book shall be initialed or signed and the last page of the record of proceedings of each meeting in such book shall be dated and signed by the Chairman of the same meeting within the aforesaid period of 30 (thirty) days or in the event of the death or inability of that Chairman within that period, by a Director duly authorised by the Board for that purpose.

  (iii) In no case the minutes of proceedings of a meeting shall be attached to any such book as aforesaid by pasting or otherwise.

(iv) The Minutes of each meeting shall contain a fair and correct summary of the proceedings thereat.

(v) All appointments of Directors of the Company made at any meeting aforesaid shall be included in the minutes of the meeting.

(vi) Nothing herein contained shall require or be deemed to require the inclusion in any such Minutes of any matter which in the opinion of the Chairman of the Meeting (i) is or could reasonably be regarded as, defamatory of any person, or (ii) is irrelevant or immaterial to the proceedings, or (iii) is detrimental to the interests of the Company. The Chairman of the meeting shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the Minutes on the aforesaid grounds.

(vii) Any such Minutes shall be evidence of the proceedings recorded therein.

(viii) The book containing the Minutes of proceedings of General Meetings shall be kept at the Office of the Company and shall be open, during business hours, for such periods not being less in the aggregate than two hours in each day as the Board determines, for the inspection of any Shareholder without charge.

(ix) The Company shall cause minutes to be duly entered in books provided for the purpose of: -

a) the names of the Directors and Alternate Directors present at each General Meeting;

b) all Resolutions and proceedings of General Meeting.

(r) The Shareholders shall vote (whether in person or by proxy) all of the shares owned or held on record by them at any Annual or Extraordinary General Meeting of the Company called for the purpose of filling positions to the Board, appointed as a Director of the Company under Sections 152 and 164(1) of the Act in accordance with these Articles.

(s) The Shareholders will do nothing to prevent the taking of any action by the Company or act contrary to or with the intent to evade or defeat the terms as contained in these Articles.

(t) All matters arising at a General Meeting of the Company, other than as specified in the Act or these Articles if any, shall be decided by a majority vote.

(u) The Shareholders shall exercise their voting rights as shareholders of the Company to ensure that the Act or these Articles are implemented and acted upon by the Shareholders, and by the Company and to prevent the taking of any action by the Company or by any Shareholder, which is contrary to or with a view or intention to evade or defeat the terms as contained in these Articles.

(v) Any corporation which is a Shareholder of the Company may, by resolution of the Board or other governing body, authorise such person as it thinks fit to act as its representative at any meeting of the Company and the said person so authorised shall be entitled to exercise the same powers on behalf of the corporation which he represents as that corporation could have exercised if it were an individual Shareholder in the Company (including the right to vote by proxy).

(w) The Company shall also provide e-voting facility to the Shareholders of the Company in terms of the provisions of the Companies (Management and Administration) Rules, 2014, the SEBI Listing Regulations or any other Law, if applicable to the Company.

43. DIRECTORS

(e) Subject to the applicable provisions of the Act, the number of Directors of the Company shall not be less than 3 (three) and not more than 15 (fifteen). The Company shall also comply with the provisions of the Act and the provisions of the SEBI Listing Regulations. The Board shall have an optimum combination of executive and non-executive Directors including Independent Directors with at least 1 (one) woman Director, as may be prescribed by Law from time to time;

(f) Investor 1 may nominate one director on the Board, provided that the Investor 1 holds at least 5% of the issued and paid-up capital on a fully diluted basis, who does not hold any executive position in any Person engaged in the Business, provided that if any Person holding non-executive position in any Person engaged in the Business, is appointed as an Investor Director, then such Person so appointed shall be required to be bound by suitable non-disclosure undertakings with respect to Confidential Information pertaining to the Company and the Subsidiaries, that may be received in connection with the appointment of such Person as an Investor Director. It is hereby clarified that Investor 2 shall not have a right to appoint nominee directors on the Board; and

(g) Promoters may nominate two directors on the Board, who shall be the representative of the Promoters on the Board, provided that the Promoters cumulatively hold at least 5% of the issued and paid-up capital on a fully diluted basis.

44. CHAIRMAN OF THE BOARD OF DIRECTORS

The members of the Board shall elect any one of them as the Chairman of the Board. The Chairman shall preside at all meetings of the Board and the General Meeting of the Company. The Chairman shall have a casting vote in the event of a tie.

If for any reason the Chairman is not present at the meeting or is unwilling to act as Chairman, the members of the Board shall appoint any one of the remaining Directors as the Chairman.

45. APPOINTMENT OF ALTERNATE DIRECTORS

Subject to Section 161 of the Act, any Director shall be entitled to nominate an alternate director to act for him during his absence for a period of not less than 3 (three) months. The Board may appoint such a person, not being a person holding any alternate directorship for any other Director in the Company or holding directorship in the Company (an "**Alternate Director**"), as an Alternate Director to act for a Director (hereinafter called "**the Original Director**") (subject to such person being acceptable to the Chairman) during the Original Director's absence for a period of not less than three months from the State in which the meetings of the Board are ordinarily held. An Alternate Director appointed under this Article shall not hold office for a period longer than that permissible to the Original Director in whose place he has been appointed and shall vacate office if and when the Original Director returns to the State. If the term of the office of the Original Director is determined before he so returns to the State, any provisions in the Act or in these Articles for automatic re-appointment shall apply to the Original Director and not to the Alternate Director.

46. CASUAL VACANCY AND ADDITIONAL DIRECTORS

Subject to the applicable provisions of Section 161 of the Act and these Articles, the Board shall have the power at any time and from time to time to appoint any qualified Person to be a Director either as an addition to the Board or to fill a casual vacancy but so that the total number of Directors shall not at any time exceed the maximum number fixed under Article 43**.** Any Person so appointed as an addition shall hold office only up to the earlier of the date of the next Annual General Meeting or at the last date on which the Annual General Meeting should have been held but shall be eligible for appointment by the Company as a Director at that meeting subject to the applicable provisions of the Act.

47. INDEPENDENT DIRECTORS

The Company shall have such number of Independent Directors on the Board of the Company, as may be required in terms of the provisions of Section 149 of the Act and the Companies (Appointment and Qualification of Directors) Rules, 2014 or any other Law, as may be applicable. Further, the appointment of such Independent Directors shall be in terms of the aforesaid provisions of Law and subject to the requirements prescribed under the SEBI Listing Regulations.

48. EQUAL POWER TO DIRECTOR

Except as otherwise provided in these Articles, all the Directors of the Company shall have in all matters, equal rights and privileges and shall be subject to equal obligations and duties in respect of the affairs of the Company.

49. NOMINEE DIRECTORS

Whenever the Board enters into a contract with any lenders for borrowing any money or for providing any guarantee or security or for technical collaboration or assistance or enter into any other arrangement, the Board shall have, subject to the provisions of Section 152 of the Act the power to agree that such lenders shall have the right to appoint or nominate by a notice in writing addressed to the Company one or more Directors on the Board for such period and upon such conditions as may be mentioned in the common loan agreement/ facility agreement. The nominee director representing lenders shall not be required to hold qualification shares and not be liable to retire by rotation. The Directors may also agree that any such Director, or Directors may be removed from time to time by the lenders entitled to appoint or nominate them and such lenders may appoint another or other or others in his or their place and also fill in any vacancy which may occur as a result of any such Director, or Directors ceasing to hold that office for any reason whatsoever. The nominee director shall hold office only so long as any monies remain owed by the Company to such lenders.

The nominee director shall be entitled to all the rights and privileges of other Directors including the sitting fees and expenses as payable to other Directors but, if any other fees, commission, monies or remuneration in any form are payable to the Directors, the fees, commission, monies and remuneration in relation to such nominee director shall accrue to the lenders and the same shall accordingly be paid by the Company directly to the lenders.

Provided that if any such nominee director is an officer of any of the lenders, the sittings fees in relation to such nominee director shall also accrue to the lenders concerned and the same shall accordingly be paid by the Company directly to that lenders.

Any expenditure that may be incurred by the lenders or the nominee director in connection with the appointment or directorship shall be borne by the Company.

The nominee director shall be entitled to receive all notices, agenda, etc. and to attend all general meetings and Board meetings and meetings of any committee(s) of the Board of which he is a member and to receive all notices, agenda and minutes, etc. of the said meeting.

If at any time, the nominee director is not able to attend a meeting of Board or any of its committees, of which he is a member, the lenders may depute an observer to attend the meeting. The expenses incurred by the lenders in this connection shall be borne by the Company.

50. NO QUALIFICATION SHARES FOR DIRECTORS

A Director shall not be required to hold any qualification shares of the Company.

51. REMUNERATION OF DIRECTORS

(a) Subject to the applicable provisions of the Act, the Rules, Law including the provisions of the SEBI Listing Regulations, a Managing Director, and any other Director/s who is/are in the whole time employment of the Company may be paid remuneration either by a way of monthly payment or at a specified percentage of the net profits of the Company or partly by one way and partly by the other, subject to the limits prescribed under Section 197 and other applicable provisions of the Act.

(b) Subject to the applicable provisions of the Act, a Director (other than a Managing Director or an executive Director) may receive a sitting fee not exceeding such sum as may be prescribed by the Act or the central government from time to time for each meeting of the Board or any Committee thereof attended by him.

(c) The remuneration payable to each Director for every meeting of the Board or Committee of the Board attended by them shall be such sum as may be determined by the Board from time to time within the maximum limits prescribed from time to time by the Central Government pursuant to the first proviso to Section 197 of the Act.

(d) All fees/compensation to be paid to non-executive Directors including Independent Directors shall be as fixed by the Board and shall require the prior approval of the Shareholders in a General meeting. Such approval shall also specify the limits for the maximum number of stock options that can be granted to a non-executive Director, in any financial year, and in aggregate. However, such prior approval of the Shareholders shall not be required in relation to the payment of sitting fees to non-executive Directors if the same is made within the prescribed limits under the Act for payment of sitting fees with approval of Central Government. Notwithstanding anything contained in this article, the Independent Directors shall not be eligible to receive any stock options.

52. SPECIAL REMUNERATION FOR EXTRA SERVICES RENDERED BY A DIRECTOR

If any Director be called upon to perform extra services or special exertions or efforts (which expression shall include work done by a Director as a member of any Committee formed by the Directors), the Board may arrange with such Director for such special remuneration for such extra services or special exertions or efforts either by a fixed sum or otherwise as may be determined by the Board. Such remuneration may either be in addition, to or in substitution for his remuneration otherwise provided, subject to the applicable provisions of the Act.

53. TRAVEL EXPENSES OF DIRECTORS

The Board may allow and pay to any Director, who is not a bona fide resident of the place where the meetings of the Board/Committee meetings are ordinarily held; and who shall come to such place for the purpose of attending any meeting, such sum as the Board may consider fair compensation for travelling, lodging and/ or other expenses, in addition to his fee for attending such Board / Committee meetings as above specified; and if any Director be called upon to go or reside out of his ordinary place of his residence on the Company’s business, he shall be entitled to be repaid and reimbursed travelling and other expenses incurred in connection with the business of the Company in accordance with the provisions of the Act.

54. CONTINUING DIRECTORS

The continuing Directors may act notwithstanding any vacancy in their body, but if, and so long as their number is reduced below the minimum number fixed by Article 43 hereof, the continuing Directors not being less than two may act for the purpose of increasing the number of Directors to that number, or for summoning a General Meeting, but for no other purpose.

55. VACATION OF OFFICE BY DIRECTOR

(a) Subject to relevant provisions of the Act, including Sections 167 of the Act, the office of a Director, shall *ipso facto* be vacated if:

(i) he is found to be of unsound mind by a court of competent jurisdiction; or

(ii) he applies to be adjudicated an insolvent; or

(iii) he is adjudged an insolvent; or

(iv) he is convicted by a court of any offence involving moral turpitude and is sentenced in respect thereof to imprisonment for not less than 6 (six) months; or

(v) he fails to pay any calls made on him in respect of shares of the Company held by him whether alone or jointly with others, within 6 (six) months from the date fixed for the payment of such call, unless the Central Government has by notification in the Official Gazette removed the disqualification incurred by such failure; or

(vi) he absents himself from 3 (three) consecutive meetings of the Board or from all Meetings of the Board for a continuous period of 3 (three) months, whichever is longer, without obtaining leave of absence from the Board; or

(vii) he, (whether by himself or by any Person for his benefit or on his account), or any firm in which he is a partner, or any private company of which he is a director, accepts a loan, or any guarantee or security for a loan, from the Company, in contravention of Section 185 of the Act; or

(viii) having been appointed a Director by virtue of his holding any office or other employment in the Company, he ceases to hold such office or other employment in the Company; or

(ix) he acts in contravention of Section 184 of the Act; or

(x) he becomes disqualified by an order of the court under Section 203 of the Companies Act, 1956; or

(xi) he is removed in pursuance of Section 169 of the Act; or

(xii) he is disqualified under Section 164(2) of the Act.

Subject to the applicable provisions of Section168 of the Act and other applicable provisions, a Director may resign his office at any time by notice in writing addressed to the Board and such resignation shall become effective upon its acceptance by the Board.

56. RELATED PARTY TRANSACTIONS

(a) Except with the consent of the Board or the Shareholders, as may be required in terms of the provisions of section 188 of the Act and the Companies (Meetings of Board and its Powers) Rules, 2014 as amended from time to time, no company shall enter into any contract or arrangement with a 'related party' with respect to: :

(i) sale, purchase or supply of any goods or materials;

(ii) selling or otherwise disposing of, or buying, property of any kind;

(iii) leasing of property of any kind;

(iv) availing or rendering of any services;

(v) appointment of any agent for purchase or sale of goods, materials, services or property;

(vi) such Director's or its relative's appointment to any office or place of profit in the company, its subsidiary company or associate company; and

(vii) underwriting the subscription of any securities or derivatives thereof, of the company:

without the consent of the Shareholders by way of a Resolution in accordance with Section 188 of the Act.

(b) No member of the Company shall vote on such resolution, to approve any contract or arrangement which may be entered into by the Company, if such Shareholder is a related party.

(c) Nothing in this Article shall apply to any transactions entered into by the Company in its ordinary course of business other than transactions which are not on an arm's length basis

(d) The Director, so contracting or being so interested shall not be liable to the Company for any profit realised by any such contract or the fiduciary relation thereby established.

(e) The terms "office or place of profit" and "arm's length transaction" shall have the meaning ascribed to them under Section 188 of the Act.

(f) The term 'related party' shall have the same meaning as ascribed to it under clause (76) of Section 2 of the Act.

(g) The compliance of the Companies (Meetings of Board and its Powers) Rules, 2014, as amended from time to time, shall be made for the aforesaid contracts and arrangements.

57. DISCLOSURE OF INTEREST

(a) A Director of the Company who is in any way, whether directly or indirectly concerned or interested in a contract or arrangement, or proposed contract or arrangement entered into or to be entered into by or on behalf of the Company, shall disclose the nature of his concern or interest at a meeting of the Board in the manner provided in Section 184 of the Act; Provided that it shall not be necessary for a Director to disclose his concern or interest in any such contract or arrangement entered into or to be entered into with any other company where any of the Directors of the company or two or more of them together holds or hold not more than 2% (two per cent) of the Paid-up Share Capital in the other company or the Company as the case may be. A general notice given to the Board by the Director, to the effect that he is a director or member of a specified body corporate or is a member of a specified firm and is to be regarded as concerned or interested in any contract or arrangement which may, after the date of the notice, be entered into with that body corporate or firm, shall be deemed to be a sufficient disclosure of concern or interest in relation to any contract or arrangement so made. Any such general notice shall expire at the end of the Financial Year in which it is given but may be renewed for a further period of one Financial Year at a time by a fresh notice given in the last month of the Financial Year in which it would have otherwise expired. No such general notice, and no renewal thereof shall be of effect unless, either it is given at a meeting of the Board or the Director concerned takes reasonable steps to secure that it is brought up and read at the first meeting of the Board after it is given.

(b) No Director shall as a Director, take any part in the discussion of, vote on any contract or arrangement entered into or to be entered into by or on behalf of the Company, if he is in any way, whether directly or indirectly, concerned or interested in such contract or arrangements; nor shall his presence count for the purpose of forming a quorum at the time of any such discussion or vote; and if he does vote, his vote shall be void; provided however that nothing herein contained shall apply to:-

(i) any contract or indemnity against any loss which the Directors, or any one or more of them, may suffer by reason of becoming or being sureties or a surety for the Company;

(ii) any contract or arrangement entered into or to be entered into with a public company or a private company which is subsidiary of a public company in which the interest of the Director consists solely,

1. in his being –

I. a director of such company, and

II. the holder of not more than shares of such number or value therein as is requisite to qualify him for appointment as a Director thereof, he having been nominated as such Director by this Company, or

2. in his being a shareholder holding not more than 2 (two) per cent of its Paid-up Share Capital.

Subject to the provisions of Section 188 of the Act and other applicable provisions, if any, of the Act, any Director of the Company, any partner or relative of such Director, any firm in which such Director or a relative of such Director is a partner, any private company of which such Director is a director or member, and any director or manager of such private company, may hold any office or place of profit in the Company.

(c) The Company shall keep a Register in accordance with Section 189 of the Act and shall within the time specified therein enter therein such of the particulars as may be. The Register aforesaid shall also specify, in relation to each Director of the Company, the names of the bodies corporate and firms of which notice has been given by him under Article 57(a). The Register shall be kept at the Office of the Company and shall be open to inspection at such Office, and extracts may be taken therefrom and copies thereof may be required by any Shareholder of the Company to the same extent, in the same manner, and on payment of the same fee as in the case of the Register of Members of the Company and the provisions of Section 94 of the Act shall apply accordingly.

(d) A Director may be or become a Director of any Company promoted by the Company, or on which it may be interested as a vendor, shareholder, or otherwise, and no such Director shall be accountable for any benefits received as director or shareholder of such Company except in so far as Section 188 or Section 197 of the Act as may be applicable.

58. ONE-THIRD OF ROTATIONAL DIRECTORS TO RETIRE EVERY YEAR

At the Annual General Meeting of the Company to be held in every year, one third of such of the Directors as are liable to retire by rotation for time being, or, if their number is not three or a multiple of three then the number nearest to one third shall retire from office, and they will be eligible for re-election. Provided nevertheless that the Directors appointed as a Nominee Director, or the Directors appointed as Independent Director(s) under Articles hereto shall not retire by rotation under this Article nor shall Independent Director(s) be included in calculating the total number of Directors of whom one third shall retire from office under this Article.

59. PROCEDURE, IF PLACE OF RETIRING DIRECTORS IS NOT FILLED UP

(a) If the place of the retiring Director is not so filled up and the meeting has not expressly resolved not to fill the vacancy, the meeting shall stand adjourned till the same day in the next week, at the same time and place, or if that day is a national holiday, till the next succeeding day which is not a national holiday, at the same time and place.

(b) If at the adjourned meeting also, the place of the retiring Director is not filled up and that meeting also has not expressly resolved not to fill the vacancy, the retiring Director shall be deemed to have been reappointed at the adjourned meeting, unless:-

(i) at that meeting or at the previous meeting a resolution for the reappointment of such Director has been put to the meeting and lost;

(ii) retiring Director has, by a notice in writing addressed to the Company or its Board, expressed his unwillingness to be so reappointed;

(iii) he is not qualified or is disqualified for appointment; or

(iv) a resolution whether special or ordinary is required for the appointment or reappointment by virtue of any applicable provisions of the Act.

60. COMPANY MAY INCREASE OR REDUCE THE NUMBER OF DIRECTORS

Subject to Article 43 and Sections 149, 152 and 164 of the Act, the Company may, by Ordinary Resolution, from time to time, increase or reduce the number of Directors, and may alter their qualifications and the Company may, (subject to the provisions of Section 169 of the Act), remove any Director before the expiration of his period of office and appoint another qualified in his stead. The person so appointed shall hold office during such time as the Director in whose place he is appointed would have held the same if he had not been removed.

61. REGISTER OF DIRECTORS ETC.

(a) The Company shall keep at its Office, a Register containing the particulars of its Directors and Key Managerial Personnel as mentioned in Section 170 of the Act and shall otherwise comply with the provisions of the said Section in all respects.

(b) The Company shall in respect of each of its Directors also keep at its Office a Register, as required by Section 170 of the Act, and shall otherwise duly comply with the provisions of the said Section in all respects.

62. DISCLOSURE BY DIRECTOR OF APPOINTMENT TO ANY OTHER BODY CORPORATE

Every Director shall in accordance with the provisions of Section 184 read with Companies (Meeting of Board and its Powers) Rules, 2014, as amended from time to time, shall disclose his concern or interest in any company or companies or bodies corporate (including shareholding interest), firms or other association of individuals by giving a notice in accordance with such rules.

63. APPOINTMENT OF KEY MANAGERIAL PERSONNEL

Subject to the provisions of Section 203 of the Act and of these Articles, the Board shall have the power to appoint from time to time any full time employee of the Company as Managing Director(s) or whole time director(s) or Chief Executive Officer or manager, Company Secretary and Chief Executive Officer of the Company. The Managing Director(s) or the whole time director(s) or Chief Executive Officer or manager, Company Secretary and Chief Executive Officer, as the case may be, so appointed, shall be responsible for and in charge of the day to day management and affairs of the Company and subject to the applicable provisions of the Act and these Articles, the Board shall vest in such Managing Director/s or the whole time director(s) or manager or executive director(s), as the case may be, all the powers vested in the Board generally. The remuneration of a Managing Director/ whole time director or executive director or manager may be by way of monthly payment, fee for each meeting or participation in profits, or by any or all those modes or any other mode not expressly prohibited by the Act. Board, subject to the consent of the shareholders of the Company shall have the power to appoint Chairman of the Board as the Managing Director / whole time director or executive director of the Company.

64. PROVISIONS TO WHICH MANAGING DIRECTOR(S)/ WHOLE TIME DIRECTOR(S) / EXECUTIVE DIRECTOR(S)/ MANAGER ARE SUBJECT

Notwithstanding anything contained herein, a Managing Director(s) / whole time director(s) / executive director(s) / manager shall subject to the provisions of any contract between him and the Company be subject to the same provisions as to resignation and removal as the other Directors of the Company, and if he ceases to hold the office of a Director he shall ipso facto and immediately cease to be a Managing Director(s) / whole time director(s) / executive director(s) / manager, and if he ceases to hold the office of a Managing Director(s) / whole time director(s) / executive director(s)/ manager he shall ipso facto and immediately cease to be a Director.

65. REMUNERATION OF MANAGING DIRECTOR(S)/ WHOLE TIME DIRECTOR(S) / EXECUTIVE DIRECTOR(S)/ MANAGER

The remuneration of the Managing Director(s) / whole time director(s) / executive director(s) / manager shall (subject to Sections 196, 197 and 203 and other applicable provisions of the Act and of these Articles and of any contract between him and the Company) be fixed by the Directors, from time to time and may be by way of fixed salary and/or perquisites or commission or profits of the Company or by participation in such profits, or by any or all these modes or any other mode not expressly prohibited by the Act.

66. POWER AND DUTIES OF MANAGING DIRECTOR(S)/ WHOLE TIME DIRECTOR(S) / EXECUTIVE DIRECTOR(S)/ MANAGER

Subject to the superintendence, control and direction of the Board, the day-to-day management of the Company shall be in the hands of the Managing Director(s)/ whole time director(s) / executive director(s)/ manager s in the manner as deemed fit by the Board and subject to the applicable provisions of the Act, and these Articles, the Board may by resolution vest any such Managing Director(s)/ whole time director(s) / executive director(s)/ manager with such of the powers hereby vested in the Board generally as it thinks fit and such powers may be made exercisable for such period or periods and upon such conditions and subject to the applicable provisions of the Act, and these Articles confer such power either collaterally with or to the exclusion of or in substitution for all or any of the Directors in that behalf and may from time to time revoke, withdraw, alter or vary all or any of such powers.

67. POWER TO BE EXERCISED BY THE BOARD ONLY BY MEETING

Subject to the provisions of Section 179 of the Act, the Board shall exercise the following powers on behalf of the Company and the said powers shall be exercised only by resolutions passed at the meeting of the Board: -

(a) to make calls on Shareholders in respect of money unpaid on their shares;

(b) to authorise buy-back of securities under Section 68 of the Act;

(c) to issue securities, including debentures, whether in or outside India;

(d) to borrow money(ies);

(e) to invest the funds of the Company;

(f) to grant loans or give guarantee or provide security in respect of loans;

(g) to approve financial statements and the Board's report;

(h) to diversify the business of the Company;

(i) to approve amalgamation, merger or reconstruction;

(j) to take over a company or acquire a controlling or substantial stake in another company;

(k) fees/ compensation payable to non-executive directors including independent directors of the Company; and

(l) any other matter which may be prescribed under the Companies (Meetings of Board and its Powers) Rules, 2014 and the SEBI Listing Regulations , as amended from time to time.

The Board may, by a resolution passed at a meeting, delegate to any Committee of Directors, the Managing Director, or to any person permitted by Law the powers specified in sub clauses (d) to (f) above.

The aforesaid powers shall be exercised in accordance with the provisions of the Companies (Meetings of Board and its Powers) Rules, 2014 and shall be subject to the provisions of section 180 of the Act.

In terms of Section 180 of the Act, the Board may exercise the following powers subject to receipt of consent by the Company by way of a Special Resolution:

(a) to sell, lease or otherwise dispose of the whole or substantial part of the undertaking of the Company;

(b) to borrow money; and

(c) any such other matter as may be prescribed under the Act, the SEBI Listing Regulations and other applicable provisions of Law.

68. PROCEEDINGS OF THE BOARD OF DIRECTORS

(a) Board Meetings shall be at least 4 (four) in any calendar year and there should not be a gap of more than 120 (one hundred twenty) days between two consecutive Board Meetings. Meetings shall be held at the Registered Office, or such a place as may be decided by the Board.

(b) The participation of Directors in a meeting of the Board may be either in person or through video conferencing or other audio visual means, as may be prescribed, which are capable of recording and recognising the participation of the Directors and of recording and storing the proceedings of such meetings along with date and time. However, such matters as provided under the Companies (Meetings of Board and its Powers) Rules, 2014, as amended from time to time, shall not be dealt with in a meeting through video conferencing or other audio visual means, if there is no quorum present in person. Any meeting of the Board held through video conferencing or other audio visual means shall only be held in accordance with the Companies (Meetings of Board and its Powers) Rules, 2014.

(c) The Company Secretary or any other Director shall, as and when directed by the Chairman or a Director convene a meeting of the Board by giving a notice in writing to every Director in accordance with the provisions of the Act and the Companies (Meetings of Board and its Powers) Rules, 2014, as amended from time to time.

(d) The Board may meet either at the Office of the Company, or at any other location in India or outside India as the Chairman or Director may determine.

(e) At least 7 (seven) days' notice of every meeting of the Board shall be given in writing to every Director for the time being at his address registered with the Company and such notice shall be sent by hand delivery or by post or by electronic means. A meeting of the Board may be convened in accordance with these Articles by a shorter notice in case of any emergency as directed by the Chairman or the Managing Director or the Executive Director, as the case may be, subject to the presence of 1 (one) Independent Director in the said meeting. If an Independent Director is not present in the said meeting, then decisions taken at the said meeting shall be circulated to all the Directors and shall be final only upon ratification by one independent Director. Such notice or shorter notice may be sent by post or by fax or e-mail depending upon the circumstances.

(f) At any Board Meeting, each Director may exercise 1 (one) vote. The adoption of any resolution of the Board shall require the affirmative vote of a majority of the Directors present at a duly constituted Board Meeting.

69. QUORUM FOR BOARD MEETING

(a) <u>Quorum for Board Meetings</u>

Subject to the provisions of Section 174 of the Act, the quorum for each Board Meeting shall be one-third of its total strength or two directors, whichever is higher, and the presence of Directors by video conferencing or by other audio visual means shall also be counted for the purposes of calculating quorum.

If any duly convened Board Meeting cannot be held for want of a quorum, then such a meeting shall automatically stand adjourned for 7 (seven) days after the original meeting at the same time and place, or if that day is a national holiday, on the succeeding day which is not a public holiday to the same time and place. Provided however, the adjourned meeting may be held on such other date and such other place as may be unanimously agreed to by all the Directors in accordance with the provisions of the Act.

(b) If in the event of a quorum once again not being available at such an adjourned meeting, the Directors present shall constitute the quorum and may transact business for which the meeting has been called.

70. PASSING OF RESOLUTIONS AT BOARD MEETING

(a) Questions arising at any meeting of the Board, other than as specified in these Articles and the Act, if any, shall be decided by a majority vote. In the case of an equality of votes, the Chairman shall have a second or casting vote.

(b) No regulation made by the Company in General Meeting, shall invalidate any prior act of the Board, which would have been valid if that regulation had not been made.

71. ELECTION OF CHAIRMAN OF BOARD

(a) The Board may elect any one of them as the Chairman of the Board for all the Board and General meeting(s) of the Company and determine the period for which he is to hold office.

(b) If no such chairman is elected, or at any meeting the chairman is not present within five minutes after the time appointed for holding the meeting the Directors present may choose one among themselves to be the chairman of the meeting.

72. POWERS OF THE BOARD

Subject to the applicable provisions of the Act, these Articles and other applicable provisions of Law: -

(a) The Board shall be entitled to exercise all such power and to do all such acts and things as the Company is authorised to exercise and do under the applicable provisions of the Act or by the memorandum and articles of association of the Company.

(b) The Board is vested with the entire management and control of the Company, including as regards any and all decisions and resolutions to be passed, for and on behalf of the Company.

(c) Subject to the provisions of Section 180 of the Act the Board shall not, except with the consent of the Company by a Special Resolution:-

i. Sell, lease or otherwise dispose of the whole, or substantially the whole, of the undertaking of the Company, or where the Company owns more than one undertaking, of the whole, or substantially the whole, of any such undertaking. The term ‘undertaking’ and the expression ‘substantially the whole of the undertaking’ shall have the meaning ascribed to them under the provisions of Section 180 of the Act;

ii. Remit, or give time for repayment of, any debt due by a Director;

iii. Invest otherwise than in trust securities the amount of compensation received by the Company as a result of any merger or amalgamation; and

iv. Borrow money(ies) where the money(ies) to be borrowed together with the money(ies) already borrowed by the Company (apart from temporary loans obtained from the Company’s bankers in the ordinary course of businesses), will exceed the aggregate of the paid-up capital of the Company, its free reserves and securities premium, apart from temporary loans obtained from the Company's bankers in the ordinary course of business. The term 'Temporary Loans' shall have the meaning ascribed under the provisions of Section 180 of the Act.

73. COMMITTEES AND DELEGATION BY THE BOARD

The Company shall constitute such Committees as may be required under the Act, applicable provisions of Law and the SEBI Listing Regulations. Without prejudice to the powers conferred by the other Articles and so as not to in any way to limit or restrict those powers, the Board may, subject to the provisions of Section 179 of the Act, delegate any of its powers to the Managing Director(s), the executive director(s) or manager or any of the Key Managerial Personnel(s) of the Company. The Managing Director(s), the executive director(s) or the manager or any of the Key Managerial Personnel(s) as aforesaid shall, in the exercise of the powers so delegated, conform to any regulations that may from time to time be imposed on them by the Board and all acts done by them in exercise of the powers so delegated and in conformity with such regulations shall have the like force and effect as if done by the Board.

Subject to the applicable provisions of the Act, the requirements of Law and these Articles, the Board may delegate any of its powers to Committees of the Board consisting of such member or members of the Board as it thinks fit, and it may from time to time revoke and discharge any such committee of the Board either wholly or in part and either as to persons or purposes. Every Committee of the Board so formed shall, in the exercise of the powers so delegated, conform to any regulations that may from time to time be imposed on it by the Board. All acts done by any such Committee of the Board in conformity with such regulations and in fulfillment of the purposes of their appointment but not otherwise, shall have the like force and effect as if done by the Board.

The meetings and proceedings of any such Committee of the Board consisting of two or more members shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Directors, so far as the same are applicable thereto and are not superseded by any regulation made by the Directors under the last preceding Article.

The Board of the Company shall in accordance with the provisions of the Companies (Meetings of the Board and its Powers) Rules, 2014, as amended from time to time, or any other Law and the provisions of the SEBI Listing Regulations, form such committees as may be required under such rules in the manner specified therein, if the same are applicable to the Company.

74. ACTS OF BOARD OR COMMITTEE VALID NOTWITHSTANDING INFORMAL APPOINTMENT

All acts undertaken at any meeting of the Board or of a Committee of the Board, or by any person acting as a Director shall, notwithstanding that it may afterwards be discovered that there was some defect in the appointment of such Director or persons acting as aforesaid, or that they or any of them were disqualified or had vacated office or that the appointment of any of them had been terminated by virtue of any provisions contained in the Act or in these Articles, be as valid as if every such person had been duly appointed, and was qualified to be a Director . Provided that nothing in this Article shall be deemed to give validity to the acts undertaken by a Director after his appointment has been shown to the Company to be invalid or to have been terminated.

75. PASSING OF RESOLUTION BY CIRCULATION

Subject to the provisions of Section 175 of the Act, no resolution shall be deemed to have been duly passed by the Board or by a Committee thereof by circulation, unless the resolution has been circulated in draft form, together with the necessary papers, if any, to all the Directors, or members of the Committee, as the case may be, at their addresses registered with the Company in India by hand delivery or by post or by courier, or through such electronic means as may be provided under the Companies (Meetings of Board and its Powers) Rules, 2014, as amended from time to time, and has been approved by majority of Directors or members of the Committee, who are entitled to vote on the resolution. However, in case one-third of the total number of Directors for the time being require that any resolution under circulation must be decided at a meeting, the chairperson shall put the resolution to be decided at a meeting of the Board.

A resolution mentioned above shall be noted at a subsequent meeting of the Board or the Committee thereof, as the case may be, and made part of the minutes of such meeting.

76. MINUTES OF THE PROCEEDINGS OF THE MEETING OF THE BOARD

(a) The Company shall prepare minutes of each Board Meeting and the entries thereof in books kept for that purpose with their pages consecutively numbered. Such minutes shall contain a fair and correct summary of the proceedings conducted at the Board Meeting.

(b) The Company shall circulate the minutes of the meeting to each Director within 7 (seven) Business Days after the Board Meeting.

(c) Each page of every such book shall be initialed or signed and the last page of the record of proceedings of each meeting in such book shall be dated and signed by the Chairman of the said meeting or the Chairman of the next succeeding meeting.

(d) In no case the minutes of proceedings of a meeting shall be attached to any such book as aforesaid by pasting or otherwise.

(e) The minutes of each meeting shall contain a fair and correct summary of the proceedings thereat and shall also contain: -

(i) all appointments of Officers;

(ii) the names of the Directors present at each meeting of the Board (physically or through electronic mode);

(iii) In case of a director participating through electronic mode, his particulars, the location from where he participated;

(iv) Name of the Company Secretary and Invitees, if any, for specific items, and mode of their attendance if through electronic mode;

(v) all resolutions and proceedings of the meetings of the Board;

(vi) the names of the Directors, if any, dissenting from, or not concurring in, any resolution passed by the Board.

(vii) If any director participated only for a part of the Meeting, the Agenda items in which he did not participate.

(viii) Any business mentioned in Secretarial Standard 1 specified by the Institute of Company Secretaries of India constituted under the Company Secretaries Act, 1980 and approved by Central Government under Section 1 issued by the Institute of Company Secretaries of India constituted under the Company Secretaries Act, 1980 and approved by Central Government under Section 118 of the Act,

(f) Nothing contained in sub Articles (a) to (e) above shall be deemed to require the inclusion in any such minutes of any matter which in the opinion of the Chairman of the meeting: -

(i) is or could reasonably be regarded as defamatory of any person;

(ii) is irrelevant or immaterial to the proceedings; or

(iii) is detrimental to the interests of the Company.

(g) The Chairman shall exercise absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the ground specified in sub Article (f) above.

(h) Minutes of meetings kept in accordance with the aforesaid provisions shall be evidence of the proceedings recorded therein.

77. REGISTER OF CHARGES

The Directors shall cause a proper register to be kept, in accordance with the applicable provisions of the Act, of all charges specifically affecting the property of the Company and shall duly comply with the requirements of the applicable provisions of the Act in regard to the registration of mortgages and charges therein specified.

78. CHARGE OF UNCALLED CAPITAL

Where any uncalled capital of the Company is charged as security or other security is created on such uncalled capital, the Directors may authorize, subject to the applicable provisions of the Act and these Articles, making calls on the Shareholders in respect of such uncalled capital in trust for the person in whose favour such charge is executed.

79. SUBSEQUENT ASSIGNS OF UNCALLED CAPITAL

Where any uncalled capital of the Company is charged, all persons taking any subsequent charge thereon shall take the same subject to such prior charges and shall not be entitled to obtain priority over such prior charge.

80. CHARGE IN FAVOUR OF DIRECTOR FOR INDEMNITY

If the Director or any person, shall become personally liable for the payment of any sum primarily due from the Company, the Board may execute or cause to be executed, any mortgage, charge or security over or affecting the whole or part of the assets of the Company by way of indemnity to secure the Directors or other persons so becoming liable as aforesaid from any loss in respect of such liability.

81. OFFICERS

(a) The Company shall have its own professional management and such officers shall be appointed from time to time as designated by its Board. The officers of the Company shall serve at the discretion of the Board.

(b) The officers of the Company shall be responsible for the implementation of the decisions of the Board, subject to the authority and directions of the Board and shall conduct the day to day business of the Company.

(c) The officers of the Company shall be the Persons in charge of and responsible to the Company for the conduct of the business of the Company and shall be concerned and responsible to ensure full and due compliance with all statutory laws, rules and regulations as are required to be complied with by the Company and/or by the Board of the Company.

(d) Qualified experienced managerial and marketing executives and other officers shall be appointed for the operation and conduct of the business of the Company.

(e) The Board shall appoint with the approval of the Chairman, the President and/or Chief Executive Officer and/or Chief Operating Officer of the Company, as well as persons who will be appointed to the posts of senior executive management.

82. THE SECRETARY

(a) Subject to the provisions of Section 203 of the Act, the Board may, from time to time, appoint any individual as Secretary of the Company to perform such functions, which by the Act or these Articles for the time being of the Company are to be performed by the Secretary and to execute any other duties which may from time to time be assigned to him by the Board. The Board may confer upon the Secretary so appointed any powers and duties as are not by the Act or by these Articles required to be exercised by the Board and may from time to time revoke, withdraw, alter or vary all or any of them. The Board may also at any time appoint some individual (who need not be the Secretary), to maintain the Registers required to be kept by the Company. The 'Secretary' shall have the same meaning as ascribed in clause (24) of Section 2 of the Act.

(b) The Secretary shall be an individual responsible to ensure that there shall be no default, non-compliance, failure, refusal or contravention of any of the applicable provisions of the Act, or any rules, regulations or directions which the Company is required to conform to or which the Board of the Company are required to conform to and shall be designated as such and be the officer in default.

83. DIRECTORS' & OFFICERS' LIABILITY INSURANCE

Subject to the provisions of the Act and Law, the Company shall procure, at its own cost, comprehensive directors and officers liability insurance for each Director which shall not form a part of the remuneration payable to the Directors in the circumstances described under Section 197 of the Act: -

(a) on terms approved by the Board;

(b) which includes each Director as a policyholder;

(c) is from an internationally recognised insurer approved by the Board; and

(d) for a coverage for claims of an amount as may be decided by the Board, from time to time.

84. ACCOUNTS

(a) The Company shall prepare and keep at the Office books of accounts or other relevant books and papers and financial statements for every financial year which give a true and fair view of the state of affairs of the Company, including its branch office or offices, if any, and explain the transactions effected both at the Office and its branches and such books shall be kept on accrual basis and according to the double entry system of accounting.

(b) Where the Board decides to keep all or any of the books of account at any place other than the Office, the Company shall, within 7 (seven) days of the decision, file with the Registrar, a notice in writing giving the full address of that other place. The Company may also keep such books of accounts or other relevant papers in electronic mode in accordance with the provisions of the Act.

(c) The Company shall preserve in good order the books of account relating to a period of not less than eight financial years preceding the current year.

(d) When the Company has a branch office, whether in or outside India, the Company shall be deemed to have complied with this Article if proper books of account relating to the transactions effected at the branch office are kept at the branch office and proper summarized returns made up to dates at intervals of not more than three months, are sent by the branch office to the Company at its office or at the other place in India, at which the Company's books of account are kept as aforesaid.

(e) No Shareholder (not being a Director) shall have any right of inspecting any account or books or documents of the Company except specified under the Act and Law.

(f) In accordance with the provisions of the Act, along with the financial statements laid before the Shareholders, there shall be laid a 'Board's report' which shall include:

  (i) the web-link of annual return placed on the website of the Company as provide under sub section (3) of Section 92 of the Act;

  (ii) number of meetings of the Board;

  (iii) Directors' responsibility statement as per the provisions of Section 134 (5) of the Act;

  (iv) a statement on declaration given by Independent Directors under sub-section (6) of Section 149 of the Act;

  (v) in the event applicable, as specified under sub-section (1) of Section 178 of the Act, Company's policy on directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a director and other matters provided under sub-section (3) of Section 178 of the Act;

  (vi) explanations or comments by the Board on every qualification, reservation or adverse remark or disclaimer made-

    1. by the auditor in his report; and

    2. by the company secretary in practice in his secretarial audit report;

  (vii) particulars of loans, guarantees or investments under Section 186 of the Act;

  (viii) particulars of contracts or arrangements with related parties referred to in sub-section (1) of Section 188 in the prescribed form;

  (ix) the state of the company's affairs;

  (x) the amounts, if any, which it proposes to carry to any reserves;

  (xi) the amount, if any, which it recommends should be paid by way of Dividends;

  (xii) material changes and commitments, if any, affecting the financial position of the company which have occurred between the end of the financial year of the company to which the financial statements relate and the date of the report;

  (xiii) the conservation of energy, technology absorption, foreign exchange earnings and outgo, in such manner as may be prescribed;

  (xiv) a statement indicating development and implementation of a risk management policy for the company including identification therein of elements of risk, if any, which in the opinion of the Board may threaten the existence of the company;

  (xv) the details about the policy developed and implemented by the company on corporate social responsibility initiatives taken during the year;

(xvi) in case of a listed company and every other public company having such paid-up share capital as may be prescribed, a statement indicating the manner in which formal annual evaluation has been made by the Board of its own performance and that of its committees and individual directors; and

(xvii) such other matters as may be prescribed under the Law, from time to time.

(g) All the aforesaid books shall give a fair and true view of the affairs of the Company or its branch office, as the case may be, with respect to the matters herein and explain its transactions.

85. AUDIT AND AUDITORS

(a) Auditors shall be appointed and their rights and duties shall be regulated in accordance with Chapter X of the Act and as specified under Law.

(b) Every account of the Company when audited shall be approved by a General Meeting and shall be conclusive except as regards any error discovered therein within three months next after the approval thereof. Whenever any such error is discovered within that period the account shall forthwith be corrected, and henceforth shall be conclusive.

(c) Every balance sheet and profit and loss account shall be audited by one or more Auditors to be appointed as hereinafter set out.

(d) The Auditor shall be appointed at an Annual General Meeting and shall hold office from the conclusion of that meeting till the conclusion of the Annual General Meeting in the final year of their term of five consecutive years as the Auditor

(e) Where at an Annual General Meeting, no Auditors are appointed, the Central Government may appoint a person to fill the vacancy and fix the remuneration to be paid to him by the Company for his services.

(f) The Company shall within 7 (seven) days of the Central Government's power under sub clause (b) becoming exercisable, give notice of that fact to the Government.

(g) The Directors may fill any casual vacancy in the office of an Auditor but while any such vacancy continues, the remaining auditors (if any) may act. Where such a vacancy is caused by the resignation of an Auditor, the vacancy shall only be filled by the Company in General Meeting.

(h) A person, other than a retiring Auditor, shall not be capable of being appointed at an Annual General Meeting unless special notice of a resolution of appointment of that person to the office of Auditor has been given by a Shareholder to the Company not less than 14 (fourteen) days before the meeting in accordance with Section 115 of the Act, and the Company shall send a copy of any such notice to the retiring Auditor and shall give notice thereof to the Shareholders in accordance with provisions of Section 115 of the Act and all the other provision of Section 140 of the Act shall apply in the matter. The provisions of this sub-clause shall also apply to a resolution that a retiring auditor shall not be re-appointed.

(i) The persons qualified for appointment as Auditors shall be only those referred to in Section 141 of the Act.

(j) None of the persons mentioned in Section 141 of the Act as are not qualified for appointment as auditors shall be appointed as Auditors of the Company.

86. AUDIT OF BRANCH OFFICES

The Company shall comply with the applicable provisions of the Act and the Companies (Audit and Auditor) Rules, 2014 in relation to the audit of the accounts of branch offices of the Company.

87. REMUNERATION OF AUDITORS

The remuneration of the Auditors shall be fixed by the Company as authorized in General Meeting from time to time in accordance with the provisions of Section 142 of the Act and the Companies (Audit and Auditor) Rules, 2014, as amended from time to time.

88. DOCUMENTS AND NOTICES

(a) A document or notice may be given or served by the Company to or on any Shareholder whether having his registered address within or outside India either personally or by sending it by post to him to his registered address.

(b) Where a document or notice is sent by post, service of the document or notice shall be deemed to be effected by properly addressing, prepaying and posting a letter containing the document or notice, provided that where a Shareholder has intimated to the Company in advance that documents or notices should be sent to him under a certificate of posting or by registered post with or without acknowledgement due or by cable or telegram and has deposited with the Company a sum sufficient to defray the expenses of doing so, service of the document or notice shall be deemed to be effected unless it is sent in the manner intimated by the Shareholder. Such service shall be deemed to have effected in the case of a notice of a meeting, at the expiration of forty eight hours after the letter containing the document or notice is posted or after a telegram has been dispatched and in any case, at the time at which the letter would be delivered in the ordinary course of post or the cable or telegram would be transmitted in the ordinary course.

(c) A document or notice may be given or served by the Company to or on the joint-holders of a Share by giving or serving the document or notice to or on the joint-holder named first in the Register of shareholders in respect of the Share.

(d) Every person, who by operation of Law, transfer or other means whatsoever, shall become entitled to any Share, shall be bound by every document or notice in respect of such Share, which previous to his name and address being entered on the register of Shareholders, shall have been duly served on or given to the Person from whom he derives his title to such Share.

(e) Any document or notice to be given or served by the Company may be signed by a Director or the Secretary or some Person duly authorised by the Board for such purpose and the signature thereto may be written, printed, photostat or lithographed.

(f) All documents or notices to be given or served by Shareholders on or to the Company or to any officer thereof shall be served or given by sending the same to the Company or officer at the Office by post under a certificate of posting or by registered post or by leaving it at the Office.

(g) Where a Document is sent by electronic mail, service thereof shall be deemed to be effected properly, where a shareholder has registered his electronic mail address with the Company and has intimated the Company that documents should be sent to his registered email address, without acknowledgement due. Provided that the Company, shall provide each shareholder an opportunity to register his email address and change therein from time to time with the Company or the concerned depository. The Company shall fulfill all conditions required by Law, in this regard.

89. SHAREHOLDERS TO NOTIFY ADDRESS IN INDIA

Each registered Shareholder from time to time notify in writing to the Company such place in India to be registered as his address and such registered place of address shall for all purposes be deemed to be his place of residence.

90. SERVICE ON SHAREHOLDERS HAVING NO REGISTERED ADDRESS

If a Shareholder does not have registered address in India, and has not supplied to the Company any address within India, for the giving of the notices to him, a document advertised in a newspaper circulating in the neighbourhood of Office of the Company shall be deemed to be duly served to him on the day on which the advertisement appears.

91. SERVICE ON PERSONS ACQUIRING SHARES ON DEATH OR INSOLVENCY OF SHAREHOLDERS

A document may be served by the Company on the persons entitled to a share in consequence of the death or insolvency of a Shareholders by sending it through the post in a prepaid letter addressed to them by name or by the title or representatives of the deceased, assignees of the insolvent by any like description at the address (if any) in India supplied for the purpose by the persons claiming to be so entitled, or (until such an address has been so supplied) by serving the document in any manner in which the same might have been served as if the death or insolvency had not occurred.

92. NOTICE BY ADVERTISEMENT

Subject to the applicable provisions of the Act, any document required to be served or sent by the Company on or to the Shareholders, or any of them and not expressly provided for by these Articles, shall be deemed to be duly served or sent if advertised in a newspaper circulating in the District in which the Office is situated.

93. DIVIDEND POLICY

(a) The profits of the Company, subject to any special rights relating thereto being created or authorised to be created by the Memorandum or these Articles and subject to the provisions of these Articles shall be divisible among the Shareholders in proportion to the amount of Capital Paid-up or credited as Paid-up and to the period during the year for which the Capital is Paid-up on the shares held by them respectively. Provided always that, (subject as aforesaid), any Capital Paid-up on a Share during the period in respect of which a Dividend is declared, shall unless the Directors otherwise determine, only entitle the holder of such Share to an apportioned amount of such Dividend as from the date of payment.

(b) Subject to the provisions of Section 123 of the Act the Company in General Meeting may declare Dividends, to be paid to Shareholders according to their respective rights and interests in the profits. No Dividends shall exceed the amount recommended by the Board, but the Company in General Meeting may, declare a smaller Dividend, and may fix the time for payments not exceeding 30 (thirty) days from the declaration thereof.

(c) (i) No Dividend shall be declared or paid otherwise than out of profits of the Financial Year arrived at after providing for depreciation in accordance with the provisions of Section 123 of the Actor out of the profits of the Company for any previous Financial Year or years arrived at after providing for depreciation in accordance with those provisions and remaining undistributed or out of both provided that: -

1. if the Company has not provided for depreciation for any previous Financial Year or years it shall, before declaring or paying a Dividend for any Financial Year provide for such depreciation out of the profits of that Financial Year or out of the profits of any other previous Financial Year or years, and

2. if the Company has incurred any loss in any previous Financial Year or years the amount of the loss or an amount which is equal to the amount provided for depreciation for that year or those years whichever is less, shall be set off against the profits of the Company for the year for which the Dividend is proposed to be declared or paid or against the profits of the Company for any previous Financial Year or years arrived at in both cases after providing for depreciation in accordance with the provisions of Section 123 of the Act or against both.

3. In computing profits any amount representing unrealised gains, notional gains or revaluation of assets and any change in carrying amount of an asset or of a liability on measurement of the asset or the liability at fair value shall be excluded

(ii) The declaration of the Board as to the amount of the net profits shall be conclusive.

(d) The Board may, from time to time, pay to the Shareholders such interim Dividend as in their judgment the position of the Company justifies during any financial year or at any time during the period from closure of financial year till holding of the annual general meeting out of the surplus in the profit and loss account or out of profits of the financial year for which such interim dividend is sought to be declared or out of profits generated in the financial year till the quarter preceding the date of declaration of the interim dividend. However in case the company has incurred loss during the current financial year up to the end of the quarter immediately preceding the date of declaration of interim dividend, such interim dividend shall not be declared at a rate higher than the average dividends declared by the company during the immediately preceding three financial years.

(e) Where Capital is paid in advance of calls upon the footing that the same shall carry interest, such Capital shall not whilst carrying interest, confer a right to participate in profits or Dividend.

(f) (i) Subject to the rights of Persons, if any, entitled to shares with special rights as to Dividend, all Dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof Dividend is paid but if and so long as nothing is Paid upon any shares in the Company, Dividends may be declared and paid according to the amount of the shares.

(ii) No amount paid or credited as paid on shares in advance of calls shall be treated for the purpose of this regulation as paid on shares.

(iii) All Dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the Dividend is paid, but if any shares are issued on terms providing that it shall rank for Dividend as from a particular date such shares shall rank for Dividend accordingly.

(g) Subject to the applicable provisions of the Act and these Articles, the Board may retain the Dividends payable upon shares in respect of any Person, until such Person shall have become a Shareholder, in respect of such shares or until such shares shall have been duly transferred to him.

(h) Any one of several Persons who are registered as the joint-holders of any Share may give effectual receipts for all Dividends or bonus and payments on account of Dividends or bonus or sale proceeds of fractional certificates or other money(ies) payable in respect of such shares.

(i) Subject to the applicable provisions of the Act, no Shareholder shall be entitled to receive payment of any interest or Dividends in respect of his Share(s), whilst any money may be due or owing from him to the Company in respect of such Share(s); either alone or jointly with any other Person or Persons; and the Board may deduct from the interest or Dividend payable to any such Shareholder all sums of money so due from him to the Company.

(j) Subject to Section 126 of the Act, a transfer of shares shall not pass the right to any Dividend declared thereon before the registration of the transfer.

(k) Unless otherwise directed any Dividend shall be paid through electronic mode of payment facility approved by the Reserve Bank of India. Where it is not possible to use electronic mode of payment, dividend may be paid by 'payable at par' cheques or warrants sent by post or courier or by any other legally permissible means to the registered address of the Shareholder or Person entitled or in case of joint-holders to that one of them first named in the Register of Members in respect of the joint-holding. Every such cheque or warrant shall be made payable to the order of the Person to whom it is sent and in case of joint-holders to that one of them first named in the Register of Members in respect of the joint-holding. The Company shall not be liable or responsible for any cheque or warrant or pay slip or receipt lost in transmission, or for any Dividend lost to a Shareholder or Person entitled thereto, by a forged endorsement of any cheque or warrant or a forged signature on any pay slip or receipt of a fraudulent recovery of Dividend. If 2 (two) or more Persons are registered as joint-holders of any Share(s) any one of them can give effectual receipts for any money(ies) payable in respect thereof. Several Executors or Administrators of a deceased Shareholder in whose sole name any Share stands shall for the purposes of this Article be deemed to be joint-holders thereof.

(l) No unpaid Dividend shall bear interest as against the Company.

(m) Any General Meeting declaring a Dividend may on the recommendation of the Board, make a call on the Shareholders of such amount as the Meeting fixes, but so that the call on each Shareholder shall not exceed the Dividend payable to him, and so that the call will be made payable at the same time as the Dividend; and the Dividend may, if so arranged as between the Company and the Shareholders, be set-off against such calls.

(n) Notwithstanding anything contained in this Article, the dividend policy of the Company shall be governed by the applicable provisions of the Act and Law.

(o) The Company may pay dividends on shares in proportion to the amount paid-up on each Share in accordance with Section 51 of the Act.

94. UNPAID OR UNCLAIMED DIVIDEND

(a) If the Company has declared a Dividend but which has not been paid or the Dividend warrant in respect thereof has not been posted or sent within 30 (thirty) days from the date of declaration, transfer the total amount of dividend, which remained unpaid or unclaimed within 7 (seven) days from the date of expiry of the said period of 30 (thirty) days to a special account to be opened by the Company in that behalf in any scheduled bank or private sector bank.

(b) Any money so transferred to the unpaid Dividend account of the Company which remains unpaid or unclaimed for a period of 7 (seven) years from the date of such transfer, shall be transferred by the Company to the Fund established under sub-section (1) of Section 125 of the Act, viz. "Investors Education and Protection Fund".

(c) No unpaid or unclaimed Dividend shall be forfeited by the Board before the claim becomes barred by Law and such forfeiture, if effected, shall be annulled in appropriate cases.

95. CAPITALIZATION OF PROFITS

The Company in General Meeting may, upon the recommendation of the Board, resolve:

(a) that it is desirable to capitalize any part of the amount for the time being standing to the credit of any of the Company's reserve accounts or to the credit of the Company's profit and loss account or otherwise, as available for distribution, and

(b) that such sum be accordingly set free from distribution in the manner specified herein below in sub-article (c) as amongst the Shareholders who would have been entitled thereto, if distributed by way of Dividends and in the same proportions.

(c) The sum aforesaid shall not be paid in cash but shall be applied either in or towards:

(i) paying up any amounts for the time being unpaid on any shares held by such Shareholders respectively;

(ii) paying up in full, un-issued shares of the Company to be allotted, distributed and credited as fully Paid up, to and amongst such Shareholders in the proportions aforesaid; or

(iii) partly in the way specified in sub-article (i) and partly in the way specified in sub-article (ii).

(d) A share premium account may be applied as per Section 52 of the Act, and a capital redemption reserve account may, duly be applied in paying up of unissued shares to be issued to Shareholders of the Company as fully paid bonus shares.

96. RESOLUTION FOR CAPITALISATION OF RESERVES AND ISSUE OF FRACTIONAL CERTIFICATE

(a) The Board shall give effect to a Resolution passed by the Company in pursuance of this regulation.

(b) Whenever such a Resolution as aforesaid shall have been passed, the Board shall:

(i) make all appropriation and applications of undivided profits (resolved to be capitalized thereby), and all allotments and issues of fully paid shares or Securities, if any; and

(ii) generally do all acts and things required to give effect thereto.

(c) The Board shall have full power:

i. to make such provisions, by the issue of fractional certificates or by payments in cash or otherwise as it thinks fit, in the case of shares or debentures becoming distributable in fraction; and

ii. to authorize any person, on behalf of all the Shareholders entitled thereto, to enter into an agreement with the Company providing for the allotment to such Shareholders, credited as fully paid up, of any further shares or debentures to which they may be entitled upon such capitalization or (as the case may require) for the payment of by the Company on their behalf, by the application thereto of their respective proportions of the profits resolved to be capitalised of the amounts or any parts of the amounts remaining unpaid on the shares.

(d) Any agreement made under such authority shall be effective and binding on all such shareholders.

***97.* DISTRIBUTION OF ASSETS IN SPECIE OR KIND UPON WINDING UP**

(a) If the company shall be wound up , the Liquidator may, with the sanction of a special Resolution of the company and any other sanction required by the Act divide amongst the shareholders, in specie or kind the whole or any part of the assets of the company, whether they shall consist of property of the same kind or not.

(b) For the purpose aforesaid, the Liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the shareholders or different classes of shareholders.

98. DIRECTOR'S AND OTHER'S RIGHTS TO INDEMNITY

Subject to the provisions of Section 197 of the Act, every Director, Manager and other officer or employee of the company shall be indemnified by the company against any liability incurred by him and it shall be the duty of the Directors to pay out the funds of the company all costs, losses and expenses which any director, Manager, officer or employee may incur or become liable to by reason of any contact entered into by him on behalf of the company or in any way in the discharge of his duties and in particular, and so as not to limit the generality of the foregoing provisions against all liabilities incurred by him as such Director, Manager, Officer or employee in defending any proceedings Whether civil or criminal in which judgement is given in his favour or he is acquitted or in connection with any application under Section 463 of the Act in which relief is granted by the court and the amount for which such indemnity is provided shall immediately attach as a lien on the property of the company and have priority as between the shareholders over all the claims.

99. DIRECTOR'S ETC. NOT LIABLE FOR CERTAIN ACTS

Subject to the provision of Section 197 of the Act, no Director, Manager, Officer or Employee of the company shall be liable for the acts, defaults, receipts and neglects of any other Director, Manager, Officer or employee or for joining in any receipts or other acts for the sake of conformity or for any loss or expenses happening to the company through the insufficiency or deficiency of any security in or upon which any of the monies of the company shall be invested or for any loss or damage arising from the bankruptcy, insolvency or tortuous act of any person with whom any monies, securities or effects shall be deposited or for any loss occasioned by an error of judgement or oversight on his part , or for any other loss ,damage or misfortune whatsoever which shall happen in the execution thereof unless the same shall happen through negligence, default, misfeasance, breach of duty or breach of trust. Without prejudice to the generality foregoing it is hereby expressly declared that any filing fee payable or any document required to be filed with the registrar of the companies in respect of any act done or required to be done by any Director or other officer by reason of his holding the said office shall be paid and borne by the company.

100. INSPECTION BY SHAREHOLDERS

The register of charges, register of investments, register of shareholders, books of accounts and the minutes of the meeting of the board and shareholders shall be kept at the office of the company and shall be open, during business hours, for such periods not being less in the aggregate than two hours in each day as the board determines for inspection of any shareholder without charge. In the event such shareholder conducting inspection of the abovementioned documents requires extracts of the same, the company may charge a fee which shall not exceed Rupees ten per page or such other limit as may be prescribed under the Act or other applicable provisions of law.

101. AMENDMENT TO MEMORANDUM AND ARTICLES OF ASSOCIATION

(a) The shareholders shall vote for all the equity shares owned or held on record by such shareholders at any annual or extraordinary General meeting of the company in accordance with these Articles.

(b) The shareholders shall not pass any resolution or take any decision which is contrary to any of the terms of these Articles.

(c) The Articles of the company shall not be amended unless special resolution is passed for such amendment/s to the Articles in the general meeting.

102. SECRECY

No shareholder shall be entitled to inspect the company's work without permission of the managing Director/Directors or to require discovery of any information respectively any details of company's trading or any matter which is or may be in the nature of a trade secret, history of trade or secret process which may be related to the conduct of the business of the company and which in the opinion of the managing Director/Directors will be inexpedient in the interest of the shareholders of the company to communicate to the public.

103. DUTIES OF THE OFFICER TO OBSERVE SECRECY

Every Director, managing Directors, manager, Secretary, Auditor, Trustee, members of the committee, officer, servant, agent, accountant or other persons employed in the business of the company shall, if so required by the Director before entering upon his duties, or any time during his term of office, sign a declaration pledging himself to observe secrecy relating to all transactions of the company and the state of accounts and in matters relating thereto and shall by such declaration pledge himself not to reveal any of such matters which may come to his knowledge in the discharge of his official duties except which are required so to do by the Directors or the Auditors, or by resolution of the company in the general meeting or by a court of law and except so far as may be necessary in order to comply with any of the provision of these Articles or Law. Nothing herein contained shall affect the powers of the Central Government or any officer appointed by the government to require or to hold an investigation into the company's affair.

104. PROVISIONS OF THE COMPANIES ACT, 1956 SHALL CEASE TO HAVE EFFECT

Notwithstanding anything contained in these Articles, the provisions of the Companies Act, 1956, as are mentioned under these articles shall cease to have any effect once the said provisions are repealed upon notification of the corresponding provisions under the Act.

PART B

1. **Preliminary**

(a) The regulations contained in Table ‘F’ in the First Schedule to the Companies Act, 2013, shall apply to this Company in so far as they are applicable to public companies and are not inconsistent with any of the provisions contained in these Articles.

(b) Unless the context otherwise requires, words or expressions contained in these regulations shall bear the same meaning as in the Companies Act, 2013 or any statutory modification thereof in force at the date at which these regulations become binding on the Company.

2. **Definitions**

2.1 In these Articles, unless the context requires otherwise,(i) capitalised terms defined by inclusion in quotations and/ or parenthesis have the meanings so ascribed; and (ii) the following words and expressions shall have the following meanings:

"**Act**" means the Companies Act, 2013, and the Companies Act, 1956 (in each case, to the extent applicable), the rules and regulations prescribed thereunder, as now enacted or as amended from time to time and shall include any statutory replacement or re-enactment thereof;

"**Agreement**" means the shareholders' agreement dated May 29, 2013 executed between the Promoters, the Investors and the Company, including all annexures and Schedules to this shareholders' agreement, and all mutually agreed written amendments to this shareholders’ agreement, from time to time;

"**Affiliates**" of a Person (the “**Subject Person**”) means, in the case of any Subject Person other than a natural Person, any other Person that, either directly or indirectly through one or more intermediate Persons, Controls, is Controlled by or is under common Control with the Subject Person. In the case of a Subject Person that is a natural person, the term ‘Affiliate’ shall also include an Immediate Relative of such natural person and specifically in relation to any Investor, means any investment fund(s) that individually or collectively, directly or indirectly Control such Investor, that are under the common Control with such Investor or that such Investor Controls, or any general partner of the Investors or any Person Controlled by, Controlling or under Common Control with, such general partner, or advised by the manager or investment advisor of any Investor;

"**Applicable Law**" or "**Applicable Laws**" includes, in respect of each Shareholder, such applicable:

(i) Laws (whether civil, criminal, administrative or taxation), common laws or civil codes, statutes, subordinate legislation, treaties, regulations, directives and by laws in any jurisdiction; and

(ii) Binding judgments;

(iii) Specific Applicable Law or provision of Applicable Law which includes:

  (a) Such Applicable Law or provision as amended or re-enacted;

  (b) Any Applicable Law which such Applicable Law or provision re-enacts (with or without modification); and

  (c) Any Applicable Law made under it,

in each case for the time being in force;

"**Articles**" means the articles of association of the Company, as amended or restated from time to time;

"**Auditors**" means the statutory auditor of the Company;

“**Business**” means business of design, manufacture and supply of (a) forged and/or machined parts; (b) specialised machines required for forging and/or machining; (c) engineering and precision products for the automobile and aerospace industry; and (d) such other business as the Company may be engaged in the future from time to time;

“**Board**” means board of directors of the Company, as constituted from time to time.

"**Business Day**" means a day on which banks are open for normal banking business in the place where an act is to be performed, notice is to be received or a payment is to be made(excluding Saturdays, Sundays and public holidays);

"**Business Plan**" means the annual business plan of the Company and its Subsidiaries, in the form prepared, approved, recommended by the Board and amended from time to time, in accordance with Article 6.2 and other applicable provisions of these Articles;

"**CCPS**" means compulsorily convertible preference shares of the Company;

"**Chairman**" has the meaning ascribed to the term in Article 8.2(i);

“**Clawback Entitlement**” has the meaning ascribed to the term in Article 18.2(i);

“**Clawback Trigger Event**” has the meaning ascribed to the term in Article 18.2(i);

“**Completion Date**” means the date on which all transactions contemplated under the Transaction Documents are consummated;

"**Company" means Sansera Engineering Limited**;

"**Control**" (including the terms "**Controlled by**" and "**under common Control with**") means, in relation to a body corporate, the right to exercise, or control the exercise of, whether directly or indirectly, acting alone or together with another Person, more than 50% of the total voting rights at a general meeting of that body corporate, or the right or power to direct, whether directly or indirectly, acting alone or together with another Person, the policy decisions or management of that body corporate, including right to appoint majority of the board of directors of that body corporate, and, in relation to an individual, shall also include any Immediate Relative of that Person, and in relation to any Person which is not a body corporate or an individual, the right or power to direct, whether directly or indirectly, acting alone or together with another Person, the policy decisions or management of that Person;

“**Consolidated**” with reference to financial statements means financial statements of the Company and its Subsidiaries duly consolidated in accordance with India GAAP;

“**CVCI Employee**” shall mean CVCIGP II Employee Ebene Limited, a company incorporated and validly existing under the laws of Mauritius with its principal place of business at IFS Court, Twenty Eight, Cybercity, Ebene, Mauritius;

“**Client Ebene**” shall mean Client Ebene Limited, a company incorporated and validly existing under the laws of Mauritius with its principal place of business at IFS Court, Twenty Eight, Cybercity, Ebene, Mauritius;

“**Deal Road shows**” has the meaning ascribed to the term in Article 15.1(iii)(e);

"**Deed of Adherence**" means a deed substantially in the form set forth in Schedule 3 of the Agreement;

"**Defaulting Party**" has the meaning ascribed to the term in Article 21.1;

“**Director**” shall mean a director of the Company and includes an alternate Director for the time being;

"**Drag Along Notice**" has the meaning ascribed to the term in Article 14.4(ii);

"**Drag Along Right**" has the meaning ascribed to the term in Article 14.4(i);

"**Drag Along Shares**" has the meaning ascribed to the term in Article 14.4(ii);

"**Drag Price**" has the meaning ascribed to the term in Article 14.4(i);

“**Encumbrance**” means (i) any charge (whether fixed or floating), pledge, lien, hypothecation, assignment, deed of trust, title retention, non disposal (with or without a power of attorney or similar authority to dispose off the underlying assets) or similar undertaking, or other charge of any kind securing, or conferring any priority of payment in respect of, any obligation of any Person including without limitation, any right granted by a transaction which, in legal terms, is not the granting of security but which has an economic or financial effect similar to the granting of security under Applicable Laws, (ii) any voting agreement, interest, option, right of first offer, or refusal or transfer restriction in favour of any Person, and (iii) any adverse Claim as to title, or possession or use. The terms “**Encumber**” and “**Encumbered**” shall be construed accordingly;

“**Equity Securities**” means any common stock, preferred stock, share capital, partnership interest, limited liability company interest, joint venture interest, registered capital security convertible into Equity Securities, or other equity interest in any Person and shall include the Investor CCPS;

"**Equity Share**" means the equity share of face value of Rs. 2 each in the share capital of the Company or as amended from time to time with the consent of shareholders, in accordance with Applicable Law, and the Shareholders Agreement, as amended;

"**Event of Default**" has the meaning ascribed to the term in Article 21.1;

"**Exercise Period**" has the meaning ascribed to the term in Article 14.3(iii);

"**Exit Purchase Option**" has the meaning ascribed to the term in Article 21.2(iii);

"**Exit Purchase Option Notice**" has the meaning ascribed to the term in Article 21.2(iii);

"**Financial Year**" or "**FY**" means the financial year beginning on the first day of April of a given year and ending on March 31 in the succeeding year;

"**Final Valuer**" has the meaning ascribed to the term in Article 21.2(iii);

"**FMV Price**" has the meaning ascribed to the term in Article 21.2(iii);

"**Fully Diluted Basis**" means that the calculation is to be made assuming that all outstanding Shares are converted into Equity Shares (whether or not by their terms then currently convertible, exercisable or exchangeable), including without limitation warrants and any outstanding commitments to issue Equity Shares at a future date, whether or not due to the occurrence of an event or otherwise, have been so converted, exercised or exchanged into Equity Shares in accordance with the terms of their issuance. For the purposes of this definition, the Investor CCPS shall be considered on an as-of-converted basis at the following conversion ratios, unless repugnant to the context thereof: (a) Series A CCPS, in accordance with Schedule 2A of the Share Subscription Agreement, at the Conversion Equity Share Entitlement (as defined therein) assuming a Conversion Equity Value (as defined therein) of Rs. 5561 million; and (b) Series B CCPS, into one Equity Share;

"**Governmental Authority**" means any governmental or statutory authority, governmental department, agency, commission, board, tribunal or court or other entity authorised to make laws, rules or regulations or pass directions having jurisdiction, or any state or other subdivision thereof or any municipality, district or other subdivision thereof having jurisdiction in respect of the subject matter pursuant to Applicable Laws;

"**Identified Key Employees**" **has the meaning ascribed to the term in 7.1**; (***<u>Inserted vide Amended Share Subscription Agreement & Amended Shareholders Agreement dated 23.03.2016 - Adopted vide Special Resolution passed at the Extra-ordinary General Meeting of the Members of the Company held on 28.03.2016)</u>***

"**Incapacitated Promoter**" has the meaning ascribed to the term in Article 8.5(iv);

"**Indian GAAP**", unless specified otherwise, means generally accepted accounting principles applicable in India;

"**Inflows**" means all amounts which received by an Investor, including, without limitation, any dividends or other distributions, repayments, redemptions, buybacks or interest received from the Company in respect of the Shares held by that Investor (including any shares into which those Shares have converted) and any proceeds from the sale of those Shares (or any shares into which those Shares have converted), and in each case as reduced by the amount of any Tax (including any surcharge, fees, interest, penalty or other amounts in relation to Tax) paid, payable, levied, withheld, accrued or provided for in relation to such Inflows under applicable regulations and in each case as reduced by the amount of expenses or costs incurred, accrued, paid, provided for or reimbursed by the Investor in relation to such Inflows. Provided that where Inflows are denominated in a currency other than US$, then such Inflows shall be converted into US$ at their respective actual exchange rate for an Investor and in case of any accruals or provisions therefor, the average exchange rate available on the website of the Reserve Bank of India, at the end of banking hours in India on the relevant calculation date. Provided further that for the purpose of this definition, the term Tax shall include all forms of taxes, levies, duties, charges, impost and withholding or other amount imposed by or payable to any tax authority in India or in countries other than India;

"**Immediate Relative**" means in respect of any natural Person, his/her spouse, his/her lineal ascendants and lineal descendants;

"**Investor**" or "**Investors**" means a collective reference to Client Ebene Limited and CVCI Employee, and where repugnant to the context thereof shall be a reference to each of them individually;

"**Investor Benchmark Rate**" means the US$ cash amount equal to the amount which when inserted in the calculation of IRR as the Inflows received at the relevant calculation date (where the relevant calculation date(s) is/are the date(s) of receipt of such Inflows received) would result in the Investors receiving the 25% IRR after taking in account:

(i) all Outflows for that Investor prior to and as at the relevant calculation date;

(ii) all Inflows for that Investor prior to the relevant calculation date; and

(iii) such part of the Inflows for that Investor as on the relevant calculation date as required for achieving the Investor Benchmark Rate;

"**Investor CCPS**" means the preference shares, compulsorily and fully convertible into Equity Shares, having the terms and conditions set out in Schedules 2A and 2B of the Share Subscription Agreement;

"**Investors Shareholding Block**" means a collective reference to the Investors, their Affiliates holding Shares and any transferee to whom the Investors or their Affiliates have transferred Shares and assigned any rights to under and in accordance with the terms of the Transaction Documents;

"**Investment Amount**" means the aggregate of the Subscription Consideration and the Purchase Consideration;

"**Investment Amount in USD**" means the US$ equivalent of the Investment Amount, calculated based on the INR/USD conversion rate at the time of its investment;

"**Investor Directors**" mean the Directors appointed by the Investors;

"**Investor Shares**" means, collectively the Sale Shares and the Subscription Shares;

"**IPO**" means an issue of new Equity Shares and/or an offer for sale of the Equity Shares to the members of the public as a part of, or which results in, the listing of such Shares on a recognised stock exchange;

"**IPO Lead Advisor**" has the meaning ascribed to the term in Article 15.1(iii)(a);

"**IRR**" means as at the relevant calculation date, the internal rate of return per annum received by an Investor with respect to that Investor's Outflows, calculated by applying the latest version of Microsoft Excel Version XIRR function to the Outflows and Inflows, in each case on the date upon which the cashflow was effected or in case of any Outflows or Inflows that have not yet occurred, the relevant calculation date, with returns calculated on a daily basis but compounded annually;

"**Key Promoters**" mean collectively:(i) S.Sekhar Vasan; (ii) Fatheraj Singhvi; (iii) Unni Rajagopal and (iv) Devappa Devaraj;

"**Liquidation**" means the dissolution, winding-up, liquidation, bankruptcy, composition with creditors, other similar or related actions by the Company;

"**Liquidation Preference Amount**" has the meaning ascribed to the term in Article 17.1;

"**Lock in Period**" has the meaning ascribed to the term in Article 14.2;

"**Losses**" means all direct damages, losses, and liabilities whatsoever, but excluding any remote, indirect, consequential, punitive or special damages;

"**MD**" has the meaning ascribed to the term in Article 8.3(iii);

"**Memorandum**" means the Memorandum of Association of the Company, as amended from time to time;

"**Money Laundering Laws**" has the meaning ascribed to the term in Article 19.3;

"**OFAC**" has the meaning ascribed to the term in Article 19.4;

"**Offered Shares**" has the meaning ascribed to the term in Article 14.3(i);

"**Other Continuing Shareholders**" means collectively: (i) Karthik Das; and (ii) Anjana Iyer;

"**Other Shareholder**" means Nissin Manufacturing Co. Limited;

"**Outflow**" means all amounts comprising an Investor's Investment Amount, being the US$ amount actually remitted by such Investor;

"**Person**" means (i) a natural person, (ii) a corporation, (iii) a partnership or a limited liability partnership, (iv) a trust, (v) a business trust, (vi) a joint stock company, (vii) an unincorporated association, (viii) a government or Governmental Authority, and/or (ix) any other legal entity;

"**Pre-Marketing Road shows**" has the meaning ascribed to the term in Article 15.1(iii)(c);

"**Promoter(s)**" mean collectively, S. Sekhar Vasan, F.R. Singhvi, Unni Rajagopal and D. Devaraj;

"**Promoter Directors**" has the meaning ascribed to the term in Article 8.3(ii)(a);

"**Promoter Minority Protection Rights**" has the meaning ascribed to the term in Article 10A.1;

"**Promoter Upside Entitlement**" has the meaning ascribed to the term in Article 18.3(i);

"**Proposed Action**" has the meaning ascribed to the term in Article 11.3(i);

"**Proposed Issuance**" has the meaning ascribed to the term in Article 13.2;

"**Proposed Purchaser**" has the meaning ascribed to the term in Article 14.4(i);

"**Purchase Consideration**" means the aggregate consideration of Rs. 2,507,751,050, as paid by the Investors on the Completion Date, towards purchase of the Sale Shares;

"**Related Party**" means with respect to the Company (i) any Shareholder, director or officer of the Company, (ii) any Affiliate of the Company or any Affiliate or Relative of the Promoters, (iii) any Affiliate of the Shareholder or director described in (i) above, (iv) any other Person in which any of the Persons described in (i) to (iii) above has any direct or indirect interest (other than a passive shareholding of less than 10% (ten per cent) in such other Person, provided that the Persons described in (i) to (iv) above have no specific rights in relation to the management or the conduct of business or affairs of such other Person) and (v) any other Persons as are defined as "related party" for the Company and the Promoters under Indian GAAP;

"**Relative**" has the meaning ascribed to the term in the Act;

"**Reserved Matters**" has the meaning ascribed to the term in Article 11.1;

"**Response Notice**" has the meaning ascribed to the term in Article 11.3(i);

"**Restricted Persons**" has the meaning ascribed to the term in Article 20.2;

"**Rupees**" or "**Rs.**" means Indian Rupees, being the lawful currency of India;

"**Sale Event**" means (i) a proposed sale of any Shares by the Investors to effect a sale of all or substantially all of their Shares in the Company or to effect a change in Control of the Company, in each case, in favour of any Person, whether by a sale of shares, merger or otherwise, whether or not pursuant to a competitive process; and/or (ii) a sale of all or substantially all of the Business or the assets of the Company.

"**Sale Event Notice**" has the meaning ascribed to the term in Article 15.2(ii);

"**Sale Event Shares**" has the meaning ascribed to the term in Article 15.2(ii);

"**Sale Shares**" shall mean the aggregate of 33,017 Equity Shares that the Investors have agreed to purchase pursuant to the Share Purchase Agreement, the share purchase agreement dated May 29, 2013 executed with Monsoon India Select Equity Fund and Monsoon India Select Equity Fund 2 and sale letters / agreements executed on May 29, 2013 with certain other selling shareholders of the Company;

"**SEBI**" **means the Securities and Exchange Board of India**; (***Inserted vide Amended Share Subscription Agreement & Amended Shareholders Agreement dated 23.03.2016 - Adopted vide Special Resolution passed at the Extra-ordinary General Meeting of the Members of the Company held on 28.03.2016)***

"**SEAL**" means the common seal of the Company;

"**SEBI Regulations**" has the meaning ascribed to the term in Article 15.1(i);

"**Share(s)**" means Equity Shares, CCPS or other securities capable of conversion into Equity Shares;

"**Share Capital**" means the entire issued and paid up equity share capital of the Company;

"Shareholders Agreement" means the shareholders agreement dated May 29, 2013 entered into between the Company, the Key Promoters, the Investors and certain other shareholders providing for the inter se rights and obligations of such parties with respect to the governance and management of the Company and the restrictions on transfer of shares of the Company including all annexures and schedules to the shareholders agreement and all mutually agreed written amendments to this shareholders agreement, from time to time; (***Inserted vide Amended Share Subscription Agreement & Amended Shareholders Agreement dated 23.03.2016 - Adopted vide Special Resolution passed at the Extra-ordinary General Meeting of the Members of the Company held on 28.03.2016)***

"Share Purchase Agreement" means the share purchase agreement dated May 29, 2013 executed by and between the Promoters (as defined therein), the Company and the Investors under which the Investors have purchased 30,349 Equity Shares from the Promoters; (***Inserted vide Amended Share Subscription Agreement & Amended Shareholders Agreement dated 23.03.2016 - Adopted vide Special Resolution passed at the Extra-ordinary General Meeting of the Members of the Company held on 28.03.2016)***

"Share Subscription Agreement" means the share subscription agreement dated May 29, 2013 including all annexures and schedules to this share subscription agreement and all mutually agreed written amendments to this share subscription agreement, from time to time; (***Inserted vide Amended Share Subscription Agreement & Amended Shareholders Agreement dated 23.03.2016 - Adopted vide Special Resolution passed at the Extra-ordinary General Meeting of the Members of the Company held on 28.03.2016)***

"**Shareholder**" means the registered holder of at least 1 (one) Share in the Company;

"**Subject Board Meeting**" has the meaning ascribed to the term in Article 11.3(i);

"**Subscription Consideration**" shall mean the aggregate consideration paid for the Subscription Shares being Rs. 875,000,000;

"**Subscription Shares**" means the Investor CCPS subscribed to by the Investors in terms of the Share Subscription Agreement;

"**Subsidiary**" means any subsidiary of the Company (as defined under the Act) including Fitwel Tools and Forging Private Limited, Sansera Engineering Pvt. Ltd., Mauritius and Sansera Sweden AB. "**Subsidiaries**" shall be construed accordingly;

"**Tag Along Notice**" has the meaning ascribed to the term in Article 14.3(iii);

"**Tag Along Right**" has the meaning ascribed to the term in Article 14.3(i);

"**Tax**" means: (i) all forms of tax (direct and indirect), levy, duty (including stamp duties), charge, impost, withholding or other amount, whenever or wherever created or imposed by, or payable to any Tax Authority in India wherever payable on own account or in a representative capacity, including without limitation in relation to income, profits, gains, net wealth, asset values, turnover, expenditure, capital gains, withholding, employment, payroll, fringe benefits and franchise taxes (including surcharges and cess); and (ii) all charges, interest, penalties and fines incidental or relating to any Tax falling within (a) above or which arise as a result of the failure to pay any Tax on the due date or to comply with any obligation relating to Tax;

"**Tax Authority**" means any revenue, customs, fiscal, governmental, statutory, state, provincial, local governmental or municipal authority, body or person responsible for Tax;

"**Transfer**" with respect to any Shares shall include directly or indirectly the following: (i) sale, gift, Encumbrance, disposal of, or grant of an option with respect to such Shares or any right or interest in such securities, or (ii) an agreement or commitment providing for the sale, gift, Encumbrance, disposal or, or grant of an option with respect to such Shares or any right or interest therein;

"**Transfer Notice**" has the meaning ascribed to the term in Article 14.3(ii);

"**Transaction Documents**" means a collective reference to the (i) Agreement, (ii) Share Subscription Agreement, (iii) Share Purchase Agreement, (iv) these Articles, (v) the powers of attorney executed by the Other Continuing Shareholders in favour S. Sekhar Vasan and any other document executed by either the Company or the Key Promoters in connection with the investment by the Investors; and the term "**Transaction Document**" means any one of them;

"**USD**" or "**US$**" means United States Dollars being the lawful currency of the United States of America; and

"**Valuers**" has the meaning ascribed to the term in Article 21.2 (iii).

2.2 In these Articles, unless the context requires otherwise:

(i) a Shareholder's "pro rata" shareholding shall be equal to the ratio of: (a) the number of issued and outstanding Shares owned by such Shareholder (on a Fully Diluted Basis), immediately prior to the event with respect to which such determination is relevant; to (b) the total number of Shares owned by Shareholders (on a Fully Diluted Basis) immediately prior to the event with respect to which such determination is relevant; and

(ii) as regards any references to returns or IRR to be received or realised by the Investors in accordance with the terms of the Transaction Documents, the share purchase agreement dated May 29, 2013 with Monsoon India Select Equity Fund and Monsoon India Select Equity Fund 2 and the sale letters dated May 29, 2013 with certain other selling Shareholders of the Company, such returns or IRR shall be calculated taking into consideration (1) the Investment Amount in USD; and (2) the following amounts received by the Investors: (i) proceeds from the sale of any of their Shares; and (ii) other cash flows such as dividend, buy back, or the proceeds thereof by the Company to a Shareholder, in cash, including any distribution made in connection with winding up of the Company).

All amounts in (1) and (2) shall be computed on a US$ to US$ basis (i.e. taking into consideration the applicable conversion rates at the time of investment of such amounts by the Investor and at the time of realization of proceeds)

For the purposes of Article 14.4(i) and Article 15.2(i), IRR shall be calculated on an INR to INR basis.

3. Public Company

The Company is a Public Company within the meaning of Section 2 (71) of the Act and accordingly:

(a) is not a private company .

Provided that a company which is a subsidiary of a company, not being a private company, shall be deemed to be public company for the purposes of this Act even where such subsidiary company continues to be a private company in its articles.

4. Capital structure

4.1 The authorized Share Capital of the Company shall be as per Clause V of the Memorandum of Association with the power to increase or reduce such capital from time to time in accordance with the Articles and the legislative provisions for the time being in force in this regard and with the power also to divide the Shares in the capital for the time being into Equity Share Capital and Preference Share Capital and to attach thereto respectively any preferential, qualified or special rights, privileges or conditions, in accordance with the provisions of the Act and these Articles.

The shares shall be under the control of the Board, who may allot the same as they deem fit subject to the provisions of this Articles.

5. UNDERTAKINGS

5.1 The Company and each of the Key Promoters shall facilitate taking of any corporate action to ensure fulfilment or completion of any exit option exercised by the Investors (including Drag Along Rights and/or any rights under Articles 14 and 15 in the manner set out in these Articles. To this end, the Company and the Key Promoters shall provide all necessary assistance to facilitate such exit including, without limitation, by facilitating the conduct of any due diligence on the Company and Subsidiaries and permitting and organising discussions with management, *provided that* the prospective purchasers to whom the Investors propose to sell their Shares have entered into with the Investors, a memorandum of understanding or term sheet or letter of intent with suitable provisions on confidentiality and non-disclosure either documented in such memorandum of understanding or term sheet or letter of intent or in a separate confidentiality and non-disclosure agreement. Further, the Key Promoters shall provide adequate representations and warranties on the Company and Subsidiaries including in relation to their business, operations, financial position, taxes etc. (and undertake consequent indemnity obligations) for the period during which at least one of the Key

Promoters are in control or part of management of the Company (including by their representation on the Board) and if required, provide appropriate non-compete or non-solicit undertakings to the third party transferee. Without prejudice to the foregoing, in the event none of the Promoters are in management of the company, the Promoters shall only provide such representations and warranties as are provided by the Investors, in their capacity as shareholders of the Company.

5.2 The Company shall ensure, and the Key Promoters shall ensure that the Company has sufficient authorised share capital for the conversion of the Investor CCPS in accordance with their terms.

6. **Financial Matters:**

6.1 ***Third party debt financing***

(i) The Company should be self financing and should obtain additional debt funds from third parties without recourse to its Shareholders. To this end, the Company and each of the Key Promoters confirm that (a) the Investors shall not be obliged to contribute any debt funds or provide any guarantee, any other security or similar undertaking or other form of support to any third party, including, but not limited to the lenders to the Company; and (b) the Investors shall not be required to create any Encumbrance over the Investor Shares or any other securities in the Company held by the Investors. The Key Promoters shall also not be required to issue personal guarantees for any loans or credit facilities availed by or sanctioned to the Company nor be required to create any Encumbrance over the their Shares or any other securities in the Company. Any guarantees provided by the Promoters as are subsisting on the date hereof, shall continue to be maintained and renewed in accordance with its terms as is required by the lender in whose favour such guarantees have been provided. Further, no Shareholder shall be liable for the obligations of any other Shareholder, unless expressly provided in these Articles or in the Transaction Documents.

(ii) The Company shall negotiate with commercial banks, financial institutions and other third parties, in accordance with the terms of Article 6.1(i) above, to avail debt financing facilities required in the ordinary course of the Company's business, subject to the receipt of all regulatory and government approvals required under Applicable Laws in this regard.

6.2 **Business Plan**

(i) The Key Promoters along with appropriate management personnel shall prepare a proposed Business Plan for each subsequent Financial Year at least 60 (sixty) calendar days prior to the end of the Financial Year or within such period as determined by the Board. A copy of such proposed Business Plan to be presented for approval and adoption by the Board and board of directors of the Subsidiaries shall be provided to the Investor Directors. The Investors and the Promoters agree that the Business Plan shall be reviewed or updated on a quarterly basis or at such other intervals as may be required by the Board. If the Business Plan is not so made or approved by the Board within 30 (thirty) calendar days from the date of submission thereof to the Board, till such time that such Business Plan is approved, the Business Plan for the previous Financial Year shall be applied on a month-by-month basis until approval of the new Business Plan with (i) 25% (twenty five percent) mark up on all sales items; and (ii) 10% (ten percent) mark up on all items of expenditure (other than in respect of capital expenditure, for which the affirmative vote of the Investors shall be required as a Reserved Matter in terms of these Articles).

(ii) The Business Plan of Sansera + Streparava Engineering Private Limited and Fitwel Tools and Forging Private Limited shall first be brought to the Board of the Company where it shall be decided in accordance with Article 9 and 11 of these Articles. The decision so taken in respect of such Business Plan shall then be accordingly voted upon by the nominee directors on the board of directors of such Subsidiary or Persons nominated as corporate representatives of the Company for attending meetings of shareholders.

6.3 **Auditors**

(i) Auditors (and any internal auditors if required by the Board) shall be appointed by the Investors and the Promoters from time to time and their duties regulated under Sections 139 and 138 of the Act respectively.

(ii) The Investors (and/or any of their authorised representatives) may, at any time, at the cost and expense of the Company, with prior written notice of 7 (seven) Business Days, conduct a special audit the operations of the Company. The Company and the Key Promoters shall, in any such audit, provide complete access to the Investors (and/or any of their authorised representatives), of the Company's books and records and the full cooperation of its officers and employees as shall be reasonably requested by the Investors.

6.4 **Information rights**

(i). The Company shall maintain proper books of account and records in order to provide financial statements drawn up in compliance with all relevant Indian statutory and accounting standards. All books of accounts, statutory records and financial statements shall be maintained in the English language.

(ii). The Company shall and the Key Promoters shall cause the Company to provide to each Investor:

(a) As soon as available, but in any event within 90 (ninety) days following the end of each Financial Year, a true copy of the Consolidated audited annual financial statements of the Company and the related Consolidated statements of income and statements of cash flows of the Company for such Financial Year, all in reasonable detail and stating in comparative form the figures as at the end of and for the previous Financial Year, prepared in conformity with Indian GAAP and applied on a consistent basis throughout the periods reflected therein except as stated therein;

(b) Within 45 (forty five) days following the end of each Financial Year, management certified annual financial statements of the Company and its Subsidiaries and the related Consolidated management certified statements of income and statements of cash flows of the Company for such Financial Year, all in reasonable detail and stating in comparative form the figures as at the end of and for the previous Financial Year;

(c) Within 90 (ninety) days following the end of each Financial Year, a copy of the Auditor's report of the Company and its Subsidiaries for such Financial Year;

(d) Minutes of meetings of the Shareholders of the Company and its Subsidiaries within 14 (fourteen) days of the occurrence of such meetings;

(e) Copies of any management letters or investigative reports issued by the Auditors and any internal auditors to the Company and its Subsidiaries;

(f) *Monthly information pack*: within 15 (fifteen) days of the end of each calendar month, unaudited monthly Consolidated financial statements (including balance sheets and statements of income and cash flows) for the period commencing at the end of the previous month and ending with the end of the current month;

(g) *Quarterly information pack*: within 30 (thirty) days of the end of each financial quarter, an information pack in a format prescribed by the Investors, comprising (A) unaudited quarterly Consolidated financial statements (including balance sheets and statements of income and cash flows) for such financial quarter; and (B) a report from the Company commenting on the Company's actual performance compared with any Business Plan adopted by the Board, showing variances and providing a narrative explanation of such variances;

(h) Such additional information and explanation of any event or development at the Company or Subsidiaries which has a significant impact (including a material adverse effect) on the Business, operations, conditions (financial or otherwise), prospects, results of operations, properties, assets or liabilities of the Company or Subsidiaries, promptly, upon the Company or Subsidiaries acquiring knowledge of the occurrence of any such event or development;

(i) Any notice of any non-compliance with Applicable Law, any notices threatening litigation or the initiation of any litigation by or against any Company or Subsidiaries, any notices or correspondence in relation to the foregoing, promptly, upon the receipt/issuance of such notices;

(j) Appropriate monthly and quarterly information statements in a format prescribed by the Investors, which would cover unit/plant wise production details, sales to customers, supplier/vendor details, general market information including specifically, competitor information and monthly cash flow analyses; and

(k) Within 15 (days) or such other period as agreed by the Investors, any other information as may be requested by the Investors (including in any form as may be prescribed by the Investors).

7. EMPLOYEE INCENTIVE PLAN

7.1 Within a period of 6 (six) months from the Completion Date or within such other period as may be extended by the Board, the Company shall formulate an employee incentive plan, for the benefit of such employees as may be identified by the Key Promoters and the Investors ("**Identified Key Employees**"), equivalent to

Shares representing 2.5% of the Share Capital of the Company as on date immediately preceding the Completion Date. For the purposes of such incentive plan, the Company and the Investors shall within the aforesaid period, formulate a scheme outlining the terms of a performance linked employee incentive plan (which shall include details regarding the terms of such incentives (including granting and vesting), manner of structuring, and mechanics of payouts etc.).

7.2 At the time of adoption of the employee incentive plan, the employment agreements of the Identified Key Employees shall be amended in line with the modifications required by the Board.

7.3 The Company has formulated an employee stock option plan pursuant to clause 7.1 above and reserved 3237 Equity Shares towards this employee stock option plan. The Company shall reserve additional 226 Equity Shares towards any additional employee stock option plan(s) that may established by the Board from time to time in accordance with the terms of the Shareholders Agreement for the benefit of the Identified Key Employees. Such employee stock option plan(s) shall contain terms providing for forfeiture of options in the event of non-compliance or breach of Articles by the Identified Key Employees. It is agreed that the number of the Equity Shares reserved towards the employee stock option plan(s) of the Company shall not exceed 3463 Equity Shares without the prior written consent of the Investors.

The vesting and the terms of such granted stock options shall be in accordance with the employee stock option plan(s) as approved by the Board. It is agreed between the Parties that no employee stock options shall be provided to any employee/advisor who is a Promoter or who is a Relative of any of the Promoters. It is clarified that any creation, allotment or modification of terms of such employees incentive/stock option plan, shall be determined as a Reserved Matter in terms of this Agreement.

8. DIRECTORS AND MANAGEMENT

8.1 Supervision by the Board

(i). The Board shall be responsible for the overall direction, supervision and management of the Company. The Promoters and the Investors shall exercise their respective voting rights and shall cause the Directors nominated by them to exercise their powers, in a manner so as to ensure compliance with this Article 8.

8.2 Chairman

(i). The office of Chairman shall be held by S. Sekhar Vasan ("**Chairman**"), until the earlier of (i) cessation of the employment of S.Sekhar Vasan with the Company in accordance with the terms of the employment agreement executed between S. Sekhar Vasan and the Company, including if pursuant to a change of Control of the Company in favour of a strategic investor; (ii) S. Sekhar Vasan individually ceasing to hold at least 10% of the Share Capital of the Company on a Fully Diluted Basis, or (iii) dilution of the Promoters' shareholding in accordance with Article 22.2(i) of these Articles. The Chairman shall not have casting vote in a general meeting of the Company or at any meeting of the Board. In addition to the duties under the Act, the Chairman shall be entitled to take the chair at all meetings of the Board or committee thereof and at all general meetings of the Company. In the absence of the Chairman at any meeting, the Board shall nominate any one of the other Directors nominated by the Key Promoters to act as the Chairman for such meeting.

8.3 Constitution of the Board

(i) The Board shall comprise of a maximum of 12 (twelve) Directors.

(ii) Subject to Article 21.2(i)(c) and Article 22, unless otherwise agreed between the Investors and the Promoters, the Board shall be constituted as follows:

(a) Investor 1 may nominate one director on the Board, provided that the Investor 1 holds at least 5% of the issued and paid-up capital on a fully diluted basis, who does not hold any executive position in any Person engaged in the Business, provided that if any Person holding non-executive position in any Person engaged in the Business, is appointed as an Investor Director, then such Person so appointed shall be required to be bound by suitable non-disclosure undertakings with respect to Confidential Information pertaining to the Company and the Subsidiaries, that may be received in connection with the appointment of such Person as an Investor Director. It is hereby clarified that Investor 2 shall not have a right to appoint nominee directors on the Board; and

(b) Promoters may nominate two directors on the Board, who shall be the representative of the Promoters on the Board, provided that the Promoters cumulatively hold at least 5% of the issued and paid-up capital on a fully diluted basis.

(iii) The Board shall at the first Board meeting of the Company after the Completion Date, reaffirm the appointment of S. Sekhar Vasan as the Managing Director ("**MD**") of the Company and Fatheraj Singhvi as the Joint Managing Director of the Company. In the event of a termination of the employment agreement executed between S. Sekhar Vasan and the Company for any reason, any other Promoter Director shall be appointed as MD, who shall hold office in accordance with the Act. The MD shall be responsible for and shall have the authority to conduct operations of the Company under the direct supervision of the Board and shall report to the Board on the material management issues and aspects upon the Board's request from time to time. The Board shall have power to appoint an MD and fix the duties and responsibilities of the MD. The Board shall have power to fix the remuneration of the MD and / or other Directors and shall have power to vary the same from time to time.

(iv) Any changes to the Board in a manner other than as contemplated under Article 8.3(ii) shall require the prior written consent of the Investor.

(v) In addition to their rights on the Board, the Key Promoters and the Investors shall have a right, to nominate and appoint members, on each committee and sub-committee of the Board and each board of directors, committee and sub-committee of such board of each Subsidiary in proportion to their respective representation at the Board, *provided that* if the representation of the Company on the board of directors or committee or sub-committee of a Subsidiary cannot, for reasons beyond the control of the Company, reflect the representation of the Board, the Key Promoters and the Investors shall have a right, to nominate and appoint such number of members on the board of directors, committee and sub-committee of such board of each Subsidiary as shall most nearly reflect the composition of the Board. Unless otherwise decided by the Board, the provisions relating to agenda, notice, quorum and voting applicable to the Board shall apply to the extent permissible or practicable to any committee and sub-committee formed by the Board and the board of directors, committee and sub-committee of such board of each Subsidiary.

(vi) The Shareholders shall vote at general meetings of the Company in a manner ensuring that the Investor Directors and the Promoter Directors are duly appointed on the Board.

(vii) In addition to the appointment of Directors as under Article 8.3(ii) but subject to the provisions of Article 22, each of the Key Promoters (acting collectively) and the Investors shall have the right to appoint a representative observer. Such observers shall have the right to receive notices and attend all meetings (in a non-voting capacity) of the Board (and its committees and sub-committees) and the board of directors (and its committees and sub-committees) of each Subsidiary.

8.4 **Qualification shares and votes**

(i) The Directors shall not be required to hold any qualification Shares.

(ii) Each Director shall be entitled to cast 1 (one) vote at any Board meeting and in respect of all circular resolutions of the Board.

8.5 **Removal or replacement of nominee Directors**

(i) The Investors shall be entitled, by notices in writing to the Company at its registered office, to nominate for appointment, remove or replace their respective nominee Directors. In the event of a casual vacancy arising on account of the resignation of an Investor Director or the office of the Investor Director becoming vacant for any reason, the Investors shall be entitled to nominate another Director to fill such vacancy. The Investors and the Promoters shall exercise all their rights and powers in support of the appointment or removal or replacement of such person forthwith (and in any event within 7 (seven) Business Days of such nomination or at the next Board meeting, whichever is earlier) as a Director and unless the Investors change or withdraw such nomination, such person shall be elected as a Director at the next general meeting of the Company.

(ii) The Investors shall be entitled in accordance with the Act, through their nominee Director, to nominate an alternate in his place, and the Board shall, on receipt of a notice in this regard, appoint such nominated person as an alternate Director. The alternate director shall continue to hold office till such time that the Director in whose place he has been appointed as an alternate, holds office. Any provisions in the Act for the automatic reappointment of any retiring Director, shall apply to the original Director and not to the alternate Director. The act of alternate Director acting for the original Director will be deemed to be the act of the original Director. The right of the Investors to nominate alternate Directors for appointment shall include the right to remove and replace their nominated alternate Director and nominate another in his place.

(iii) An alternate Director as appointed by the Investors shall be entitled to receive notice of all meetings of the Board, to attend and vote at any such meeting at which the Investor Director for whom he acts as an alternate is not personally present, to exercise and discharge all the functions, powers and duties of his appointer as an Investor Director.

(iv) The appointment of the Promoter Directors shall remain personal to such persons and such appointment shall not be transferable to any heirs of such Promoter Director *provided however that* this provision shall not be applicable in the event of (i) permanent incapacitation or any temporary incapacitation which extends beyond 6 (six) continuous months, of a Promoter Director on account of sickness or disability; or (ii) death of any of the Promoter Directors, as a consequence of which such Promoters Director (the "**Incapacitated Promoter Director**") is unable to act as the Director of the Company and in such case any Person, being the heir or lineal descendent or nominee of the Incapacitated Promoter Director may be appointed as a Director in place of the Incapacitated Promoter Director. Such heir or lineal descendent or nominee of the Incapacitated Promoter Director shall, unless otherwise agreed by the Investors and the other Key Promoters, be appointed as a non-executive Director.

8.6 **Directors' and officers' liability;**

(i) So long as the Investors Directors are not involved in the day to day management of the Company, (a) the Investor Directors shall not be liable for any default or failure of the Company or any Subsidiary in complying with the provisions of any Applicable Law, including defaults and/or non-compliances under the Act; and (b) the Investor Directors shall not be identified as an 'officer in default' of the Company or any Subsidiary, or occupier of any premises used by the Company or any Subsidiary or employer, under Applicable Law. So long as any one of the Key Promoters are in control or part of the management of the Company (by representation on the Board), the Company and each Subsidiary shall nominate one of the Promoter Directors, or other suitable Persons (excluding the Investor Directors), as an 'officer in default', occupier or employer, as the case may be, in order to ensure that the Investor Directors do not incur any liability. Without prejudice to this Article, and subject to Applicable Law, the Company shall indemnify and hold harmless the Investor Directors to the fullest extent against all Losses that such Investor Directors incur or suffer in their capacity as Directors (other than on account of fraud or gross negligence or wilful default by the Investor Director),including if the Investors and/or any of their nominee directors /are made a party or threatened to be made a party to any threatened, pending or completed action, suit or proceeding of any kind, whether civil, criminal, administrative or investigative and whether formal or informal (including actions by or flowing from the Company or any preliminary inquiry or claim by any person or authority), by reason of the fact that such nominee director is, or was a director, officer, partner, trustee, employee or agent of the Company or its Subsidiaries or on behalf of the Company or the Subsidiary.

8.7 **Directors' powers to make loans**

(i) In case the Union Government or any State Government or any Industrial Finance Corporation sponsored or financed by any of the aforesaid Government or state Financial Corporations grant loans or accepts participation in the capital and direction of the Company, such Government or Corporation may, during such period as they hold shares in the Company, or the loans granted by them remain unpaid, be entitled to nominate and, from time to time substitute in place of such nominee one or more Directors to protect the interest of such Government or Corporation on the Board of Directors of the Company.

(ii) Subject to the provisions of the Act, the Board of Directors may from time to time, at their discretion, borrow or raise funds for the purpose of the Company. The Board may raise or secure the repayment of such sum/s in such manner and upon such terms and conditions in all respects as they think fit and in particular, by the issue of bonds, perpetual or redeemable debentures or any mortgage, charge or other security on the undertaking of the Company, both present and future, including its uncalled capital for the time being.

8.8 **Removal of Directors**

Subject to the provisions of Section 188, 184 and 189 of the Act, no Director shall be disqualified from his office by contracting with the Company, nor shall any such contract entered into by or on behalf of the Company in which any such Director is in any way interested be avoided nor shall any such Director so contracting or being so interested be liable to account to the Company for any profit realized by any such contract by reason only of such Director holding such office, or of that fiduciary relation there by established, but, the nature of his interest must be disclosed by him at the meeting of the Board of Directors at which the contract is first taken into consideration, if his interest is then existing, or in any other case at the first meeting of the Board of Directors after acquisition of such interest.

9. PROCEEDINGS OF MEETINGS OF THE BOARD

9.1 Subject to these Articles, a Director may from time to time, and the Managing Director shall, upon the request of any Director, convene a meeting of the Board Directors.

9.2 The Board shall meet as necessary to discharge its duties, but in any case subject to minimum of 4 board meetings in a year, in accordance with the Act and these Articles. In addition to meetings of the Board, the Board may act by circular resolution on any matter except those matters, which under the Act must only be acted upon at a meeting of the Board.

9.3 At least 14 (fourteen) Business Days' prior written notice of each Board meeting shall be given to each Director at his address in India or elsewhere notified to the Company in writing unless the meeting is an adjourned meeting or where in any particular case the Key Promoters and the Investors agree in writing to a shorter notice period. Every such notice shall contain an agenda identifying sufficient details of the business to be transacted with all necessary accompanying papers. No additional item which has not been stated in the notice convening the meeting shall be transacted at any such meeting of the Board unless the inclusion of the additional business has been approved by atleast one (1) Investor Director and one (1) Promoter Director.

9.4 The quorum at meetings of the Board shall be 3 (three) Directors, which quorum shall include 1 (one) Investor Director and 1 (one) Promoter Director, unless such quorum requirement has been waived by the Investor Directors or the Promoter Directors, as the case may be. In the event that there is no quorum on the specified date and within 1 (one) hour of the specified time indicated in the notice calling the Board meeting, then the meeting shall stand adjourned to the same day of the immediately following week at the same time and place (if such day is not a Business Day, then the meeting shall be held on the next Business Day at the same time and place) wherein the Directors present (including at least 1 (one) Investor Director) shall form the quorum for such adjourned meeting and may vote on all matters included in the agenda for the original meeting of the Board.

9.5 A resolution by circulation shall be as valid and effectual as a resolution duly passed at a meeting of the Directors called and held provided it has been circulated in draft form, together with the relevant papers, if any, to all the Directors atleast 7 (seven) Business Days prior to the date of passing thereof or within such shorter time as may be agreed to by the Investors and such resolution has been approved (i) in case of a Reserved Matter, a majority of the Directors which majority must include atleast two (2) Investor Directors (ii) in the case of a matter relating to a Promoter Minority Protection Right, a majority of the Directors which majority must include at least one (1) Promoter Director and (ii) in case of any matter not being a Reserved Matter or a Promoter Minority Protection Right, by a majority of the Directors entitled to vote thereon.

9.6 Decisions of the Board shall (i) in case of a Reserved Matter, a majority of the Directors which majority must include at least two (2) Investor Directors (ii) in the case of a matter relating to a Promoter Minority Protection Right, a majority of the Directors which majority must include at least one (1) Promoter Director; and (iii) all matters other than Reserved Matters and Promoter Minority Protection Rights, be taken by a simple majority of Directors, present and voting.

9.7 Subject to the requirements under the Act, any Director may participate and vote in any meeting of the Board by means of a video conferencing in accordance with the Applicable Law and such participation will be considered towards quorum provided that the (i) Directors participating in the meeting can hear each other throughout the duration of the meeting, (ii) it is possible to record the deliberations of such meeting, and (iii) each Director has acknowledged his presence for the purpose of the meeting. A Director may not leave the meeting by disconnecting his telephone or other means of communication unless he has obtained the prior written consent of the Chairman. The provisions relating to quorum and other requirements applicable to Board meetings under these Articles shall apply to such meetings as well.

9.8 The Investor Directors shall be reimbursed by the Company for any expenses (travel, boarding and lodging) reasonably incurred in connection with attending the Board meetings.

9.9 Notwithstanding anything contained in this Article 9, no action in respect of any matters set out under Article 11 shall be taken except in compliance with provisions of Article 11.

9.10 The provisions of these Articles relating to Board (constitution and meetings) shall to the extent practicable and feasible, be applicable *mutatis mutandis* to meetings of any committee or sub-committee of the Company, and the board of directors and any committee or sub-committee of any Subsidiary (other than Sansera + Streparava Engineering Private Limited and Fitwel Tools and Forging Private Limited). In respect of Sansera + Streparava Engineering Private Limited and Fitwel Tools and Forging Private Limited, out of the directors of the said Subsidiaries who are entitled to be nominated by the Company, the Investor shall have the right to appoint a majority of such Directors on the board of directors of such Subsidiary as nominees of the Company and if any matter relating to a Reserved Matter is to be passed at such Subsidiary, the matter shall first be brought to the Board of the Company where it shall be decided in accordance with Article 9 and Article 11. The decision so taken in respect of such Reserved Matter shall then be accordingly voted upon by the nominee directors on the board of such Subsidiary or Persons nominated as corporate representatives of the Company for attending meetings of shareholders.

10. SHAREHOLDERS' MEETINGS

10.1 All meetings of the Shareholders shall be held in accordance with the Act and these Articles and shall be held at the registered office of the Company (unless otherwise agreed in writing by all of the Shareholders). Subject to Article 11, all resolutions at a shareholders' meeting of the Company shall be passed by the majority required under Applicable Law for such matters in respect of which such resolution is required.

10.2 A minimum 21 (twenty one) days' prior written notice (accompanied by the agenda for such meeting identifying sufficient details of the business to be transacted at the meeting) shall be provided to all the Shareholders of any Shareholders' meeting, unless the shorter notice has been consented to by Shareholders in accordance with the Act

10.3 The quorum for a general meeting of the Shareholders shall be arrived at in accordance with the Act, provided that there shall be no quorum unless a representative of the Investors and a representative of the Promoters are present throughout the meeting. In the event the required quorum is not present within 1 (one) hour of the time appointed for the meeting, the meeting shall stand adjourned to the same day of the immediately following week at the same time and place (if such day is not a Business Day, then the meeting shall be held on the next Business Day at the same time and place) at which adjourned meeting, the Shareholders (in person or by proxy) present, including at least one representative of the Investors, shall, subject to Applicable Law, form the quorum for such adjourned meeting and may vote on all matters included in the agenda for such meeting.

10.4 Unless otherwise agreed by the Investors and the Promoters in writing, at any and every general meeting of the members of the Company, a resolution put to the vote of the Company shall be decided by a poll (as opposed to voting by a show of hands) and every Shareholder shall have one vote for every Share held by it.

10.5 Each Shareholder shall vote its Shares at any meeting of the Shareholders, and shall take all other actions necessary, to give effect to the provisions of these Articles and to ensure the inclusion in the Articles and Memorandum the rights and privileges of the Shareholders included in these Articles. In addition, each Shareholder shall vote its Shares at any Shareholders' meeting upon any matter submitted for action by the Shareholders or with respect to which the Shareholders may vote and shall cause their Directors on the Board to vote, in conformity with the specific terms and provisions of these Articles to the extent legally permissible to give complete legal effect to the provisions of these Articles. The Shareholders shall use their best efforts to take, or cause to be taken, all actions and to do, or cause to be done, all things necessary or desirable under Law to consummate or implement expeditiously the transactions contemplated by, and the agreements and understanding contained in these Articles.

10.6 Subject to the requirements under the Act, meeting of the Shareholders by means of video conferencing in accordance with the Applicable Law and such participation will be considered towards quorum. The provisions relating to quorum and other requirements applicable to Shareholders' meetings under these Articles shall apply to such meetings as well.

10.7 Any Shareholder may appoint another Person as his proxy and in case of a corporate shareholder, an authorised representative, to attend a meeting and vote thereat on such Shareholder's behalf, *provided that*, the Shareholder has signed and delivered to the Company the written instrument for appointing the proxy or authorised representative in accordance with the Act.

10.8 A Shareholder shall not be entitled to appoint any proxies to attend the Shareholders meeting without the previous consent of the Board of Directors obtained not less than 48 (forty-eight) hours before the commencement of such Shareholders meeting.

10.9 The Chairman of the Board shall be the chairman for all the Shareholder meetings and shall not have any second or casting vote.

10.10 Notwithstanding anything contained in this Article 10, no action in respect of any matters set out under Article 11 shall be taken except in compliance with provisions of Article 11.

10.11 The provisions of these Articles relating to shareholders meetings shall to the extent practicable and feasible, be applicable *mutatis mutandis* to meetings of any Subsidiary (other than Sansera + Streparava Engineering Private Limited and Fitwel Tools and Forging Private Limited). In respect of Sansera + Streparava Engineering Private Limited and Fitwel Tools and Forging Private Limited, if any matter relating to a Reserved Matter is to be passed at the shareholders meeting of such Subsidiary, the matter shall first be brought to the Board of the Company where it shall be decided in accordance with Article 9 and Article 11. The decision so taken in respect of such Reserved Matter shall then be accordingly voted upon by the Persons nominated as corporate representatives of the Company for attending meetings of shareholders.

11. RESERVED MATTERS

11.1 Neither the Company nor, subject to the provisions of Articles 9.10 and 10.11, any of its Subsidiaries nor any Shareholder, Director, committee, committee member of the Company or Subsidiary, shall take or implement any decision or action in relation to (i) any matters requiring the consent of the Shareholders in accordance with the Act (whether as an ordinary or special resolution) and/or (ii) any of the following matters (collectively, the "**Reserved Matters**"), whether at a Shareholders' meeting, meeting of the Board or any committee or by way of circular resolution or otherwise, without following the procedure prescribed under this Article 11. All matters in respect of any Reserved Matters (whether such action is to be taken by the Company or Subsidiary) must be referred to the Board, and no Shareholder, Director, officer, committee, committee member, employee, agent or any of their respective delegates shall take any actions purporting to commit the Company or Subsidiary in relation to any such matters without the prior approval of the Board (which shall include the approval of at least, 1 (one) Investor Director) in accordance with this Article.

(i). Amending or restating the Articles or the Memorandum;

(ii). Materially changing or ceasing to carry on the Business or any material part of the Business or commencement of a new line of business;

(iii). Increasing or decreasing the authorised or issued and paid up share capital of the Company or its Subsidiaries, issuance of fresh shares, warrants or options to purchase shares or other convertible, non-convertible, partially convertible securities, or other interest (in the form of convertible securities or in any other form), creation of new class of securities or changing the rights associated with existing Shares, redemption of Equity Securities or effect any other reorganisation of its share capital or issuance of new Shares;

(iv). Acquisition of any other entity, company or business, entering into any joint venture, shareholders' agreements or investments in any securities (other than normal treasury investments), companies, partnerships, unincorporated joint ventures, trusts or other entities or Persons or entry into transactions having similar effect;

(v). Acquisition of assets, in one or more tranches, a value exceeding an aggregate of 2% of the net worth of the Company in a Financial Year;

(vi). Undertaking any activity relating to any foreign exchange linked, interest rate or equity linked derivative transactions;

(vii). Effect any public offering of any equity or debt interest of the Company or the Subsidiaries including all matters relating to an IPO of the Company, including the appointment of advisors, conducting any valuation exercise and any pre steps to be undertaken in respect of the Company, its Subsidiaries, their assets including any Equity Securities, in order to facilitate the IPO;

(viii). Effecting any agreements, arrangements or transactions with any Related Parties (other than renewal of the existing agreements or arrangements with any Related Parties on the same terms and conditions or any purchase orders in the ordinary course inter-se the Subsidiaries) *provided however* that if any agreements, arrangements or transactions are entered into with a Person, at the time of entering of which the Company and/or the Key Promoters were unaware that such Person is an Affiliate of the Other Shareholders, the Company and/or the Key Promoters shall table such agreement, arrangement or transaction before the Board in the next meeting after the Company and/or Promoters become of aware of the fact that such Person is a Related Party. The Board may, at its discretion, ratify the agreement, arrangement or transaction or, to the extent possible and practicable, recommend any changes thereto;

(ix). Effecting an acquisition, merger, de-merger or change in Control of the Company and/or the Subsidiaries (other than sale of 497, 858 equity shares held by the Company in Sansera + Streparava Engineering Private Limited to Streparava Holding s.p.a, Italy under the share purchase agreement dated June 21, 2013)or a sale or lease of all or substantially all of the Company's or Subsidiaries' assets, liquidation or winding up of the Company and/or the Subsidiaries, reduction of share capital, making a general assignment for the benefit of the creditors of the Company and/or the Subsidiaries, or admitting in writing the inability of the Company to repay its debts when they become due;

(x). Creating a new Subsidiary or group company of the Company, or divesting or otherwise diluting any investments from any subsidiary or group company (as the case may be);

(xi). Issuing any loans to a Director or a Shareholder;

(xii). Borrowings exceeding in a Financial Year, in the aggregate, 5% of the limits provided in the Business Plan, but in no event exceeding by Rs. 100,000,000 (Rupees one hundred million) in such Financial Year;

(xiii). Capital expenditure exceeding in a Financial Year, in the aggregate, 5% of the limits provided in the Business Plan, but in no event exceeding by Rs. 100,000,000 (Rupees one hundred million) in such Financial Year;

(xiv). Issuance of any guarantees or comfort letters by the Company or the Directors to (other than renewal of existing guarantees or comfort letters), or otherwise become liable for any liabilities or obligations of, any Person or creating any off-balance sheet liability in excess of sums specified in the Business Plan;

(xv). Creating or permitting the creation of a Encumbrance over (a) any assets of the Company, excluding any Encumbrances created over moveable assets of the Company in the ordinary course of Business or to secure any borrowings contemplated under the Business Plan; or (b) any Shares;

(xvi). Decisions in relation to material litigations or legal proceedings, i.e., those decisions which will have the effect of waiving any rights, or settling any claims, whether by or against the Company and where capable of quantification, decisions in relation to material litigations or legal proceedings involving value in excess of Rs.2,500,000;

(xvii). Buy-back of any Shares or Equity Securities;

(xviii). Otherwise than as expressly contemplated under these Articles, effecting any Transfers of Equity Securities;

(xix). Adopting or amending the terms of any employee incentive plan, stock option or stock purchase plan, or the issuance of any Shares pursuant to any employee incentive plan or stock plan or scheme;

(xx). Conversion of the Company from a private limited company to a public company;

(xxi). Changing the name or registered office of the Company or any Subsidiaries;

(xxii). Changing the Auditors or internal auditors of the Company or any Subsidiaries;

(xxiii). Approving and amending the terms of the Business Plan and approval of the annual accounts of the Company;

(xxiv). Appointment of, removal of and/or modifying the terms of appointment, of any employees of the Company or Subsidiary falling within any one of the following categories (a) Function Heads (e.g. – HR, Finance, etc.) (b) Business Heads (e.g. – Aerospace, New Product Development, etc.), (c) plant heads; and (d) appointment or removal of any employee entitled to an annual cost to the company of INR 1,500,000 (Rupees one million five hundred thousand) and above; and

(xxv). Reconstitution of the board of directors of any Subsidiary.

11.2 Any monetary limits stated anywhere in Article 11.1, unless specified otherwise, are indicated on an aggregate basis and such limits shall apply to both a single transaction and a series of transactions carried out.

11.3 Any decision, action or resolution relating to a Reserved Matter shall be considered approved only if such Reserved Matter has been approved in accordance with the procedure set forth below:

(i). All Reserved Matters, other than as contained in the proviso to sub-Article (viii) above, shall first be brought for consideration of the Board (notwithstanding any requirement under the Act for such matter to be approved by the Shareholders). At least 7 (seven) Business Days prior to circulation of any agenda and notice for a Board Meeting at which such Reserved Matter is proposed to be discussed ("**Subject Board Meeting**") the Company shall provide a copy of such proposed notice to the Investors and the Key Promoters, specifying in reasonable detail the action in relation to which consent is being sought ("**Proposed Action**") and necessary background and other information and/or supporting documents pertaining to such action, to the Investors. The decision of the Investors in relation to the Proposed Action may be conveyed by way of a written notice issued by the Investors to the Company ("**Response Notice**") prior to the date of the Subject Board Meeting. In the event that the Investors indicate their dissent to such Proposed Action in the Response Notice, which decision shall then, bind the Promoters, the Company and Subsidiaries and such Proposed Action shall not be included in the notice for any meetings of the Board or shareholders. In the event that the Investors elect not to issue a Response Notice or indicate their in-principal consent to such Proposed Action in a Response

Notice, then such Reserved Matter may be permitted to be included in the agenda for consideration at the Subject Board Meeting.

(ii). Subject to the foregoing process being followed, all Reserved Matters shall require the consent of:

(a) at a meeting of the Board or any committee, or if passed by circulation, by the affirmative vote of at least, 1 (one) Investor Director; and

(b) at any Shareholders' meeting, with the affirmative vote of at least 1 (one) representative of the Investors;

(c) if not already approved by the Investors and/or the Promoters at a Shareholders' meeting, with the prior written consent of the Investors in accordance with the terms of these Articles.

11.4 Notwithstanding anything contained elsewhere, any abstention from voting or failure to provide consent to any Reserved Matter by an Investor Director, the representative of the Investors or the Investors shall not be, and shall not be deemed to be, an approval of such Reserved Matter.

11.5 With regard to all Reserved Matters and any other matters requiring the passing of a special resolution under the Act (other than the matters relating to the Promoter Minority Protection Rights), the Promoters shall at all times vote all the Shares held by them, (whether beneficially or otherwise) or as to which they have voting power, in line with the manner in which the Investors have voted on such matters, at all meetings of Shareholders where such matters are included as agenda items or are voted upon.

11.6 Without prejudice to the obligation of the Promoters to vote under Article 11.5 above, the Promoter Directors and the Promoters, shall, in a meeting of the Board or that of the Shareholders respectively, be entitled to require to be recorded in the proceedings of such meeting of the Board or of the Shareholders, their views (including reservations) to any of the Reserved Matters put to vote in such a meeting of the Board or of the Shareholders, as the case may be.

11.7 The provisions of this Article relating to Reserved Matters shall be applicable *mutatis mutandis* to all Subsidiaries and shall be voted upon in the manner set out in Article 9.10 and Article 10.11.

12. PROMOTER MINORITY PROTECTION RIGHTS

12.1 Neither the Company nor, subject to the provisions of Articles 9.10 and Article 10.11 any of its Subsidiaries nor any Shareholder, Director, committee, committee member of the Company or Subsidiary, shall take or implement any decision or action in relation to any of the following matters (collectively, the "**Promoter Minority Protection Rights**"), whether at a Shareholders' meeting, meeting of the Board or any committee or by way of circular resolution or otherwise, without the prior approval of at least 1 (one) Promoter Director in accordance with this Article. All matters in respect of any Promoter Minority Protection Rights (whether such action is to be taken by the Company or Subsidiary) must be referred to the Board and no Shareholder, Director, officer, committee, committee member, employee, agent or any of their respective delegates shall take any actions purporting to commit the Company or Subsidiary in relation to any of the Promoter Minority Protection Rights without the prior approval of the Board which shall include the approval of at least 1 (one) Promoter Director.

(i). Alteration of the provisions of the Memorandum or the Articles in a manner that materially adversely and disproportionately affects the rights of the Promoters;

(ii). Effecting a buy back, redemption or reduction of Equity Securities, other than a buy back, redemption or reduction of Equity Shares of the Company, which buy back, redemption or reduction is offered to all shareholders on a proportionate basis;

(iii). Issuing 'sweat equity' shares of a class already issued;

(iv). Ceasing to carry on the Business or any material part of the Business of the Company, other than in the manner and for the purpose set out in this Articles (including, for the avoidance of doubt, if required pursuant to a Sale Event);

(v). Changing the rights associated with existing Shares to the extent such variation materially and adversely affects the rights of the Promoters;

(vi). Liquidation or dissolution or winding up of the Company and/or the Subsidiaries;

(vii). (a) Issuance of any guarantees or comfort letters by the Promoters; or (b) creation of any Encumbrance over the assets (including shares) of the Promoters, in each case, in respect of borrowing or indebtedness of the Company and/or any of its Subsidiaries, other than as expressly set out under Article 5.2 of these Articles;

(viii). (a) Issuance of any guarantees or comfort letters by; or (b) creation of any Encumbrance over the assets (including shares) of, in each case, the Company and/or its Subsidiaries to secure the borrowings of any third party other than the Company or any of its Subsidiaries or its downstream Affiliates; and/or

(ix). Appointment or removal of any Promoter Directors.

12.2 The provisions of this Article relating to Promoter Minority Protection Rights shall cease to be applicable on the earlier of (i) the Key Promoters ceasing to collectively hold at least 10% of the Share Capital on a Fully Diluted Basis; (ii) the consummation of an IPO.

13. ISSUANCE OF SHARES

13.1 Any further issue of Equity Shares by the Company shall be offered to the Shareholders in proportion to the percentage of Shares then held by them in the Company (i.e. on a "**rights basis**") and on such terms and conditions as approved by the Board.

13.2 In the event that the Company issues any additional Equity Securities ("**Proposed Issuance**"), all Shareholders shall have a pre-emptive right to subscribe to such Proposed Issuance, in proportion to their respective shareholding in the Company (considered on a Fully Diluted Basis). Not less than 15 (fifteen) Business Days prior to a Proposed Issuance, the Company shall deliver to each Shareholder written notice of the Proposed Issuance setting forth (i) the number, type and terms of the Equity Securities to be issued, and (ii) the consideration to be received by the Company in connection with the Proposed Issuance, (iii) the identity of the recipients of the Proposed Issuance; and (iv) the date of closing of the Proposed Issuance.

13.3 Within 15 (fifteen) days following delivery of the notice referred to in Article 13.2, each Shareholder electing to exercise its rights under this Article 13.3 shall give written notice to the Company specifying the number of Equity Securities (not exceeding its pro rata entitlement) it proposes to acquire. Save where the Company has failed to comply with the notice provisions contained in Article 13.2, the failure by any Shareholder to give such notice within such 15 (fifteen) days period or the failure to settle payment of consideration towards on the specified date of closing, shall be deemed a waiver by such Shareholder of its rights under this Article 13 with respect to such Proposed Issuance. In the event that any Shareholder fails to exercise its rights and subscribe to the Proposed Issuance in accordance with this Article, then the Investors and the Key Promoters shall have the right (but not the obligation) to subscribe to the entitlement of such non-subscribing Shareholder to the Proposed Issuance, in a manner pro rata to their shareholding in the Company.

13.4 Subject to the provisions of Article 13.8 below, in the event that any Shareholder is unable to, or does not, for any reason whatsoever, subscribe to its pro rata share in the Proposed Issuance or fails to settle the payment of the consideration required for the Proposed Issuance, then such Shareholder shall accept a dilution of its percentage shareholding in the Company and the Board shall issue such Further Issuance to any Person on such terms as determined by the Board.

13.5 Any Proposed Issuance shall be at a price determined by the Board, and unless otherwise agreed between the Investors and at least one Promoter Director, it shall not be less than the fair market value of Shares as determined by, a firm of chartered accountants of recognised international standing appointed by the Board and subject to such fair market value being approved by the Board, with the approval of at least, two Investor Directors.

13.6 The restrictions under this Article 13, shall not apply to any issuance of Shares (i) to the Investors pursuant to these Articles or pursuant to the exercise of the conversion option attached to any of the Investor CCPS; (ii) to the Identified Key Employees (as defined in the Agreement) in terms of any employee incentive plan; (iii) in an IPO approved by the Board in accordance with these Articles; and/or (iv) pursuant to a Sale Event.

13.7 Any Shares issued to a Shareholder pursuant to this Article 13 shall have the same rights (including as to any distributions) as the Shares of the same class as then held by such Shareholder.

13.8 No Shareholder shall be entitled to renounce its pro rata entitlement of the Proposed Issuance in favour of any Person, *provided that*, if as a result of restrictions imposed by operation of Applicable Law any Shareholder is unable to subscribe to its pro rata entitlement which is pro rata to its shareholding in the

Company, such Shareholder shall have the right to renounce in favour of their Affiliates (in the case of Affiliates of Promoters who are natural persons, such reference shall be limited to Immediate Relatives only), the right to acquire the Shares pursuant to this Article 13.

13.9 Upon the making of any offer for such Proposed Issuance pursuant to this Article, each Shareholder shall exercise its voting and other rights in the Company to authorise and ensure the issuance of additional shares including to increase the authorised share capital of the Company by an amount equivalent to the Proposed Issuance, if required.

14. TRANSFER OF SHARES

14.1 Transfers

(i). Any Transfer in violation of these Articles shall be null and void *ab initio*, and the Promoters shall do all acts, deeds or things to prevent such Transfer from being given effect to.

(ii). Any calculation of a Shareholder's shareholding in the Company shall also take into account any Shares held by an Affiliate of such Shareholder. Any references in this Article 14 to the terms "Investor", "Promoter", or "Shareholder" shall (unless specifically stated in these Articles to the contrary), be construed as also including a reference also to such Shareholders'' Affiliate(s) which hold(s) any Shares.

(iii). Subject to the provisions of Article 14.3, the Investors and their Affiliates shall have the right to Transfer any or all Shares together with its or their rights and obligations under these Articles at any time to any Person without the prior written consent of any Shareholder, Promoters or the Company, provided that the transferee executes a Deed of Adherence. Notwithstanding anything to the contrary:

(a) in the event that the Investors transfer all their Shares to a third party, the Investors shall be entitled to assign all rights under these Articles to such transferee, subject to such transferee executing a Deed of Adherence.

(b) in the event that the Investors transfer less than all their Shares, to a third party, then, such transferee of Shares shall, at the option of the Investors, be also entitled to all the rights of the Investors under these Articles(“**Mirrored Rights**”),subject to such transferee executing a Deed of Adherence. Such Mirrored Rights of the transferee shall be in addition to the rights of the Investors under these Articles and, at the option of the Investors, shall be available for any one transfer by the Investors.

(c) subject to the foregoing, for any transfer of part of the Shares by such the Investors other than what is set out in sub-Article (b) above, aside from any rights intrinsically attached to such Shares (such as voting rights), the Investors shall be entitled to assign one or more rights available to it under these Articles provided that such transfer or assignment shall not result in a multiplication of such assigned rights; *provided further* that such rights shall be exercised as against the Promoters by either of such transferee or the Investors (as determined between the Investors and such transferee), and not both, as a single Investor Shareholding Block. Notwithstanding the foregoing, the rights under (and remedies in respect of) Articles 6.4 (*Information rights*), 13 (*Issuance of Shares*) and the indemnity and confidentiality rights under the Agreement shall be available and exercisable by each of the Investors and such transferees independently.

(iv). Notwithstanding any provision to the contrary, any Transfers by a Promoter shall be subject to the terms of these Articles and such transferee executing a Deed of Adherence agreeing to be bound by the terms of these Articles.

(v). Notwithstanding any provision to the contrary, with respect to any time period stipulated to consummate Transfers of any Shares in terms of these Articles, if such Transfer requires any approvals from a Governmental Authority in terms of Applicable Law, the time periods as stipulated herein shall stand extended accordingly.

14.2 Lock in period

Until the earlier of (i) an IPO; or (ii) the Investors and/or their Affiliates ceasing to hold any Shares in the Company, no Promoter shall, directly or indirectly, Transfer or grant options on any of Shares held by them in the Company unless agreed to in writing by the Investors (the "**Lock-in Period**"). The Key Promoters shall continue to hold 100% of the Shares held by them at Completion, at all times, unless otherwise agreed in writing by the Investors.

14.3 Tag Along Right

(i). If either the Investor or their Affiliates (“**Offeror**”) proposes to sell any or all of its Shares (the “**Offered**

Shares”) to any Person (the “**Transferee**”), the Promoters shall have the right (the "**Tag Along Right**") to require the Offeror to cause the Transferee to purchase from the Promoters, such number of Shares held by the Promoters as are pro-rata to the shareholding of the Offeror and the Promoters in the Company (“**Tag Along Shares**”), at the same price, in the same mode and manner of payment of purchase consideration and subject to them being offered the same exit rights on which the Offeror proposes to sell the Offered Shares to the Transferee.

(ii). The Offeror shall send a written notice (the "**Transfer Notice**") to the Promoters, which notice shall state (a) the identity of the Transferee, (b) the number of Offered Shares to be sold, (c) the price, the mode and manner of payment of purchase consideration and other exit rights offered by the Transferee; and (d) a representation that the Transferee has been informed of the Tag Along Right set out in this Article, and that the Transferee has agreed to purchase all the Offered Shares required to be purchased in accordance with the terms of this Article subject to this Tag Along Right.

(iii). The Tag Along Right may be exercised by the Promoters ("**Tag Along Shareholders**") by notifying the Offeror in writing (the "**Tag Along Notice**") within a period of the 30 (thirty) days (the "**Exercise Period**") from the date of receipt of the Transfer Notice. The Tag Along Notice shall state the number of Tag Along Shares that the Tag Along Shareholders desire to sell to the Transferee and which should be included in the Transfer to the Transferee.

(iv). The Offeror shall deliver to the Tag Along Shareholders, a notice setting forth the delivery instructions and procedures required to effectuate the Transfer. The Tag Along Shareholders shall be required to provide to the Transferee representations and warranties confirming that they have valid authority, title to their Shares and that such Shares are held free and clear of any Encumbrances and such other representations and warranties as are provided by the Offeror(s), in their capacity as shareholders of the Company. Such notice shall be irrevocable and shall constitute a binding agreement on the Tag Along Shareholders to sell such Shares on the terms and conditions set forth in the Transfer Notice.

(v). The failure of or rejection by a Promoter to respond to the Transfer Notice or exercise the Tag Along Right within the Exercise Period, shall be deemed to be a rejection of the Tag Along Right, in relation to the subject transfer, in which case the Investors shall transfer any or all of their Shares to the Transferee, on terms and conditions no more favourable than those set out in the Transfer Notice.

(vi). The sale and purchase of the Offered Shares and Tag Along Shares shall be completed simultaneously by the Investors and the Promoters to the Transferee.

(vii). If the Transferee declines to purchase the Tag Along Shares from the Promoters or in the alternate declines to purchase the Tag Along Shares at the same price (including the mode and manner of payment of purchase consideration and based on the same exit rights offered by the Transferee to the Offeror) at which the Transferee is acquiring the Offered Shares specified in the Transfer Notice, then the Offeror shall not be permitted to Transfer any of the Offered Shares to the Transferee and any subsequent proposed Transfer of Shares by the Investors to any third party, including the Offered Shares, shall be subject to the compliance of the procedure set out in this Article.

14.4 **Drag along right**

(i). Subject to the Tag Along Right of the Promoters in terms of Article 14.3, if the Investors propose to transfer any of their Shares to a third party("**Proposed Purchaser**"), the Investors shall have the right but not an obligation, ("**Drag Along Right**") to require the Promoters to sell along with the Investors to the Proposed Purchaser, at the same price, in the same mode and manner of payment of purchase consideration and subject to them being offered the same exit rights, if any, offered by the Proposed Purchaser to the Investors ("**Drag Price**"), a pro rata number of Shares held by the Promoters; provided that in the event the Drag Along Right is exercised by the Investors within a period of 2 (two) years from the Completion Date for all the Shares (but not part thereof)held by the Promoters, the price per share to be received by the Promoter pursuant to such Drag Along Right shall represent a minimum of 10% IRR on the price of per Equity Share of Rs. 85,897, calculated on and from the Completion Date up to the date of computation thereof.

(ii). The Drag Along Right shall be exercisable by the Investors delivering a written notice to the Promoters (a "**Drag Along Notice**"), setting out (a) the details of the Proposed Purchaser; (b) the consideration offered for the Shares held by the Promoters ("**Drag Along Shares**") including the mode and manner of payment of purchase consideration and other exit rights offered by the Proposed Purchaser, computed on the basis of the Drag Price, which shall be the same as offered by the Proposed Purchaser to the Investors; and (c) the proposed date of consummation of the sale of Shares held by the Investors and the Promoters to the Proposed Purchaser.

(iii). Within 7 (seven) Business Days of the receipt of the Drag Along Notice, the Promoters shall, in accordance with the requirements under the Drag Along Notice, deliver to the Investors:

(a) For such Drag Along Shares as are held in physical form: (I) original share certificates representing such Drag Along Shares; and (II) undated but executed share transfer deeds for the purposes of such transfer; Transfer deeds shall be duly renewed by the Promoters and the Shareholders if the transfer under this Article does not occur within the validity period of such transfer deeds;

(b) For such Drag Along Shares as are held in dematerialised form, undated but executed instructions to the relevant depository participant authorising transfer of the Drag Along Shares; Transfer instructions shall be duly renewed by the Promoters and the Shareholders if the transfer under this Article does not occur within the validity period of such transfer instructions;

(c) If required by the Investors, appropriate powers of attorney in favour of any Person authorised by the Investors to undertake all actions necessary and execute all such documents as may be necessary, on behalf of the Promoters, to effect a transfer of the Drag Along Shares; and

(d) Undertake any other acts including those set out in Article 5 of these Articles as may be necessary for the purpose of such transfer, as reasonably requested by the Investors.

(iv). The sale and purchase of the Drag Along Shares shall be effected simultaneously with the transfer of all the Shares by the Investors to the Proposed Purchaser on the date intimated by the Investors in the Drag Along Notice.

(v). Without prejudice to the rights above, at the time of such exit, the Investors shall also be entitled to convert all Investor CCPS held by them in accordance with Schedules 2A and 2B of the Share Subscription Agreement.

14.5 **Other covenants relating to Transfers**

(i). Any stamp duty or transfer taxes or fees payable on the sale of any Shares, by whatever name called, shall be borne and paid by the transferee (for the avoidance of doubt it is clarified that transfer taxes, wherever referred in these Articles, shall not include any income or capital gains tax by whatever name called payable by the transferor pursuant to the Transfer of Shares).

(ii). At the Completion of any Transfer, the transferor shall deliver duly executed instruments of Transfer, which Shares shall be free and clear of any Encumbrance. At such Completion, all parties to the transaction shall execute such additional documents as may be necessary or appropriate to affect the sale of their respective Shares.

(iii). Any transferee purchasing Shares shall deliver to the transferor at such completion of the sale and purchase of the subject Shares, (or on such later date or dates as may be provided in the relevant notices governing such Transfer with respect to payment of consideration by the proposed transferee) payment in full of their respective share of the Transfer consideration in accordance with the terms set forth in the relevant notices governing such Transfer.

(iv). In the event the Transfer of any legal or beneficial interest in the Promoter Shares to any third party under this Article 14 or under Article 15 (Exit) requires the consents or notification under the Company's lending facilities (if any), the Promoters shall take all possible steps and cause the Company to obtain such approval / make such notification to facilitate the Transfer of Shares under these Articles. None of the Promoters shall Transfer any legal or beneficial interest in their Shares to an Affiliate if the transfer would breach or be an event of default under any provision of the Company's lending facilities (if any).

(v). None of the Promoters or Other Shareholders shall enter into any agreement or arrangements in respect of any voting rights attached to their Shares without the prior written consent of the Investors.

In the event of any transfers of Shares to any third parties with whom the Investors have entered into a memorandum of understanding or term sheet or letter of intent with suitable provisions on confidentiality and non-disclosure either documented in such memorandum of understanding or term sheet or letter of intent or in a separate confidentiality and non-disclosure agreement, the Key Promoters shall provide all necessary assistance to facilitate such sale including, without limitation, to facilitate the conduct of a due diligence on the Company and Subsidiaries, permit and organise discussions with management, provide adequate representations and warranties on the Company and Subsidiaries including in relation to their business, operations, financial position, taxes etc (and undertake consequent indemnity obligations) for the period during which atleast one of the Key Promoters are in control or part of management of the Company (by their representation on the Board) and if required, provide appropriate non-compete or non-solicit undertakings to the third party transferee. Without prejudice to the foregoing, in the event none of the Promoters are in management of the company, the Promoters shall only provide such representations and warranties as are provided by the Investors, in their capacity as shareholders of the Company. Subject to the aforesaid, the Investors shall not in any event or circumstance be required to provide any representations and warranties to a third party transferee other than with respect to due incorporation, due authority and title to any Shares held by them.

15. **EXIT**

15.1 **IPO and related obligations**

(i). At any time after the Completion Date (as defined in the share subscription agreement dated May 29, 2013), if the Company and the Investors so determine in good faith, the Company shall initiate the process for an IPO in compliance with Applicable Law including the guidelines and regulations of the Securities and Exchange Board of India ("SEBI Regulations") and in accordance with the principles set forth in this Clause 13.1. Further, the Investors shall be consulted while taking all decisions in relation to the IPO. All decisions in relation to the price band, offer size, allocation of Equity Shares in the IPO and timing of the IPO shall be taken by the Company with the consent of the Investors, in consultation with the book running lead managers, as set forth in this Article 15.1.

(ii). The Company shall, and the Key Promoters shall cause the Company to, in good faith and with due care and diligence, do all things necessary or advisable to conduct, facilitate, support and ensure the success of the IPO.

(iii). Without prejudice to the foregoing:

(a) For the purposes of an IPO, the Board shall (in consultation with the Investors) appoint a reputed merchant banker, registered with SEBI, to conduct the IPO and act as the book running lead manager / one of the book running lead managers to the IPO ("**IPO Lead Advisor**").

(b) The Key Promoters shall cause the Company shall take all such steps within the respective timelines as advised by the IPO Lead Advisor, and extend all such co-operation to the IPO Lead Advisor, the syndicate members, underwriters and all other advisors as may be required for the purpose of consummating the IPO, including for (i) preparation and signing of the relevant offer documents by the relevant Persons; (ii) conducting road shows with adequate participation of senior management; (iii) entering into appropriate and necessary agreements; (iv) providing all necessary information and documents necessary to prepare the offer documents; (v) preparation of all necessary marketing material and documents to position the Company appropriately for the IPO; (vi) complying with SEBI Regulations; (vii) making filings with appropriate regulatory authorities; and (viii) obtaining any necessary regulatory or other approvals in relation to the IPO under Applicable Law. For the foregoing purposes, the Key Promoter shall cause the Company to provide and depute all necessary resources and personnel (including the Key Promoters) to ensure compliance of the aforesaid obligations.

(c) The Key Promoters and the Company shall undertake such number of road shows and investor meets, both, within and outside India, at anytime as determined by the Company in consultation with the Investors and book running lead managers including between the filing of the draft red herring prospectus and the receipt of SEBI observations on the draft red herring prospectus ("**Pre-Marketing Roadshows**"), to provide potential investors with details about the Company. Such Pre-Marketing Roadshows shall be conducted in accordance with the then prevailing customary market practices and Applicable Laws and as advised by the IPO Lead Advisor. The Company shall make reasonable endeavours to ensure that such employees and/or intermediaries do not, directly or indirectly indicate, at any point of time, that the Company is proposing to undertake or is in the process of undertaking an IPO.

(d) The Key Promoters shall cause the Company to provide true and correct responses to SEBI's observations on the draft red herring prospectus and shall proceed to finalize and file the red herring prospectus within the time period advised by the IPO Lead Advisor, but in no event later than the time limits prescribed by SEBI in this regard, if any.

(e) Immediately upon filing of the Company's red herring prospectus, the Key Promoters and the Company shall undertake such number of road shows, both within and outside India ("**Deal Roadshows**"), to provide potential investors with details about the IPO. In the course of the Deal Roadshows, the Key Promoters shall cause the Company to identify anchor investors for the IPO as per the advice of the IPO Lead Advisor.

(iv). The size and composition (i.e. whether as a fresh issue of Shares or an offer for sale) of the IPO, shall be recommended by the Board in consultation with the IPO Lead Advisor with the prior consent of the Investors. In an offer for sale, the Investors shall have the right, exercisable at their sole discretion, to offer all of part of their Shares in such IPO, in priority to any other Shareholder.

(v). The Promoters and the Company undertake that neither of them nor any Subsidiary is bound by, or party to, or shall execute at any time, any contract, understanding or arrangement with any Person, which may prevent or otherwise limit the ability of the Company and/or the Promoters to perform their respective obligations in respect of an IPO and/or to undertake the IPO itself, in accordance with these Articles.

(vi). The Investors and their Affiliates shall not be referred to or otherwise considered as a 'promoter' of the Company in connection with any IPO or any documents filed in connection therewith. In the event of an IPO, the Company and the Key Promoters agree to do all that is necessary, subject to Applicable Law, to ensure that the Investors are not classified as 'promoter' of the Company and the Equity Securities held by the Investors and their Affiliates are not subject to any lock-in requirements as a 'promoter'. Without prejudice to the foregoing, in the event that any regulators including the SEBI requires that the Investors be classified as a 'promoter', then the Key Promoters shall contribute such number of Equity Securities towards any lock-in requirements as a 'promoter'.

(vii). In the event of the successful completion of the IPO, other than listing fees, which will be paid by the Company, all costs, fees and expenses with respect to the IPO will be shared, in accordance with Applicable Law.

(viii). The Investors shall not, upon listing or sale of the Shares held by the Investor in an IPO, be required to give any warranties or indemnities to any underwriter, broker, recognized stock exchange, any Governmental Authority or any other Person except in relation to title to their Shares or as may be required by Applicable Laws. The Company and the Key Promoters shall ensure that all documents relating to the IPO, including, without limitation, any prospectus and other submissions to the applicable regulatory authorities and governmental agencies, are made available to the Investors (and counsels to the Investors) for their review and comments and shall consider in good faith and incorporate any comments received from the Investors, within such time limit as the Company may reasonably require, prior to submission to such authorities and agencies. In addition, without the prior written consent of the Investors, the Company and the Key Promoters shall not include any descriptions or references to the Investors, or their Affiliates, in any document relating to the IPO, including, without limitation, any prospectus and other submissions to applicable Governmental Authorities.

(ix). The Company and the Key Promoters shall severally indemnify and hold harmless each Investor, their respective Affiliates, and each of their respective officers, directors and employees, from and against any loss, claim or liability (and any actions, proceedings or settlements in respect thereof) arising out of or based on: (i) any untrue statement of a material fact contained in any prospectus, offering circular, or other offering document relating to an IPO; (ii) any failure to state a material fact necessary to make the statements therein not misleading; and (iii) any violation of Applicable Law by the Company or the Promoters (including, but not limited to, the SEBI Regulations) *provided however that*, the Company and the Key Promoters shall not be liable to indemnify the Investors for any disclosures related to the Investors to be made in the agreements or documents relating to IPO.

(x). Without prejudice to the rights above, at the time of such exit, the Investors shall also be entitled to convert all Investor CCPS held by them in accordance with Schedules 2A and 2B of the Share Subscription Agreement.

(xi). The Key Promoters shall not be considered as having breached their obligations under this Article 15.1 if (i) when any one or more of the Key Promoters are in control or part of management of the Company (including by their representation on the Board), they have done all acts, deeds and actions within their control to give effect to and comply with their obligations under this Article 15.1 in respect of the IPO; and (ii) when none of the Key Promoters are in control or part of the management of the Company (including by their representation on the Board), they have exercised best efforts (to the extent they are able) to give effect to and comply with their obligations under this Article 15.1 in respect of the IPO and have supported and facilitated the undertaking of an IPO in accordance with the terms and conditions and in the manner contemplated under this Article 15.1.

15.2 **Sale Event**

(i). At any time after 24 (twenty four) months from the Completion Date, the Investors will have a right to effect a Sale Event in a manner and on terms as determined by the Investors. Notwithstanding the foregoing, in the event the Investors are able to identify one or more third party purchasers who are willing to purchase all or part of the Shares of the Company such that the price per share to be received by the Promoters pursuant to such transfer is not less than 10% IRR on the price per Equity Share of Rs. 85,897, calculated on and from the Completion Date up to the date of computation thereof, the Investors may carry out the Sale Event at anytime after the Completion Date. The Investors shall consult with the Key Promoters on the choice of a strategic buyer of Shares in a Sale Event. The decision of the Investors shall however, be final and binding.

(ii). The Sale Event shall be carried out by the Investors by delivering a written notice to the Promoters(a "**Sale Event Notice**"), setting out (i) the details and proportion of the Shares to be transferred by the Promoters to the proposed third party ("**Sale Event Shares**"); (ii) the consideration offered by the third party purchaser for the Sale Event Shares; and (iii) the proposed date of consummation of the sale of Shares held by the Investors and the Promoters to the third party purchaser.

(iii).Within 7 (seven) Business Days of the receipt of the Sale Event Notice, the Promoters shall, in accordance with the requirements under the Sale Event Notice, deliver to the Investors:

(a) For such Sale Event Shares as are held in physical form: (I) original share certificates representing such Sale Event Shares; and (II) undated but executed share transfer deeds for the purposes of such transfer. Such transfer deeds shall be duly renewed by the Promoters and the Shareholders if the transfer under this Article does not occur within the validity period of such transfer deeds;

(b) For such Sale Event Shares as are held in dematerialised form, undated but executed instructions to the relevant depository participant authorising transfer of the Sale Event Shares. Such transfer instructions shall be duly renewed by the Promoters and the Shareholders if the transfer under this Article does not occur within the validity period of such transfer instructions;

(c) If required by the Investors, appropriate powers of attorney in favour of any Person authorised by the Investors to undertake all actions necessary and execute all such documents as may be necessary, on behalf of the Promoters, to effect a transfer of the Sale Event Shares; and

(d) Undertake any other acts as may be necessary for the purpose of such transfer, as reasonably requested by the Investors.

(iv).The sale and purchase of the Shares held by the Investors and the Promoters in a Sale Event to the third party purchaser shall be effected simultaneously on the date intimated by the Investors in the Sale Event Notice.

(v). In the event of any transfers of Shares to any third party purchaser in a Sale Event, with whom the Investors have entered into a memorandum of understanding or term sheet/ letter of intent with suitable provisions on confidentiality and non-disclosure either documented in such memorandum of understanding or term sheet or letter of intent or in a separate confidentiality and non-disclosure agreement, each of the Key Promoters agree to facilitate the fulfilment or completion of the Sale Event to the third party purchaser including obtaining all necessary approvals (statutory or otherwise), and taking of any corporate action as may be required, facilitating the conduct of a due diligence on the Company and Subsidiaries, permitting and organising discussions with management, providing adequate representations and warranties on the Company and Subsidiaries including in relation to their business, operations, financial position, taxes etc (and undertake consequent indemnity obligations) for the period during which at least one of the Key Promoters are in control or part of management of the Company by their representation on the Board) and if required, provide appropriate non-compete or non-solicit undertakings to the third party transferee. Without prejudice to the foregoing, in the event none of the Promoters are in management of the company, the Promoters shall only provide such representations and warranties as are provided by the Investors, in their capacity as shareholders of the Company. The Investors shall not in any event or circumstance be required to provide any representations and warranties to a third party transferee other than with respect to due incorporation, due authority and title to any Shares held by them.

(vi).Without prejudice to the rights above, at the time of such exit, the Investors shall also be entitled to convert all the Investor CCPS held by them in accordance with Schedules 2A and 2B of the Share Subscription Agreement.

16. CERTAIN SHAREHOLDERS

16.1 Subject to Article 16.2, the Other Shareholders will be bound by the provisions of Articles 14.2, 14.4, 14.5 and 15.2. The aforementioned right and obligations of the Other Shareholders shall be governed by the Articles and the Key Promoters and the Company shall make best efforts to cause the Other Shareholders to comply with the aforementioned obligations.

16.2 The provisions of Article 16 will not apply to the sale of 2100 Shares held by Streparava Holding s.p.a. Italy in the Company to the Key Promoters under the share purchase agreement dated June 21, 2013.

17. LIQUIDATION PREFERENCE

17.1 In the event of a Liquidation, prior to payments to any class of shareholders including holders of preference shares, the Investors shall be entitled to (i) convert their Investor CCPS into Shares in terms of Schedule 2A and 2B of the Share Subscription Agreement; (ii) be repaid an amount which is the higher of (a) such amount that provides the Investor an IRR of 10% on the Investment Amount in USD, calculated on and from the Completion Date up to the date of computation thereof on a US$ to US$ basis, but which in no event shall exceed 1.61 times the Investment Amount in USD; and (b) a pro rata share in the proceeds of the Liquidation as per the Investors' shareholding in the Company on a Fully Diluted Basis at the time of such Liquidation ("**Liquidation Preference Amount**").

17.2 In the event that Article 17.1 is unenforceable for any reason, the following shall apply:

(i). In the event of the occurrence of Liquidation and after payment or provision for payment of the debts and other liabilities of the Company, the surplus (after such payment) shall be distributed amongst the Shareholders in proportion to their shareholding. In the event that the amount, if any, received by the Investors is less than the Liquidation Preference Amount, the Key Promoters shall out of the amounts received by them, pay over such an amount to the Investors so that the Investors receive an amount in aggregate equal to the Liquidation Preference Amount due to them.

(ii). To the extent necessary, the Key Promoters waive their respective rights and entitlements to their share in any payment pursuant to a Liquidation Event and to the extent such payments are made to, or received by, any Key Promoter, such Key Promoter, shall hold the payments received by it in trust for Investors.

(iii). The Promoters and the Company shall apply for and obtain all such approvals and take all such actions as may be required to permit such payment to the Investors.

18. PROMOTER CLAWBACK ENTITLEMENT; UPSIDE SHARING

18.1 In consideration of the investment opportunity provided by the Key Promoters to the Investors and execution of the Transaction Documents, and also in consideration of the fact that the Key Promoters are the promoters of the Company and are/will be managing the operations and performance of the Company, the Investors have agreed to grant the Key Promoters an upside sharing and the right to acquire further Shares in accordance with and subject to the terms and conditions of this Article 18.

18.2 **Clawback entitlement**

(i). In the event that at the time of a full cash exit to the Investors in compliance with the Transaction Documents, the Shares held by the Investors represents (following payouts of employee incentives pursuant to the Agreement) a value being in excess of such value as provides the Investor an IRR of 25% on the Investment Amount in USD ("**Clawback Trigger Event**"), then the Investors shall be required to provide to the Key Promoters, such amounts as represents such excess value, provided however that such acquisition by the Key Promoters shall not (i) exceed an amount representing the value of 7% of the Share Capital on a Fully Diluted Basis; (ii) result in the amounts retained by the Investors' being lower than a value that represents 51% of the Share Capital determined on a Fully Diluted Basis; and/or (ii) result in the Investors realising proceeds from such cash exit at an amount that is lower than such amount that provides the Investor an IRR of 25% on the Investment Amount in USD ("**Clawback Entitlement**"). Notwithstanding the foregoing, the Investors may discharge their obligation to provide the Clawback Entitlement (determined at their sole discretion), either (a) by way of a cash payment for a value that represents the Clawback Entitlement, subject to withholding of applicable taxes; or (b) any other method determined by the Investor that achieves the same commercial effect.

(ii). The method by which the Clawback Entitlement shall be provided to the Key Promoters, shall be determined at the sole discretion of the Investors without diluting in any manner the Investors' rights set out in these Articles.

18.3 **UPSIDE SHARING**

(i). Following provision of the Clawback Entitlement under Article 18.2, each of the Investors agrees that following the provision of full cash exit to such Investor in compliance with the Transaction Documents, in the event that such Investor's Inflows are (following payouts of employee incentives pursuant to the

Shareholders Agreement) in excess of the Investor Benchmark Rate, such Investor agrees to share 30% of such excess of Inflows over the Investor Benchmark Rate with the Key Promoters ("**Promoter Upside Entitlement**"). The requirement to share the Promoter Upside Entitlement may be provided by such Investor at its sole discretion, either (a) by way of a cash payment, subject to withholding of applicable taxes; or (b) by any other method determined by the Investor that achieves the same commercial effect.

(ii). The method by which the payment of the Promoter Upside Entitlement shall be determined at the sole discretion of the Investors without diluting in any manner the Investors' rights set out in these Articles.

18.4 Notwithstanding anything contained in the Shareholders Agreement, it is agreed that the provisions of Clause 18.2 above shall not apply in the event of conversion of Series A CCPS by the Investors in accordance with Clause 5.2(b) of Schedule 2A of the Share Subscription Agreement.

19. COVENANTS OF THE COMPANY

19.1 The Company and its downstream Affiliates shall, and the Key Promoters shall ensure that the Company and its downstream Affiliates shall, engage only in legitimate business and ethical practices in commercial operations and in relation to Governmental Authorities in any jurisdiction of their operations and, in this regard, shall at all times be in compliance with Applicable Laws.

19.2 Neither the Company or its downstream Affiliates, nor its directors, officers, employees in the course their employment, will take any action, directly or indirectly, that would result in a violation by such persons of the (United States of America) Foreign Corrupt Practices Act of 1977.

19.3 The operations of the Company will be, conducted at all times in compliance with applicable financial record keeping and reporting requirements the money laundering statutes of all applicable jurisdictions where the Company undertakes its business, the rules and regulations there under and any related or similar rules, regulations or guidelines, issued, administered or enforced by any governmental agency in such applicable jurisdictions where the Company undertakes its business (collectively, the "**Money Laundering Laws**").

19.4 The Company will not directly use the proceeds of the Investment Amount, or lend, contribute or otherwise make available such proceeds to any affiliate, joint venture partner or other person or entity for the purpose of financing the activities of any person currently subject to any U.S. sanctions administered by Office of Foreign Assets Control of the U.S. Treasury Department (**OFAC**), including any action with respect to any "Specially Designated Nationals and Blocked Persons", the list of which can be found at: http://www.ustreas.gov/offices/enforcement/ofac/sdn/t11sdn.pdf.

19.5 The Company shall, (i) keep accurate books and records and all payments to third parties shall be supported by written detailed invoices, and (ii) maintain a system of internal accounting controls sufficient to provide reasonable assurances that transactions are executed and access to assets permitted only in accordance with management's authorisation and that transactions and assets are recorded properly.

19.6 The Company will establish policies, procedures and controls that are reasonably designed to prohibit dealings with persons and countries that are subject to trade sanctions and economic embargo programs enforced by the United States Treasury Department's Office of Foreign Asset Control.

19.7 On specific request from the Key Promoters and the Company, the Investors agree to provide to the Company and the Promoters, relevant extracts, updates, modifications of (United States of America) Foreign Corrupt Practices Act of 1977, OFAC and any other relevant information as shall be reasonably required by the Company and the Promoters.

20. NON-COMPETITION AND NON-SOLICITATION

20.1 S. Sekhar Vasan and Fatheraj Singhvi agree and undertake that during the subsistence of the Agreement, subject however to the provisions of Article 20.3 they will devote their substantial time and attention to the Business of the Company and its Subsidiaries, and shall not assume any executive positions, roles or responsibilities in any other entity.

20.2 The Key Promoters shall (i) not either directly or indirectly (in any manner and capacity) including through any Affiliate, and (ii)procure that their Affiliates (in the case of Affiliates for the purposes of (ii), who are natural Persons, such reference shall be to Immediate Relatives only) (collectively, the "**Obligors**") do not, whether directly or indirectly, by themselves or in association with or through any Person, in any manner whatsoever (whether in their own capacity or in conjunction with or on behalf of any Person, as an employee, adviser, partner or shareholder of or consultant to any other person, firm or company), do or undertake or attempt to do or undertake any of the following activities:

(i). Commence, establish, engage in, invest in, or carry on, or attempt to commence, establish, engage in, invest in, or carry on, any business which is the same as or similar to the Business and/or the business of its Subsidiaries or otherwise competes with the Business of the Company and/or that of its Subsidiaries;

(ii). Enter into any agreement or arrangement relating to any business that is the same as or similar to the Business, with any person involved in the same or which would result in the business of such person becoming a business that is the same as or similar to the Business and/or that of its Subsidiaries or otherwise competes with the Business and/or that of its Subsidiaries;

(iii). Engage in and/or agree to engage in any other act or thing analogous to the foregoing that might reasonably be expected to prejudice the interests of the Company and/or its Subsidiaries;

(iv). Tender for, canvass, solicit, or attempt to or assist, influence, encourage or induce any person to canvass or solicit from the Company or any Subsidiary, any Restricted Persons, whether or not such person would commit a breach of contract by reason of such act;

(v). Provide or offer positions of employment/consultancy or any managerial, financial participation to any of the Restricted Persons;

(vi). Otherwise interfere in any manner with the contractual, employment or other relationship of such Restricted Persons on the one hand and the Company and/or any Subsidiary on the other hand.

Provided that if, on the date the Company commences or decides to commence a new business as part of its Business which is already being carried out by any of the Key Promoters, the conduct of such business which the Key Promoters are already carrying on, shall not be considered to a breach by the relevant Key Promoters of their obligations under this Article 20.

As used herein, the term "**Restricted Persons**" shall mean and include in relation to the Company, the Subsidiary as on the date hereof, any customers, clients, vendors, suppliers, directors, former directors, employees and former employees or any representatives, consultants or business associates, associated with the Business of the Company.

20.3 Nothing contained in Articles 20.1 and 20.2 above shall prohibit the Key Promoters from purchasing and holding passive investments not exceeding 2% (two per cent) of the total outstanding share capital of any listed company engaged in the Business or 5% (five per cent) of the total outstanding share capital of any unlisted company engaged in the Business, without acquiring any management or special rights or without being party to any shareholder or similar agreements.

21. DEFAULT AND CONSEQUENCES

21.1 Events of default

An event of default shall occur if (each such event being an "**Event of Default**") under (i), (ii), (iii) or (iv) below in relation to a Promoter and/or the Company, as the case may be, (in each case, the relevant party in default being a "**Defaulting Party**") when:

(i) A Defaulting Party breaches (a) any of its obligations set out in Article 5.1 (Undertakings),Article 11(*Reserved Matters*), Article 14(*Transfers of Shares*), Article 15(*Exit*), Article 17(*Liquidation Preference*)and Article 20(*Non-competition and non-solicitation*) of the Articles; or (ii) breaches any material provisions of these Articles and/or the Agreement that results in a material loss to the Investors; or (iii) commits any act of fraud or fraudulent conveyance;

Provided however that, where a breach (not being a breach of obligations by the Defaulting Party of the provisions of Article 14.2, Article 14.4(iii) or Article 15.1(iii)(b) or Article 15.1(iii)(d) or Article 15.2(iii), or Article 20 (*Non-competition and non-solicitation*) of the Articles is capable of remedy or in respect of which the Investor is capable of being indemnified in accordance with provisions of the Agreement, such breach shall only constitute an Event of Default if (I) the breach has not been remedied; or (II) the Investors have not been paid in full under the indemnification provisions set out in the Agreement, in each case above, within 60 (sixty) days from the date of a written notice to Promoters and/or the Company identifying the said breach and requesting for a remedy or indemnification. For the avoidance of doubt, it is clarified that for breaches of the provisions of Article 14.2, Article 14.4(iii) or Article 15.1(iii)(b) or Article 15.1 (iii)(d) or Article 15.2(iii), or Article 2020 (*Non-competition and non-solicitation*) of the Articles, there shall be no cure period or requirement to pursue the indemnification remedies and an Event of Default shall occur immediately upon the occurrence of such breach and consequently, the applicable consequences under Article 21.2 shall be available immediately.

(ii) One or more Key Promoters, holding an aggregate of less than 10% of the Share Capital of the Company, have been declared insolvent or bankrupt and (A) which insolvency or bankruptcy has not been set aside; or (B) where the other Key Promoters have not been able to acquire all of the shareholding of the insolvent or bankrupt Key Promoter, in each case, within 3 (three) months or such other extended period as may be agreed upon by the Investor from the date of occurrence of such insolvency or bankruptcy;

(iii) One or more of the Key Promoters, holding an aggregate of 10% or more of the Share Capital of the Company, have been declared insolvent or bankrupt; or

(iv) The Promoters fail to pay, pursuant to a final determination of the Loss in terms of the Share Purchase Agreement and / or Share Subscription Agreement, the indemnity amount under the Share Purchase Agreement or the Share Subscription Agreement as and when due.

A breach by a Defaulting Party shall not be considered as a breach for the purposes of this Article 2121, if such breach has resulted from, or arises out of an action taken by the Defaulting Party at the direction of the Investors.

21.2 **Consequences of default**

(i) Without prejudice to any other remedies available to the Investors under any Transaction Document and/or under Applicable Law, upon the occurrence of an Event of Default (other than in relation to Article 21.1(iv)) above, in which case, the only right available to the Investor will be as per Articles 21.2(i)(c) and 21.2(i)(b) and Article 21.2(ii)below), the Investors shall have a right, but not the obligation to exercise any or all of the following:

   (a) To convert all the Investor CCPS into Equity Shares in accordance with the terms contained in Schedule 2A to the extent of the Maximum Conversion (as defined therein) and Schedule 2B of the Share Subscription Agreement;

   (b) To undertake a sale process (including by exercising the Drag Along Right in accordance with Article 12.4) resulting in the sale of all the Shares of the Company at a minimum price that, at the option of the Investors, would result in the Investors receiving a liquidity preference of up to 2 x the Investment Amount in USD;

   (c) To reconstitute the Board of the Company and the board of directors of the Subsidiaries in any manner as the Investors deem fit; and/or

   (d) To cause all of the rights available to the Promoters under the Transaction Documents to be no longer available (including but not limited to the Promoter Minority Protection Right).

If the Investors invoke the sale process option under Article 21.2(i) (b) above, the Investors shall be entitled to exercise their Drag Along Right by providing a notice to the Promoters. The sale and purchase of the Shares held by the Promoters pursuant to the Drag Along Right shall be completed in such time as may be directed by the Investors.

(ii) In the event of an Event of Default arising pursuant to Article 21.1(iv) above, in addition to the remedies available under Article 21.2(i)(c) and (d), the Investors shall be entitled to recover the amounts so due to them in priority and without any demur or protest from the Key Promoters, from the proceeds to be received by the Key Promoters as part of any sale or liquidity undertaken event pursuant to Articles 14.3, 14.4 and/or 15.

(iii) Without prejudice to anything set out above, but subject to the proviso contained in Article 21.1(i), if the Event of Default relates to an event set out in Article 21.1(i), in addition to the rights set out above, the Investors shall have a right, but not the obligation to require the Key Promoters to purchase all the Shares held by the Investors at a price being an amount the higher of (i) an amount equal to 2 x the Investment Amount in USD; or (ii) FMV Price (“**Exit Purchase Option**”). The Investors shall be entitled to exercise their Exit Purchase Option under this Article 21.2(iii) by providing a notice to the Key Promoters ("**Exit Purchase Option Notice**"). The sale and purchase of the Shares held by the Investors pursuant to the Exit Purchase Option shall be completed as soon as practicable after the date of issue of the Exit Purchase Option Notice but in any event no later than 45 (forty five) days from the date of receipt of the Exit Purchase Option Notice, provided if any regulatory approvals are required for such sale and purchase, the time period shall stand extended accordingly.

For the purposes of this Article, "**FMV Price**" shall mean the fair market value of Shares calculated as at the date of issuance of the notice under Article 21.1 and as determined by two firms of chartered accountants of recognized international standing (the "**Valuers**") as set forth in this Article. The Key Promoters (collectively) and the Investors shall each appoint a Valuer and, subject to the foregoing sentence, the Valuers shall independently determine the value of the Shares within a period of 15 (fifteen) days of the date of their appointment. In the event Valuers do not agree upon an FMV Price, the FMV Price would be the average of the values for the FMV Prices calculated by the Valuers, if both such FMV Prices are within a range of 10% (ten percent) of the average of the FMV Prices calculated by the Valuers. If any of the FMV Prices calculated by a Valuer is not within a range of above or below 10.00% (ten percent) of the average of the FMV Prices calculated by the Valuers, then the Valuers would have a further 10 (ten) days to agree to a mutually acceptable FMV Price. In the event the Valuers fail to agree on a mutually acceptable FMV Price, then the Investors and the Key Promoters shall jointly appoint a third valuer ("**Final Valuer**") within a period of 14 (fourteen) days thereafter. The Final Valuer will provide its determination of the FMV Price on the same basis as set out herein within a period of 30 (thirty) days. The final and binding FMV Price shall be the average of (a) the FMV Price as determined by the Final Valuer and (b) the price as determined by any of the Valuers as is closest to the FMV Price determined by the Final Valuer. Notwithstanding anything to the contrary in this Article (iii), the Key Promoters fail to appoint a Valuer within the stipulated 15 (fifteen) day period, the Valuer appointed by the Investors shall act as the sole valuer for the purposes of this Article and the FMV Price as determined by such Valuer shall be final and binding on Investors and the Promoters.

The Valuer and the Final Valuer shall act as experts and not as arbitrators. All fees, costs and expenses in relation to the above (including those in respect of the Valuers and/or the Final Valuer) shall be borne by the Company.

(iv) The Promoters shall and shall cause the Company to take all steps necessary to perform their obligations under this Article 21.2, including obtaining all necessary approvals (statutory or otherwise) and otherwise undertaking all such actions as may be required either under Applicable Law or as directed by the Investors, to facilitate the conversion of the Investor CCPS and/or the exit if the Investor at the Company's cost and charges. To this end, the Company and the Key Promoters shall provide all necessary assistance, without limitation, convening necessary board and shareholders meetings and passing of appropriate resolutions, facilitating the conduct of any due diligence on the Company and Subsidiaries and permitting and organizing discussions with management. Further, the Key Promoters shall provide all representations and warranties on the Company and Subsidiaries including in relation to their business, operations, financial position, taxes etc. (*and undertake consequent indemnity obligations*) for the period during which atleast one of the Key Promoters are in control or part of management of Company (including by their representation on the Board) and non-compete or non-solicit undertakings in a form satisfactory to the third party transferee.

(v) The rights set out in this Article 21.2 can be exercised by the Investors either individually or in such combination of one or more rights as may be deemed fit by the Investor without any limitation in time.

22. TERMINATION; FALL AWAY OF RIGHTS

22.1 All the rights of the Investors shall continue till the time the Investors continue to hold any shares in the Company. As regards the following rights of the Investors under these Articles:

(i). The rights of the Investors in respect of the Liquidation Preference, Drag Along Right Sale Event, Default and Consequences, shall stand terminated on the completion of an IPO.

22.2 Notwithstanding the foregoing, as regards the following rights and obligations of the Promoters under these Articles:

(i). The Promoters shall continue to be entitled to appoint an observer until the Promoters cease to collectively hold at least 5% of the Share Capital on a Fully Diluted Basis. On the Promoters ceasing to collectively hold at least 25% of the Share Capital on a Fully Diluted Basis, the Investors shall be entitled to appoint any person as the Chairman in place of S. Sekhar Vasan.

(ii). on the Promoters ceasing to collectively hold at least 10% of the Share Capital on a Fully Diluted Basis (on account of a dilution pursuant to future issuances of Shares or the sale of Shares by the Promoters pursuant to a Sale Event or the exercise of a Drag Along Right), each of the rights of the Promoters in respect of Promoter Minority Protection Rights shall stand terminated.

(iii).Except for obligations of the Key Promoters to work on a full-time basis and devote substantial time to the Business, all rights (including, Promoter Minority Protection Rights and Tag Along Rights) and obligations of the Promoters under these Articles shall stand terminated on the completion of an IPO. S. Sekhar Vasan and Fatheraj Singhvi shall continue to remain employed at their positions in the Company and/or the Subsidiaries for a period of 24 (twenty four) months from the date of completion of the IPO.

23. RIGHTS IN SUBSIDIARIES

23.1 Subject to the provisions of Article 8.3(v), Article 9.10 and Article 10.11, the rights of the Investors under these Articles shall, apply mutatis mutandis to any Subsidiary and unless repugnant to the context thereof and unless a reference to Subsidiaries has been specifically made, the term "Company", wherever appearing in these Articles shall be deemed to refer to each Subsidiary as well, unless repugnant to the context thereof.

23.2 The rights of the Investors and the Promoters to appoint nominee directors on the board of directors of the Subsidiaries of the Company shall be in proportion to their representation on the Board, provided that if the representation of the Company on the board of directors or committee or sub-committee of the board of a Subsidiary cannot, for reasons beyond the control of the Company, reflect the representation of the Board, the Promoters and the Investors shall have a right, to nominate and appoint such number of members on the board of directors, committee and sub-committee of such board of each Subsidiary as shall most nearly reflect the composition of the Board. Notwithstanding the above, where only one director can be appointed by the Company in a Subsidiary, such director shall, at all times, be nominated by the Investors.

23.3 The rights of the Investors/Investor Directors and the Promoters/Promoter Directors in relation to all matters with respect to the Subsidiaries shall be effected through the Company, and the Company shall do all requisite acts and deeds to give effect to the vote/consent of the Investors/Investor Directors and the Promoters/Promoter Directors with respect to any matters, including passing necessary resolutions and voting at meetings of the board of directors and shareholders of each such Subsidiary, consistent with the decision of the Investors/Investor Directors and the Promoters/Promoter Directors.

24. COMMON SEAL

24.1 The Board shall provide a seal for the purpose of the company, and shall have power from time to time to destroy the same and substitute a new seal in lieu thereof, and the Board shall provide for the safe custody of the seal for the time being.

24.2 Subject to the provisions of the Companies (Issue of share certificate) Rules, 1960, the Seal shall not be affixed to any instrument except by authority of a resolution of the Board or a Committee of the Board and unless the Board otherwise determines every deed or other instrument to which the seal is required to be affixed shall, unless the same is executed by a duly constituted attorney for the company, be signed by one Director at least in whose presence the seal shall have been affixed, provided nevertheless that any instrument bearing the seal of the Company and issued for valuable consideration shall be binding on the Company notwithstanding any irregularity in affixture thereof.

25. BUY BACK OF SHARES

25.1 The Company shall be entitled to purchase its own Shares or other Equity Securities, subject to such limits upon such terms and conditions and subject to such approvals as required under Section 77A and other applicable provisions of the Act.

25.2 Whenever such resolution as aforesaid shall have been passed, the Board shall:

(i) Make all appropriations and applications of undivided profits resolved to be capitalised thereby, and all allotment and issues of fully paid up Shares, if any; and
(ii) Generally so all acts and things required to give effect thereto,

25.3 The Board shall have full power to make such provision, by the issue of fractional share certificate or by payments in cash or otherwise as it thinks fit, in case of Shares or debentures becoming distribution in fractions.

26. CAPITALISATION OF PROFITS

(i) The company in general meeting may, upon the recommendation of the Board, resolve—

(a) that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the company‘s reserve accounts, or to the credit of the profit and loss account, or otherwise available for distribution; and

(b) that such sum be accordingly set free for distribution in the manner specified in clause (ii) amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.

(ii) The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in clause (iii), either in or towards—

(A) paying up any amounts for the time being unpaid on any shares held by such members respectively;

(B) paying up in full, unissued shares of the company to be allotted and distributed, credited as fully paid-up, to and amongst such members in the proportions aforesaid;

(C) partly in the way specified in sub-clause (A) and partly in that specified in sub-clause (B);

(D) A securities premium account and a capital redemption reserve account may, for the purposes of this regulation, be applied in the paying up of unissued shares to be issued to members of the company as fully paid bonus shares;

(E) The Board shall give effect to the resolution passed by the company in pursuance of this article.

SECTION IX: OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following contracts which have been entered 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 the Draft Red Herring Prospectus) which are or may be deemed material will be attached to the copy of the Red Herring Prospectus which will be delivered to the RoC for registration. Copies of the abovementioned contracts and also the documents for inspection referred to hereunder, may be inspected at the Registered and Corporate Office between 10 a.m. and 5 p.m. on all Working Days from the date of the Red Herring Prospectus until the Bid/Offer Closing Date.

A. Material Contracts for the Offer

1. Offer Agreement dated August 10, 2018 between our Company, the Selling Shareholders and the BRLMs
2. Escrow Agreement dated [●] amongst our Company, the Selling Shareholders, the Registrar to the Offer, the BRLMs, the Syndicate Members, the Escrow Collection Bank(s) and the Refund Bank(s)
3. Share Escrow Agreement dated [●] amongst our Company, the Selling Shareholders, the Registrar to the Offer, the BRLMs, the Syndicate Members, the Escrow Collection Bank(s) and the Refund Bank(s)
4. Syndicate Agreement dated [●] amonst our Company, the Selling Shareholders, the BRLMs, the Syndicate Members and the Registrar to the Offer
5. Underwriting Agreement dated [●] amongst our Company, the Selling Shareholders and the Underwriters
6. Registrar Agreement dated August 8, 2018 amongst our Company, the Selling Shareholders and the Registrar to the Offer

B. Material Documents

1. Certified copies of the updated Memorandum of Association and Articles of Association of our Company as amended from time to time
2. Certificate of incorporation dated December 15, 1981
3. Fresh certificate of incorporation dated June 29, 2018 issued by RoC at the time of conversion from a private limited company into a public limited company
4. Resolution of the Board of Directors dated July 31, 2018 approving the Offer
5. Shareholders' resolution dated August 3, 2018 approving the Offer
6. Resolution dated August 3, 2018 passed by the board of directors of CEL approving the Offer for Sale
7. Resolution dated August 3, 2018 passed by the board of directors of EEL approving the Offer for Sale
8. Consent letter dated August 9, issued by S Sekhar Vasan, approving the Offer for Sale
9. Consent letter dated August 9, issued by F R Singhvi on behalf of Lalita Singhvi, Lata Singhvi, Indira Singhvi, Tara Singhvi, Jayaraj Singhvi and Praveen Singhvi approving the Offer for Sale
10. Consent letter dated August 9, issued by D Devaraj, in his individual capacity and on behalf of the D Devaraj HUF approving the Offer for Sale
11. Consent letter dated August 9, issued by Unni Rajagopal K, approving the Offer for Sale
12. Copies of the annual reports of the Company for the Fiscal Years ended March 31, 2014, 2015, 2016, 2017 and 2018
13. The examination reports of the Statutory Auditor, on our Company's restated standalone financial statements dated July 31, 2018 and restated consolidated financial statements dated July 31, 2018 included in this Draft Red Herring Prospectus
14. The Statement of Special Tax Benefits dated August 8, 2018 from the Statutory Auditors

15. Our Company has received written consent from the Auditors namely, B S R & Associates LLP, Chartered Accountants, to include their name as "expert" as defined under Section 2(38) of the Companies Act, 2013 to the extent and in their capacity as an auditor and in respect of their examination report dated July 31, 2018 on our Restated Financial Statements and their report dated August 8, 2018 on the Statement of Tax Benefits included in this Draft Red Herring Prospectus, and such consent has not been withdrawn as of the date of this Draft Red Herring Prospectus. However, the term "expert" shall not be construed to mean an "expert" as defined under Securities Act.

16. Shareholders' agreement dated May 29, 2013 entered into amongst our Company, CVCIGP II Employee Ebene Limited, Client Ebene Limited, S Sekhar Vasan, FR Singhvi, Unni Rajagopal K, D Devaraj, Karthik Das and Anjana Iyer, as amended on March 23, 2016, as amended by the waiver and termination agreement dated August 8, 2018

17. Share Subscription Agreement dated May 29, 2013 entered into amongst our Company, CVCIGP II Employee Ebene Limited, Client Ebene Limited, S Sekhar Vasan, FR Singhvi, Unni Rajagopal K, D Devaraj, Karthik Das and Anjana Iyer, as amended on March 23, 2016

18. Share Purchase Agreement dated May 29, 2013 entered into amongst our Company, S Sekhar Vasan, FR Singhvi, Unni Rajagopal K, D Devaraj, certain members of the promoter group, CVCIGP II Employee Ebene Limited and Client Ebene Limited

19. Share Purchase Agreement dated August 1, 2014 entered into between our Company, Fitwel Tools and Forgings Private Limited, Subramanya Doddaballapur Ramarao, D Narayan, D L Shakunthala, Kavitha Rama Shekar, certain key individual shareholders and other shareholders of Fitwel Tools and Forgings Private Limited

20. Share Purchase Agreement dated April 14, 2017 entered into between MAPE Technology S.r.l. and Sansera Engineering Pvt. Ltd., Mauritius

21. Employment agreement dated July 4, 2013 executed between our Company and S. Sekhar Vasan

22. Consent of the Selling Shareholders, the Directors, the BRLMs, the Syndicate Members, Indian Legal Counsel to our Company, Indian Legal Counsel to the BRLMs, International Legal Counsel to the BRLMs, Registrar to the Offer, Statutory Auditors, Escrow Collection Bank(s), Bankers to the Offer, Bankers to our Company, Company Secretary and Compliance Officer, Chief Financial Officer as referred to in their specific capacities

23. Due Diligence Certificate dated August 10, 2018 addressed to SEBI from the BRLMs

24. In principle listing approvals dated [●] and [●] issued by BSE and NSE respectively

25. Tripartite agreement dated May 24, 2013 amongst our Company, NSDL and the Registrar to the Offer

26. Tripartite agreement dated May 16, 2013 amongst our Company, CDSL and the Registrar to the Offer

Any of the contracts or documents mentioned in this Draft Red Herring Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the Shareholders subject to compliance with the provisions contained in the Companies Act and other relevant statutes.

DECLARATION

We hereby certify and declare that all relevant provisions of the Companies Act and the guidelines issued by the Government or the regulations, rules or guidelines issued by SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SEBI Act or rules or regulations made or guidelines issued thereunder, as the case may be. We further certify that all disclosures made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY DIRECTORS OF OUR COMPANY

_________________________	**S Sekhar Vasan** *(Chairman and Managing Director)*
_________________________	**Unni Rajagopal K** *(Non-Executive Director)*
_________________________	**Raunak Gupta** *(Non-Executive, Nominee Director)*
_________________________	**Muthuswami Lakshminarayan** *(Non-Executive, Independent Director)*
_________________________	**Revathy Ashok** (*Non-Executive, Independent Director)*
_________________________	**Sylvain Bilaine** (*Non-Executive, Independent Director)*

SIGNED BY CHIEF FINANCIAL OFFICER

_________________________	**Ramakrishnan S.** *(Group Chief Financial Officer)*

Place: Bengaluru
Date: August 10, 2018

DECLARATION

The undersigned Selling Shareholder hereby certifies that all statements and undertakings made by it in this Draft Red Herring Prospectus solely and specifically in relation to itself and the Equity Shares being sold by it in the Offer for Sale are true and correct, provided however, it is specifically mentioned herein and agreed that the undersigned Selling Shareholder assumes no responsibility for any of the statements made by the Company or any expert or any other person(s) in this Draft Red Herring Prospectus.

Signed by the Selling Shareholder

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For **Client Ebene Limited**

Place: Ebene, Mauritius

Date: August 10, 2018

DECLARATION

The undersigned Selling Shareholder hereby certifies that all statements and undertakings made by it in this Draft Red Herring Prospectus solely and specifically in relation to itself and the Equity Shares being sold by it in the Offer for Sale are true and correct, provided however, it is specifically mentioned herein and agreed that the undersigned Selling Shareholder assumes no responsibility for any of the statements made by the Company or any expert or any other person(s) in this Draft Red Herring Prospectus.

Signed by the Selling Shareholder

For **CVCIGP II Employee Ebene Limited**

Place: Ebene, Mauritius

Date: August 10, 2018

DECLARATION

The undersigned Selling Shareholder hereby certifies that all statements and undertakings made by it in this Draft Red Herring Prospectus solely and specifically in relation to itself and the Equity Shares being sold by it in the Offer for Sale are true and correct, provided however, it is specifically mentioned herein and agreed that the undersigned Selling Shareholder assumes no responsibility for any of the statements made by the Company or any expert or any other person(s) in this Draft Red Herring Prospectus.

Signed by the Selling Shareholder

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D Devaraj

Place: Bengaluru

Date: August 10, 2018

DECLARATION

The undersigned Selling Shareholder hereby certifies that all statements and undertakings made by it in this Draft Red Herring Prospectus solely and specifically in relation to itself and the Equity Shares being sold by it in the Offer for Sale are true and correct, provided however, it is specifically mentioned herein and agreed that the undersigned Selling Shareholder assumes no responsibility for any of the statements made by the Company or any expert or any other person(s) in this Draft Red Herring Prospectus.

Signed by the Selling Shareholder

For and on behalf of **D Devaraj HUF**

Place: Bengaluru

Date: August 10, 2018

DECLARATION

The undersigned Selling Shareholder hereby certifies that all statements and undertakings made by it in this Draft Red Herring Prospectus solely and specifically in relation to itself and the Equity Shares being sold by it in the Offer for Sale are true and correct, provided however, it is specifically mentioned herein and agreed that the undersigned Selling Shareholder assumes no responsibility for any of the statements made by the Company or any expert or any other person(s) in this Draft Red Herring Prospectus.

Signed by the Selling Shareholder

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F R Singhvi

For and on behalf of Lalita Singhvi, Praveen Singhvi, Lata Singhvi, Jayaraj Singhvi, Tara Singhvi and Indira Singhvi

Place: Bengaluru

Date: August 10, 2018

DECLARATION

The undersigned Selling Shareholder hereby certifies that all statements and undertakings made by it in this Draft Red Herring Prospectus solely and specifically in relation to itself and the Equity Shares being sold by it in the Offer for Sale are true and correct, provided however, it is specifically mentioned herein and agreed that the undersigned Selling Shareholder assumes no responsibility for any of the statements made by the Company or any expert or any other person(s) in this Draft Red Herring Prospectus.

Signed by the Selling Shareholder

S Sekhar Vasan

Place: Bengaluru

Date: August 10, 2018

DECLARATION

The undersigned Selling Shareholder hereby certifies that all statements and undertakings made by it in this Draft Red Herring Prospectus solely and specifically in relation to itself and the Equity Shares being sold by it in the Offer for Sale are true and correct, provided however, it is specifically mentioned herein and agreed that the undersigned Selling Shareholder assumes no responsibility for any of the statements made by the Company or any expert or any other person(s) in this Draft Red Herring Prospectus.

Signed by the Selling Shareholder

Unni Rajagopal K

Place: Bengaluru

Date: August 10, 2018