

# SANDHAR

Growth. Motivation. Better Life.

## SANDHAR TECHNOLOGIES LIMITED

Our Company was incorporated as Sandhar Locking Devices Private Limited on October 19, 1987, at New Delhi, India, as a private limited company under the Companies Act, 1956. The name of our Company was subsequently changed to Sandhar Locking Devices Limited on conversion to a public limited company, and a fresh certificate of incorporation consequent upon change of name was issued by the Registrar of Companies, Delhi and Haryana ("RoC"), to our Company on September 21, 1992. Subsequently, the name of our Company was changed from Sandhar Locking Devices Limited to Sandhar Technologies Limited, and a fresh certificate of incorporation, consequent upon change of name was issued by the RoC to our Company on November 11, 2005. For details of change in the name and Registered Office of our Company, see "History and Certain Corporate Matters – Changes in Registered Office" on page 196.

**Registered Office:** B-6/20, L.S.C. Safdarjung Enclave, New Delhi – 110 029, India  
**Corporate Office:** #13, Sector – 44, Gurugram – 122 002, Haryana, India  
**Contact Person:** Arvind Joshi, Whole-time Director, Chief Financial Officer, Company Secretary and Compliance Officer  
**Tel:** +91 124 451 8900; **Fax:** +91 124 451 8912  
**E-mail:** info@sandhar.in; **Website:** www.sandhargroup.com  
**Corporate Identity Number:** U74999DL1987PLC029553

### OUR PROMOTER: JAYANT DAVAR

**INITIAL PUBLIC OFFERING OF UP TO [●] EQUITY SHARES OF FACE VALUE OF ₹10 EACH ("EQUITY SHARES") OF SANDHAR TECHNOLOGIES LIMITED ("COMPANY" OR "ISSUER") FOR CASH AT A PRICE OF ₹[●] PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹[●] PER EQUITY SHARE) AGGREGATING UP TO ₹[●] MILLION ("OFFER") COMPRISING A FRESH ISSUE OF UP TO [●] EQUITY SHARES AGGREGATING UP TO ₹3,000 MILLION ("FRESH ISSUE") AND AN OFFER FOR SALE OF UP TO 6,400,000 EQUITY SHARES BY GTI CAPITAL BETA PVT LTD (THE "SELLING SHAREHOLDER") AGGREGATING UP TO ₹[●] MILLION ("OFFER FOR SALE"). THE OFFER WILL CONSTITUTE [●]% OF OUR POST-OFFER PAID-UP EQUITY SHARE CAPITAL.**

**THE PRICE BAND AND THE MINIMUM BID LOT DISCOUNT, IF ANY, WILL BE DECIDED BY OUR COMPANY AND THE SELLING SHAREHOLDER IN CONSULTATION WITH THE LEAD MANAGERS AND WILL BE ADVERTISED IN ALL EDITIONS OF FINANCIAL EXPRESS AND JANSATTA (EACH OF WHICH ARE WIDELY CIRCULATED ENGLISH AND HINDI NEWSPAPERS RESPECTIVELY, HINDI BEING THE REGIONAL LANGUAGE OF NEW DELHI AND HARYANA, WHERE OUR REGISTERED OFFICE AND CORPORATE OFFICE ARE LOCATED), AT LEAST FIVE WORKING DAYS PRIOR TO THE BID / OFFER OPENING DATE, AND SHALL BE MADE AVAILABLE TO BSE LIMITED ("BSE") AND NATIONAL STOCK EXCHANGE OF INDIA LIMITED ("NSE"), AND TOGETHER WITH BSE, THE "STOCK EXCHANGES") FOR THE PURPOSE OF UPLOADING ON THEIR RESPECTIVE WEBSITES.**

**THE FACE VALUE OF THE EQUITY SHARES IS ₹10 EACH AND THE OFFER PRICE IS [●] TIMES THE FACE VALUE OF THE EQUITY SHARES.**

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 website of the Lead Managers and at the terminals of the members of the Syndicate, and by intimation to Self Certified Syndicate Banks ("SCSBs"), Registered Brokers, Registrar and Transfer Agents ("RTA"), and Collecting Depository Participants ("CDP").

In terms of Rule 19(2)(b)(ii) of the Securities Contracts (Regulation) Rules, 1957, as amended ("SCRR"), this is an Offer for such percentage of the post-Offer paid-up Equity Share capital of our Company that will be at least ₹4,000 million calculated at the Offer Price. The Offer is being made in accordance with Regulation 26(1) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended (the "SEBI ICDR Regulations"), through the Book Building Process wherein not more than 50% of the Offer shall be allocated on a proportionate basis to Qualified Institutional Buyers ("QIBs"), provided that our Company and the Selling Shareholder, in consultation with the Lead Managers, may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis (the "Anchor Investor Portion"), 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 Allocation 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 Offer shall be available for allocation on a proportionate basis to Non-Institutional Bidders, and not less than 35% of the 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 account which will be blocked by the Self Certified Syndicate Banks ("SCSBs") to participate in the Offer. Anchor Investors are not permitted to participate in the Anchor Investor Portion through the ASBA process. For details, please see the section entitled "Offer Procedure" beginning on page 480.

### 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. The face value of the Equity Shares is ₹10 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 and the Selling Shareholder in consultation with the Lead Managers, as stated under "Basis for Offer Price" on page 110) 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 Red Herring Prospectus. Specific attention of the investors is invited to "Risk Factors" on page 20.

### COMPANY'S AND SELLING SHAREHOLDER'S ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for, and confirms that this 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 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 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 Shareholder accepts responsibility that this Red Herring Prospectus contains all information about it as the Selling Shareholder in the context of the Offer for Sale, and further assumes responsibility for statements in relation to it included in this Red Herring Prospectus and the Equity Shares offered by it in the Offer and that such statements are true and correct in all material respects and not misleading in any material respect. Further, the Selling Shareholder does not assume any responsibility for any other statements, including without limitation, any and all of the statements made by, or in relation to the Company in this Red Herring Prospectus.

### LISTING

The Equity Shares to be offered through this Red Herring Prospectus are proposed to be listed on BSE and NSE. Our Company has received an 'in-principle' approval from BSE and NSE for the listing of the Equity Shares pursuant to letters dated January 10, 2018 and January 5, 2018, respectively. For the purposes of the Offer, the Designated Stock Exchange shall be BSE. A signed copy of this Red Herring Prospectus and the Prospectus shall be delivered for registration to the RoC in accordance with Section 26(4) of the Companies Act, 2013. For details of the material contracts and documents available for inspection from the date of this Red Herring Prospectus up to the Bid / Offer Closing Date, see "Material Contracts and Documents for Inspection" on page 536.

### 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: sandhar.ipo@icicisecurities.com  
Investor Grievance E-mail: customercare@icicisecurities.com  
Website: www.icicisecurities.com  
Contact Person: Rishi Tiwari / Vishal Kanjani  
SEBI Registration No.: MB/INM000011179

**Axis Capital Limited**  
1<sup>st</sup> Floor, Axis House  
C – 2 Wadia International Centre  
P B Marg, Worli, Mumbai – 400 025  
Maharashtra, India  
Tel: +91 22 4325 2183  
Fax: +91 22 4325 3000  
E-mail: sandhar.ipo@axiscap.in  
Investor Grievance E-mail: complaints@axiscap.in  
Website: www.axiscapital.co.in  
Contact Person: Simran Gadh  
SEBI Registration No.: INM000012029

**Link Intime India Private Limited**  
C-101, 1<sup>st</sup> floor 247 Park  
L. B S Marg, Vikhroli (West)  
Mumbai 400 083  
Tel: +91 22 4918 6200  
Fax: +91 22 4918 6195  
E-mail: stl.ipo@linkintime.co.in  
Investor Grievance e-mail: stl.ipo@linkintime.co.in  
Website: www.linkintime.co.in  
Contact Person: Shanti Gopalkrishnan  
SEBI Registration No.: INR000004058

### BID / OFFER PROGRAMME

**BID / OFFER OPENS ON**

March 19, 2018<sup>(1)</sup>

**BID / OFFER CLOSES ON**

March 21, 2018

(1) Our Company and the Selling Shareholder may, in consultation with the Lead Managers, 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.

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## SECTION I: GENERAL

### DEFINITIONS AND ABBREVIATIONS

*This 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, supplemented or re-enacted from time to time, and any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision.*

#### GENERAL TERMS

Term	Description
“our Company”, “the Company” or “the Issuer”	Sandhar Technologies Limited, a company incorporated under the Companies Act, 1956, and having its registered office at B-6/20, L.S.C. Safdarjung Enclave, New Delhi – 110 029, India
“we”, “us” or “our”	Unless the context otherwise indicates or implies, refers to our Company together with our Subsidiaries and Joint Ventures, on a consolidated basis

#### COMPANY RELATED TERMS

Term	Description
Actis Group	Actis Auto Components Investment Limited and Actis Auto Investments Limited
Amkin Group	Amkin Group Private Limited
Articles of Association or AoA	Articles of association of our Company, as amended
Audit Committee	Audit committee of our Company, constituted in accordance with Regulation 18 of the SEBI Listing Regulations and Section 177 of the Companies Act, 2013, described in “ <i>Our Management – Corporate Governance – Committees of the Board</i> ” on page 226
Auditors / Statutory Auditor	The statutory auditors of our Company, namely, B S R & Co. LLP, Chartered Accountants
Board / Board of Directors	Board of directors of our Company, or a duly constituted committee thereof
Chairman	Chairman of our Company, being Dharmendar Nath Davar
Chief Executive Officer/ CEO	Chief executive officer of our Company
Chief Financial Officer/ CFO	Chief financial officer of our Company
Co – Chairman	Co – chairman of our Company, being Jayant Davar
Company Secretary	Company secretary of our Company
Compliance Officer	Compliance officer of our Company appointed in accordance with the requirements of the SEBI ICDR Regulations
Corporate Office	The corporate office of our Company located at #13, Sector – 44, Gurugram – 122 002, Haryana, India
Corporate Social Responsibility Committee	Corporate social responsibility committee of the Board
CRISIL	CRISIL Limited
Daeshin	Daeshin Machinery Ind Co Limited
Daewha Fuel Pump	Daewha Fuel Pump Ind., Ltd
Director(s)	Director(s) on the Board
ECCO Green	ECCO Green Energy Private Limited
Equity Shares	Equity shares of our Company
Executive Directors	Executive Directors of our Company
Group	Collectively, the Company and the Subsidiaries
Group Entities	The entities more particularly described in the chapter “ <i>Our Group Entities</i> ” on page 239
GTI	GTI Capital Beta Pvt Ltd
GTI Capital	GTI Capital Auto Investments – I Pte. Limited
GTI Shareholders’ Agreement / GTI SHA	Shareholders’ Agreement dated March 30, 2012, entered, <i>inter alios</i> , among the Promoter, the Selling Shareholder and our Company. For further details, see “ <i>History and Certain Corporate Matters – Summary of Key Agreements</i> ” on page 205
Han Sung	Han Sung I.M.P Co. Limited, our joint venture partner in respect of Sandhar Han Sung Technologies Private Limited
Independent Director(s)	Independent directors on the Board. For details of the Independent Directors, see “ <i>Our Management – Board of Directors</i> ” on page 219

<b>Term</b>	<b>Description</b>
Indo Toolings	Indo Toolings Private Limited, for details, see “ <i>Our Subsidiaries and Joint Ventures</i> ” on page 213
IPO Committee	IPO committee of the Board
JBM Auto	JBM Auto Limited
Jinyoung Electro – Mechanics	Jinyoung Electro-Mechanics Co., Ltd
Jinyoung Sandhar	Jinyoung Sandhar Mechatronics Private Limited, for details, see “ <i>Our Subsidiaries and Joint Ventures</i> ” on page 213
Joint Ventures	The joint ventures entered into by our Company, namely, (i) Indo Toolings, (ii) Sandhar Han Sung, (iii) Sandhar ECCO-Green Energy, (iv) Jinyoung Sandhar, (v) Sandhar Daewha, and (vi) Sandhar Amkin. For details of the Joint Ventures see, “ <i>Our Subsidiaries and Joint Ventures</i> ” on page 213
Key Management Personnel	Key management personnel of our Company in terms of Regulation 2(1)(s) of the SEBI ICDR Regulations, Section 2(51) of the Companies Act, 2013, and as disclosed in “ <i>Our Management – Key Management Personnel</i> ” on page 233
Mag Engineering	Mag Engineering Private Limited
Managing Director	Managing Director of our Company
Materiality Policy	The policy adopted by our Board on November 18, 2017 identifying material litigation and outstanding dues to creditors in respect of our Company, pursuant to the requirements of the SEBI ICDR Regulations
Memorandum of Association or MoA	Memorandum of association of our Company, as amended
Nomination and Remuneration Committee	Nomination and remuneration committee of the Board constituted in accordance with Regulation 19 of the SEBI Listing Regulations, and Section 178 of the Companies Act, 2013, described in “ <i>Our Management – Corporate Governance – Committees of the Board</i> ” on page 226
Preference Share	5% optionally convertible and redeemable preference shares of our Company of face value of ₹100 each
Previous Auditors	S R Batliboi & Co., LLP
Promoter	The promoter of our Company, namely, Jayant Davar. For details, see “ <i>Our Promoter and Promoter Group</i> ” on page 236
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 “ <i>Our Promoter and Promoter Group</i> ” on page 236
PT Sandhar	PT Sandhar Indonesia, Indonesia, for details, see “ <i>Our Subsidiaries and Joint Ventures</i> ” on page 213
Registered Office	The registered office of our Company located at B-6/20, L.S.C. Safdarjung Enclave, New Delhi – 110 029, India
Registrar of Companies / RoC	The Registrar of Companies, Delhi and Haryana, located at 4 <sup>th</sup> Floor, IFCI Tower, 61, Nehru Place, New Delhi – 110 019, India
Restated Financial Statements	Collectively, the Restated Unconsolidated Summary Statements and the Restated Consolidated Summary Statements
Sandhar Amkin	Sandhar Amkin Industries Private Limited, for details, see “ <i>Our Subsidiaries and Joint Ventures</i> ” on page 213
Sandhar Breniar	Breniar Projects S. L., Spain, for details, see “ <i>Our Subsidiaries and Joint Ventures</i> ” on page 213
Sandhar Caama	Sandhar Caama Components Private Limited, for details
Sandhar Daewha	Sandhar Daewha Automotive Systems Private Limited, for details, see “ <i>Our Subsidiaries and Joint Ventures</i> ” on page 213
Sandhar Ecco-Green Energy	Sandhar ECCO Green Energy Private Limited, for details, see “ <i>Our Subsidiaries and Joint Ventures</i> ” on page 213
Sandhar Han Sung	Sandhar Han Sung Technologies Private Limited, for details, see “ <i>Our Subsidiaries and Joint Ventures</i> ” on page 213
Sandhar Strategic Systems	Sandhar Strategic Systems Private Limited
Sandhar Tooling	Sandhar Tooling Private Limited, for details, see “ <i>Our Subsidiaries and Joint Ventures</i> ” on page 213
Selling Shareholder	GTI Capital Beta Pvt Ltd
Shareholder(s)	Shareholder(s) of our Company from time to time
Stakeholders’ Relationship Committee	Stakeholders’ relationship committee of the Board
ST Barcelona	Sandhar Technologies Barcelona S. L., Spain
ST Mexico	Sandhar Technologies De Mexico, S. de RL de CV Mexico
ST Poland	Sandhar Technologies Poland sp. z.o.o., Poland
Stitch Overseas	Stitch Overseas Private Limited
Subsidiaries, or individually	The subsidiaries of our Company namely, (i) Sandhar Tooling, (ii) ST Barcelona,

<b>Term</b>	<b>Description</b>
known as Subsidiary	(iii) PT Sandhar, (iv) ST Poland, (v) ST Mexico, and (vi) Sandhar Breniar. For details of the Subsidiaries, see “ <i>Our Subsidiaries and Joint Ventures</i> ” on page 213
TECFISA	Tecnicas de la Fundicion Inyectada SA

#### OFFER RELATED TERMS

<b>Term</b>	<b>Description</b>
Acknowledgement Slip	The slip or document issued by the Designated Intermediary to a Bidder as proof of registration of the Bid cum Application Form
Allot / Allotment / Allotted	Unless the context otherwise requires, allotment of the Equity Shares pursuant to the Fresh Issue and transfer of the Equity Shares offered by the Selling Shareholder pursuant to the Offer for Sale to successful Bidders
Allotment Advice	Note or advice or intimation of Allotment sent to successful Bidders who have been, or are to be Allotted Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchange
Allottee(s)	A successful Bidder to whom the Equity Shares are Allotted
Anchor Escrow Account(s)	Account(s) opened with the Escrow Collection Bank(s) and in whose favour the Anchor Investors will transfer money through direct credit / NEFT / RTGS in respect of the Bid Amount when submitting a Bid
Anchor Investor	A QIB, applying under the Anchor Investor Portion, and in accordance with the requirements specified in 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 in terms of this Red Herring Prospectus and the Prospectus, which will be decided by our Company and the Selling Shareholder in consultation with the Lead Managers
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 this 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	The final price at which the Equity Shares will be Allotted to Anchor Investors in terms of this 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 and the Selling Shareholder in consultation with the Lead Managers
Anchor Investor Portion	Up to 60% of the QIB Portion, which may be allocated by our Company in consultation with the Lead Managers 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
Anchor Investor(s)	A Qualified Institutional Buyer, applying under the Anchor Investor Portion in accordance with the SEBI ICDR Regulations and this Red Herring Prospectus and who has Bid for an amount of at least ₹100 million
Application Supported by Blocked Amount or ASBA	An application, whether physical or electronic, used by ASBA Bidders to make a Bid and authorize 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 Bid	A Bid made by an ASBA Bidder
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 this Red Herring Prospectus and the Prospectus
Axis	Axis Capital Limited
Banker(s) to the Offer	Escrow Collection Bank(s), Public Offer Bank(s) and Refund Bank(s)
Basis of Allotment	Basis on which Equity Shares will be Allotted to successful Bidders under the Offer and which is described in “ <i>Offer Procedure</i> ” on page 480
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 of our Company at a price within the Price Band, including all revisions and modifications thereto, as

<b>Term</b>	<b>Description</b>
	permitted under the SEBI ICDR Regulations.  The term “Bidding” shall be construed accordingly
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 notified in two national daily newspapers, one each in English and Hindi daily newspaper, Hindi being the regional language of the state where the Registered Office and Corporate Office is located, and in the case of any revision, the extended Bid / Offer Closing Date shall also be notified on the website and terminals of the Syndicate Members, as required under the SEBI ICDR Regulations.
Bid / Offer Opening Date	Except in relation to any Bids received from the Anchor Investors, the date on which the Designated Intermediaries shall start accepting Bids, which shall be notified in two national daily newspapers, one each in English and Hindi daily newspaper, Hindi being the regional language of New Delhi and Haryana, where the Registered Office and Corporate Office is located, each with wide circulation, and in the case of any revision, the extended Bid / Offer Opening Date shall also be notified on the website and terminals of the Syndicate Members, as required under the SEBI ICDR Regulations
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
Bid Amount	The highest value of optional Bids indicated in the Bid cum Application Form and in the case of Retail Individual Bidders Bidding at Cut-off Price, the Cap Price multiplied by the number of Equity Shares Bid for by such Retail Individual Bidder 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	[●]
Bidder(s)	Any prospective investor who makes a Bid pursuant to the terms of this Red Herring Prospectus, and the Bid cum Application Form and unless otherwise stated or implied, includes an ASBA Bidder and an Anchor Investor
Bidding Centres	Centres at which the Designated Intermediaries shall accept the ASBA Forms, i.e., Designated Branches for SCSBs, Specified Locations for the 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
BRLMs or Book Running Lead Managers or Lead Managers	The book running lead managers to the Offer namely, ICICI Securities and Axis
Broker Centres	Broker centres 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 ( <a href="http://www.bseindia.com">www.bseindia.com</a> and <a href="http://www.nseindia.com">www.nseindia.com</a> ), as updated from time to time
CAN / Confirmation of Allocation Note	Notice or intimation of allocation of the Equity Shares to be 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 will not be finalised and above which no Bids will be accepted
Cash Escrow Agreement	The agreement dated March 7, 2018, entered into by our Company, the Selling Shareholder, the Registrar to the Offer, the Lead Managers and the Banker(s) to the Offer for, <i>inter alia</i> , collection of the Bid Amounts from Anchor Investors, transfer of funds to the Public Offer Account and where applicable, refunds of the amounts collected from the Anchor Investors, on the terms and conditions thereof
Client ID	Client identification number 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 #CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
Collecting RTA	A registrar to an issue and share transfer agent as defined under the SEBI (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 registered with SEBI and who is eligible to procure Bids at the Designated Collecting RTA Locations in terms

<b>Term</b>	<b>Description</b>
	of circular no. GR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI.
Cut-off Price	The Offer Price, finalised by our Company and the Selling Shareholder in consultation with the Lead Managers
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
Depository	A depository registered with SEBI under the Depositories Act
Designated Branches	Such branches of the SCSBs which shall collect the ASBA Forms, a list of which is available on the website of SEBI, at <a href="http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes">http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes</a> , or at such other website as may be prescribed by SEBI from time to time
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 ( <a href="http://www.bseindia.com">www.bseindia.com</a> and <a href="http://www.nseindia.com">www.nseindia.com</a> ), as updated from time to time
Designated Date	The date on which instructions are given to the Escrow Collection Bank(s) to transfer funds from Anchor Escrow Account(s) and SCSBs to unblock the ASBA Accounts and transfer the amounts blocked in the ASBA Accounts, as the case may be, to the Public Offer Account or the Refund Account, as appropriate, in terms of this Red Herring Prospectus and the Prospectus
Designated Intermediaries	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 ( <a href="http://www.bseindia.com">www.bseindia.com</a> and <a href="http://www.nseindia.com">www.nseindia.com</a> )
Designated SCSB Branches	Such branches of the SCSBs which shall collect the ASBA Forms used by the ASBA Bidders. A list of which is available on the website of SEBI at <a href="http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries">http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries</a>
Designated Stock Exchange	BSE
Draft Red Herring Prospectus or DRHP	The Draft Red Herring Prospectus dated December 7, 2017, issued in accordance with the SEBI ICDR Regulations, which does not contain complete particulars, including of the price at which the Equity Shares will be Allotted and the size of the Offer
Eligible FPIs	FPIs from such jurisdictions outside India where it is not unlawful to make an Issue / invitation under the Issue and in relation to whom this Red Herring Prospectus constitutes an invitation to purchase the Equity Shares offered thereby
Eligible NRI(s)	NRI(s) eligible to invest under Schedule 3 and Schedule 4 of the FEMA Regulations, 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 this Red Herring Prospectus will constitute an invitation to subscribe for or purchase the Equity Shares
Escrow Account(s)	Account(s) opened with the Escrow Collection Bank(s) in which Anchor Investors will deposit the Bid Amount
Escrow Agent	Escrow agent appointed pursuant to the Share Escrow Agreement, namely, Link Intime India Private Limited
Escrow Collection Bank(s)	Banks which are clearing members and registered with SEBI as bankers to an issue and with whom the Anchor Escrow Account will be opened, in this case being Axis Bank Limited
First Bidder	Bidder whose name is mentioned first in the Bid cum Application Form or the Revision Form and in case of joint Bids, whose name also appears 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
Fresh Issue	The fresh issue of up to [●] Equity Shares aggregating up to ₹3,000 million by our Company
General Information Document / GID	The General Information Document prepared and issued in accordance with the Circular #CIR/CFD/DIL/12/2013, dated October 23, 2013 notified by SEBI, and updated pursuant to, <i>inter alia</i> , Circular #CIR/CFD/POLICYCELL/11/2015, dated November 10, 2015 and Circular #SEBI/HO/CFD/DIL/CIR/P/2016/26, dated January 21, 2016, notified by SEBI and suitably modified to include legislative and

<b>Term</b>	<b>Description</b>
	regulatory updates, and included in “ <i>Offer Procedure</i> ” on page 480
Gross Proceeds	The Offer Proceeds less the amount to be raised pursuant to the Offer for Sale by the Selling Shareholder
ICICI Securities	ICICI Securities Limited
Insurance Companies	Any company registered with Insurance Regulatory and Development Authority as an insurance company
Members of the Syndicate	The Lead Managers and the Syndicate Member(s).
Monitoring Agency	The monitoring agency appointed under the Monitoring Agency Agreement dated March 7, 2018, in order to comply with the requirements of Regulation 16 of the SEBI ICDR Regulations to monitor the utilization of the proceeds from the Fresh Issue, namely YES Bank 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 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, as amended
Net Proceeds	Gross Proceeds of the Fresh Issue, less our Company’s share of the Offer expenses and listing fees.  For further information about use of the Offer Proceeds and the Offer expenses, see “ <i>Objects of the Offer</i> ” on page 97
Net QIB Portion	The portion of the QIB Portion, less the number of Equity Shares Allotted to the Anchor Investors
Non-Institutional Bidders / NIBs	All Bidders that are not QIBs or Retail Individual Bidders, 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 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 an NRIs, FIIs, FPIs and FVCIs
Non-Syndicate Registered Broker	A broker registered with SEBI under the Securities and Exchange Board of India (Stock Brokers and Sub Brokers) Regulations, 1992, as amended, having office in any of the Broker Centres, and eligible to procure Bids in terms of the circular No. CIR/ CFD/ 14/ 2012 dated October 4, 2012 issued by SEBI
Offer	The initial public offering of up to [●] Equity Shares of face value of ₹10 each for cash at a price of ₹[●] each, aggregating to ₹[●] million comprising the Fresh Issue and the Offer for Sale
Offer Agreement	The agreement dated December 7, 2017, executed among our Company, the Selling Shareholder and the Lead Managers, pursuant to which certain arrangements are agreed to in relation to the Offer
Offer for Sale	The offer for sale of up to 6,400,000 Equity Shares by the Selling Shareholder at the Offer Price aggregating up to ₹[●] million in terms of this Red Herring Prospectus
Offer Price	The final price at which Equity Shares will be Allotted to the successful Bidders, other than Anchor Investors. Equity Shares will be Allotted to Anchor Investors at the Anchor Investor Offer Price in terms of this Red Herring Prospectus.  The Offer Price will be decided by our Company and the Selling Shareholder, in consultation with Lead Managers, on the Pricing Date, in accordance with the Book Building Process and this Red Herring Prospectus
Offer Proceeds	The proceeds of this Offer that will be available to our Company and the Selling Shareholder
Price Band	Price band of a minimum price of ₹[●] per Equity Share (Floor Price) and the maximum price of ₹[●] per Equity Share (Cap Price) including any revisions thereof.  The Price Band and the minimum Bid Lot size for the Offer will be decided by our Company and the Selling Shareholder in consultation with the Lead Managers, and will be advertised, at least five Working Days prior to the Bid / Offer Opening Date, with the relevant financial ratios calculated at the Floor Price and at the Cap Price, in all editions of Financial Express and Jansatta, (which are widely circulated English and Hindi newspapers, respectively, Hindi being the regional language of New Delhi and Haryana, where our Registered and Corporate Office is located). 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 and the Selling Shareholder in consultation with Lead Managers, will finalise the Offer Price



<b>Term</b>	<b>Description</b>
Prospectus	The Prospectus to be filed with the RoC, on or after the Pricing Date in accordance with Section 26 of the Companies Act, 2013, and the SEBI ICDR Regulations, containing, <i>inter alia</i> , 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 Banker(s) to the Offer with whom the Public Offer Account(s) shall be maintained, in this case being Axis Bank Limited
Public Offer Account(s)	Bank account opened under Section 40(3) of the Companies Act, 2013 to receive monies from the Anchor Escrow Account(s) and ASBA Accounts on the Designated Date
QIB Category / QIB Portion	The portion of the Offer (including the Anchor Investor Portion) being not more than 50% of the Offer or [●] Equity Shares, available for allocation to QIBs (including Anchor Investors) on a proportionate basis (in which allocation shall be on a discretionary basis, as determined by our Company, in consultation with the Lead Managers), subject to valid Bids being received at our above the Offer Price
Qualified Institutional Buyer(s) or QIBs or QIB Bidders	Qualified institutional buyer(s) as defined under Regulation 2(1)(zd) of the SEBI ICDR Regulations
Red Herring Prospectus or RHP	This Red Herring Prospectus dated March 7, 2018, issued in accordance with Section 32 of the Companies Act, 2013 and the provisions of the SEBI ICDR Regulations, which does 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.  This 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(s), 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 which the Refund Account(s) will be opened, in this case being Axis Bank Limited
Refunds through electronic transfer of funds	Refunds through electronic transfer of funds means refunds through NECS, Direct Credit, NEFT or RTGS, as applicable
Registered Brokers	Stock brokers registered with the stock exchanges having nationwide terminals, other than the BRLMs and the Syndicate Members who are eligible to procure Bids in terms of Circular #CIR/CFD/14/2012 dated October 4, 2012 issued by SEBI
Registrar Agreement	Registrar agreement dated December 5, 2017, amongst our Company, the Selling Shareholder and the Registrar to the Offer
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 #CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
Registrar to the Offer or Registrar	Link Intime India Private Limited
Retail Discount	Our Company and the Selling Shareholder, in consultation with the Lead Managers, may decide to offer a discount of [●]% to the Floor Price, <i>i.e.</i> , ₹[●] to Retail Individual Investors and which shall be announced at least five Working Days prior to the Bid / Issue Opening Date
Resident Indian	A person resident in India, as defined under FEMA
Retail Individual Bidder(s) / RIB(s)	Individual Bidders who have Bid for the Equity Shares for an amount of not more than ₹200,000 in any of the bidding options in the Offer (including HUFs applying through their karta and Eligible NRIs)
Retail Portion	The portion of the Offer being not less than 35% of the Offer consisting of [●] Equity Shares which shall be available for allocation to Retail Individual Bidder(s) in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price
Restated Consolidated Financial Information / Restated Consolidated Summary Statements	Restated consolidated statement of assets and liabilities of our Company as at September 30, 2017, and March 31, 2017, March 31, 2016, March 31, 2015, March 31, 2014 and March 31, 2013, and the restated consolidated statement of profit and loss and the restated consolidated statement of cash flows of our Company, for the six months period ended September 30, 2017, and March 31, 2017, March 31, 2016, March 31, 2015, March 31, 2014 and March 31, 2013 and included in the section “ <i>Financial Statements</i> ” on page 248
Restated Standalone Financial Information / Restated Unconsolidated Summary Statements	Restated unconsolidated statement of assets and liabilities of our Company as at September 30, 2017, and March 31, 2017, March 31, 2016, March 31, 2015, March 31, 2014 and March 31, 2013 and the restated unconsolidated statement of profit and loss and the restated unconsolidated statement of cash flows of our Company, for the six months period ended September 30, 2017, and March 31, 2017, March 31, 2016, March 31, 2015, March 31, 2014 and March 31, 2013 and included in the section

<b>Term</b>	<b>Description</b>
	“Financial Statements” on page 248
Revision Form(s)	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).  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 <a href="http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes">http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes</a> , and updated from time to time
Share Escrow Agreement	The agreement dated March 7, 2018, entered into among the Selling Shareholder, our Company, the Lead Managers, and the Share Escrow Agent in connection with the transfer of Equity Shares under the Offer for Sale by the Selling Shareholder 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 available on the website of SEBI ( <a href="http://www.sebi.gov.in">www.sebi.gov.in</a> ) and updated from time to time
Sub-Syndicate Member	A SEBI Registered member of BSE and / or NSE appointed by the BRLMs and / or Syndicate Member(s) to act as a Sub Syndicate Member in the Offer
Syndicate	The Lead Managers and the Syndicate Members
Syndicate Agreement	The agreement dated March 7, 2018, entered into among the Lead Managers, the Syndicate Members, our Company and the Selling Shareholder in relation to collection of Bid cum Application Forms by the Syndicate
Syndicate ASBA Centres	Bidding Centres where an ASBA Bidder can submit his ASBA Form to the Syndicate Member and prescribed by SEBI from time to time
Syndicate Members	Intermediaries registered with SEBI who are permitted to carry out activities as an underwriter, namely ICICI Securities Limited and Axis Capital Limited
Transaction Registration Slip/ TRS	The slip or document issued by Designated Intermediary (SCSB to issue TRS only on demand), as the case may be, to the Bidder as proof of registration of the Bid
Underwriter(s)	The Lead Managers and the Syndicate Members
Underwriting Agreement	The agreement among the Underwriters, our Company and the Selling Shareholder to be entered into on or after the Pricing Date, but prior to the filing of the Prospectus with the RoC
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 (c) 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**

<b>Term</b>	<b>Description</b>
Ashok Leyland	Ashok Leyland Limited
Arkay Fabsteel	Arkay Fabsteel Systems Private Limited
Atlas Copco	Atlas Copco (India) Limited
Autoliv	Autoliv India Private Limited
AVN	Audio-visual and navigation
Bosch	Robert Bosch GmbH
BS IV norms	Bharat Stage IV emission norms
Caterpillar	Caterpillar India Private Limited
CFO	Chief Financial Officer
CGU	Cash generating unit
CPD	Central procurement division
CTS	Together, CTS India Private Limited and, CTS Corporation
DMRG	DMRG Investment Private Limited
Doosan Bobcat	Doosan Bobcat India Private Limited
Escorts	Escorts Limited

<b>Term</b>	<b>Description</b>
EVAP	Evaporative Emission Control System
Hero	Hero MotorCorp Limited
Honda Cars	Honda Cars India Limited
Honda Lock	Honda Lock Manufacturing Company Limited
HSIIDC	Haryana State Industrial & Infrastructure Development Corporation Limited
Hyundai Construction	Hyundai Construction Equipment India Private Limited
IDC	Industrial development corporation
International Tractors	International Tractors Limited
JCB	JCB India Limited
JEM Techno	JEM Techno Co. Limited, Korea
Kobelco	Kobelco Construction Equipment India Private Limited
Komatsu	Komatsu India Private Limited
LeeBoy India	LeeBoy India Construction Equipment (P) Limited
Mahindra & Mahindra	Mahindra and Mahindra Limited
MIDC	Maharashtra Industrial Development Corporation
OEM	Original Equipment Manufacturer
OHV	Off-highway vehicle
Potain India	Potain India Private Limited
RIICO	Rajasthan State Industrial Development and Investment Corporation
Royal Enfield	Royal Enfield, a unit of Eicher Motors Group
Scania	Scania Commercial Vehicles India Private Limited
SCID	Sandhar Centre for Innovation and Development, Gurugram
SML Isuzu	SML Isuzu Limited
Steady Stream	Steady Stream Business Limited, Taiwan
Suzuki	Suzuki Motorcycle India Private Limited
Tata Motors	Tata Motors Limited
TAFE	Tractors and Farm Equipment Limited
TVS	TVS Motor Company Limited
UM Lohia	UM Lohia Two Wheelers Private Limited
Volvo	Volvo Group India Private Limited
Yamaha	India Yamaha Motor Private Limited

## CONVENTIONAL AND GENERAL TERMS OR ABBREVIATIONS

<b>Term</b>	<b>Description</b>
₹ / Rs. / Rupees / INR	Indian Rupees
AGM	Annual general meeting
AIF	Alternative Investment Fund as defined in and registered with SEBI under the SEBI AIF Regulations
AS / Accounting Standards	Accounting Standards issued by the ICAI under the provisions of the Companies Act
AY	Assessment year
BPLR	Bank prime lending rate
BG	Bank guarantee
BR	Base rate
BSE	BSE Limited
Bn / bn	Billion
CAGR	Compounded annual growth rate being the annualised average year-on-year growth rate over a specific period of time which is calculated using the formula as below:  $\left\{ \frac{V(t_n)}{V(t_0)} \right\}^{1/(t_n-t_0)} - 1^*$ <p>* V(t<sub>0</sub>): start value, V(t<sub>n</sub>): finish value, t<sub>n</sub>-t<sub>0</sub>: number of years</p>
CC	Cash credit
Category I Foreign Portfolio Investors	FPIs registered as “Category I foreign portfolio investors” under the SEBI FPI Regulations
Category II Foreign Portfolio Investors	FPIs registered as “Category II foreign portfolio investors” under the SEBI FPI Regulations
Category III Foreign Portfolio Investors	FPIs 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 Limited
CII	Confederation of Indian Industry

<b>Term</b>	<b>Description</b>
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	Consolidated FDI Policy, effective from August 28, 2017, issued by the DIPP including any modifications thereto or substitutions thereof
CSR	Corporate social responsibility
CST	Central sales tax
CST Act	Central Sales Tax Act, 1956
CWIP	Capital work in progress
Depositories	NSDL and CDSL
Depositories Act	Depositories Act, 1996
DIN	Director Identification Number
DIPP	Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India
DP / Depository Participant	A depository participant as defined under the Depositories Act
DP ID	Depository Participant's Identification
EBITDA	Earnings Before Interest Taxes Depreciation and Amortisation
EGM	Extraordinary general meeting
EPS	Earnings Per Share
ERP	Enterprise resource planning
EUR	Euro
FCNR Account	Foreign currency non-resident account
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, 2000, as amended
FG	Finished goods
FII(s)	Foreign institutional investors as defined under the SEBI FPI Regulations investing under the portfolio investment scheme under Schedule 2 of the FEMA Regulations
Finance Act	Chapter V of the Finance Act, 1994
Financial Year / Fiscal(s) / FY	Unless stated otherwise, the period of 12 months ending March 31 of that particular year
FIPB	Foreign Investment Promotion Board
FLC	Foreign letter of credit
FPI(s)	Foreign portfolio investors as defined under the SEBI FPI Regulations investing under the portfolio investment scheme under Schedule 2A of the FEMA Regulations
FVCI	Foreign venture capital investors as defined and registered under the SEBI FVCI Regulations
GDP	Gross domestic product
GoI, Government of India, Central Government	Government of India
GST	Goods and service tax
HNI	High Net worth Individual
ICAI	The Institute of Chartered Accountants of India
IFRS	International Financial Reporting Standards
India	Republic of India
Indian GAAP	Generally Accepted Accounting Principles in India
Insider Trading Regulations	The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended
IPO	Initial public offering
IRDAI	Insurance Regulatory and Development Authority of India
ISO	International Organisation for Standardisation
I.T. Act	Income Tax Act, 1961
LEED	Leadership in Energy and Environmental Design
LER	Loan equivalent risk
LOC	Letters of credit
LOU	Letter of undertaking
LLP Act	The Limited Liability Partnership Act, 2008
MAT	Minimum Alternate Tax

<b>Term</b>	<b>Description</b>
MCA	Ministry of Corporate Affairs, Government of India
MICR	Magnetic ink character recognition
Mn / mn	Million
MOU	Memorandum of understanding
Mutual Fund(s)	Mutual Fund(s) means mutual funds registered under the SEBI (Mutual Funds) Regulations, 1996
N.A./ NA	Not applicable
NAV	Net Asset Value
NAFTA	North American Free Trade Agreement
NBFC	Non-banking financial company registered with the RBI
NCR	National capital region
NECS	National electronic clearing services
NEFT	National electronic fund transfer
Net Worth	Net worth represents sum of equity share capital and reserves and surplus (including securities premium, general reserve, capital reserve, capital redemption reserve, foreign currency translation reserve, and surplus in the Statement of Profit
NOC	No objection certificate.
Notified Sections	The sections of the Companies Act, 2013 that have been notified by the MCA and are currently in effect.
NCLT	National Company Law Tribunal
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	A person resident outside India who is a citizen of India, as defined under the Foreign Exchange Management (Deposit) Regulations, 2016, 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(s) / 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
OHSAS	Occupational Health and Safety Assessment Series
P / E Ratio	Price / Earnings Ratio
p.a.	Per annum
PAN	Permanent Account Number
PAT	Profit After Tax
PBT	Profit before tax
PIO	Persons of Indian origin
PLR	Prime lending rate
PPE	Property plant equipment
RBI	The Reserve Bank of India
Regulation S	Regulation S under the Securities Act
RoNW	Return on Net Worth
R&D	Research and development
RTGS	Real Time Gross Settlement
Rupees/ INR	Indian Rupees
SCRA	Securities Contracts (Regulation) Act, 1956, as amended
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended
SEBI	The Securities and Exchange Board of India constituted under the SEBI Act
SEBI Act	Securities and Exchange Board of India Act, 1992, as amended
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as amended
SEBI FII Regulations	Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995, as amended
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, as amended
SEBI FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investor) Regulations, 2000, as amended

<b>Term</b>	<b>Description</b>
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended
SEBI VCF Regulations	Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996, as amended
Securities Act	U. S. Securities Act of 1933, as amended
Service Tax Rules	Service Tax Rules, 1994, as amended
SIA	Secretariat of Industrial Assistance, Department of Industrial Policy & Promotion, Ministry of Commerce and Industry, Government of India
SICA	Sick Industrial Companies (Special Provisions) Act, 1985
SPV	Special Purpose Vehicle
Sq. ft.	Square feet
Sq. m.	Square metre
Stamp Act	The Indian Stamp Act, 1899
State Government	The government of a state in India
Stock Exchanges	BSE and NSE
STT	Securities Transaction Tax
Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended
U.S. GAAP	Generally Accepted Accounting Principles in the USA
USD	United States Dollars
VAS	Value Added Services
VAT	Value Added Tax
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
WIP	Work in progress

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

Notwithstanding the foregoing, terms in “*Statement of Possible Special Tax Benefits*”, “*Financial Statements*”, “*Regulations and Policies*” “*Main Provisions of Articles of Association*” and “*Offer Procedure – General Information Document*” on pages 113, 248, 190, 522, and 490 respectively, shall have the meaning given to such terms in such sections. Page numbers refer to page number of this Red Herring Prospectus, unless otherwise specified.

Unless stated otherwise, the meanings ascribed to the terms defined under the “*Glossary and Abbreviations – Part B – General Information Document*” under “*Offer Procedure*” on page 516, shall only be in respect of such terms used in “*Part B - General Information Document*”.

## PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA

### CERTAIN CONVENTIONS

All references to “India” in this Red Herring Prospectus are to the Republic of India and all references to the “U.S.,” “USA” or “United States” are to the United States of America. Further, all references to following countries are:

Sr. No.	Reference	Country
1.	China	People’s Republic of China
2.	Indonesia	Republic of Indonesia
3.	Japan	Japan
4.	Mexico	Estados Unidos Mexicanos or the United Mexican States
5.	Netherlands	Kingdom of Netherlands
6.	Poland	Republic of Poland or the Rzeczpospolita Polska
7.	South Korea	Republic of Korea
8.	Spain	Kingdom of Spain

### FINANCIAL DATA

Unless stated or the context requires otherwise, the financial information in this Red Herring Prospectus is derived from our Restated Consolidated Summary Statements and Restated Unconsolidated Summary Statements, prepared in accordance with the Companies Act, 2013, and Indian GAAP, and restated in accordance with the SEBI ICDR Regulations. For further information, see “*Financial Information*” on page 248. Certain other additional financial information pertaining to our Group Entities is derived from their respective audited financial statements.

In this Red Herring Prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off. In this Red Herring Prospectus, all numerical figures in decimals have been rounded off to the second decimal, and all percentage numbers have been rounded off to two places. Further, unless stated otherwise, references to all financial figures and financial ratios in this Red Herring Prospectus have been derived from the Restated Unconsolidated Summary Statements.

Our Company’s Financial Year commences on April 1 and ends on March 31 of the following calendar year. Accordingly, all references to a particular Financial Year, unless stated otherwise, are to the 12 month period ended March 31 of that year.

Our Restated Financial Statements have been prepared in accordance with Section 26 of Part I of Chapter III of the Companies Act, 2013, read with Rule 4 to Rule 6 of Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended, and the SEBI ICDR Regulations. The Restated Unconsolidated Summary Statements and the Restated Consolidated Summary Statements have been included in this Red Herring Prospectus. There are significant differences between Indian GAAP, 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 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.

For details in connection with risks involving differences between Indian GAAP and IFRS, see “*Risk Factors – 59. Significant differences exist between Indian GAAP and other accounting principles, such as US GAAP and IFRS, which may be material to investors’ assessments of our financial condition*” on page 45. The degree to which the financial information included in this Red Herring Prospectus will provide meaningful information is entirely dependent on the reader’s level of familiarity with Indian accounting policies and practices, Indian GAAP, the Companies Act, 2013 and the SEBI ICDR Regulations. Any reliance by persons not familiar with Indian accounting policies and practices on the financial disclosures presented in this Red Herring Prospectus should accordingly be limited. Any reliance by persons not familiar with Indian accounting policies, Indian GAAP, the Companies Act, the SEBI ICDR Regulations and practices on the financial disclosures presented in this 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 20,

163, and 417 respectively, and elsewhere in this Red Herring Prospectus have been calculated on the basis of the Restated Consolidated Summary Statements and Restated Unconsolidated Summary Statements of our Company prepared in accordance with the Companies Act, Indian GAAP and restated in accordance with the SEBI ICDR Regulations.

## CURRENCY AND UNITS OF PRESENTATION

All references to:

- “Rupees” or “INR” or “₹” are to Indian Rupee, the official currency of the Republic of India;
- “USD” are to United States Dollar, the official currency of the United States of America;
- “Euro” or “EUR” are to Euro, the official currency of the European Union and consequently, the official currency of the Republic of Poland and the Kingdom of Spain;
- “IDR” or “Rp” are to Indonesian Rupiah, the official currency of the Republic of Indonesia;
- “PLN” is to Polish Złoty, the official currency of the Republic of Poland;
- “MXN” is to Mexican Peso, the official currency of the Estados Unidos Mexicanos or Mexico; and
- “JPN” is to Japanese Yen, the official currency of Japan.

Except otherwise specified, our Company has presented certain numerical information in this Red Herring Prospectus in “million” units. One million represents 1,000,000 and one billion represents 1,000,000,000.

## EXCHANGE RATES

This 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 other currencies:

Currency	Closing rates as on December 31, 2017	Closing rates as on September 30, 2017	Closing rates as on March 31, (in ₹)				
			2017	2016	2015	2014	2013
USD	63.71	65.42	64.75	66.14	62.53	59.76	54.36
EUR	76.32	77.20	69.51	74.82	67.85	82.18	69.66
JPY	0.57	0.58	0.58	0.59	0.52	0.58	0.58
MXN	3.24	3.60	3.46	3.83	4.10	4.57	4.41
IDR	0.47	0.48	0.49	0.50	0.48	0.53	0.56
PLN	18.26	17.90	16.46	17.58	16.56	19.40	16.45

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

Note: For IDR – INR, the rate is for 100 IDR

## LAND AND UNITS OF PRESENTATION

Our Company has presented units of land in this Red Herring Prospectus in ‘square meters’ and ‘square feet’.

## INDUSTRY AND MARKET DATA

Unless stated otherwise, industry and market data used in this Red Herring Prospectus has been obtained or derived from publicly available information as well as industry publications and sources.

Information has been included in this Red Herring Prospectus based on a report published by CRISIL titled “Review & Outlook on Indian Automobile / Automotive Component Sectors” (“**CRISIL Report**”) which was commissioned by us, as well as publicly available documents and information, including, but not restricted to



materials issued or commissioned by the Government of India and certain of its ministries, trade, and industry specific publications, and other relevant third-party sources. For details of risks in relation to the CRISIL Report, see “*Risk Factors – Third party statistical and financial data in this Red Herring Prospectus may be incomplete and unreliable*” on page 42.

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 that the industry and market data used in this Red Herring Prospectus is reliable, it has not been independently verified by us, the Selling Shareholder, the Lead Managers or any of their respective 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 20. Accordingly, investment decisions should not be based solely on such information.

The extent to which the market and industry data used in this 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.

In accordance with the SEBI ICDR Regulations, the section “*Basis for Offer Price*” beginning on page 110 includes information relating to our peer group companies. Such information has been derived from publicly available sources, and neither we, the Selling Shareholder, nor the Lead Managers, have independently verified such information.

## FORWARD-LOOKING STATEMENTS

This Red Herring Prospectus contains certain “forward-looking statements”. These forward-looking statements generally can be identified by words or phrases such as “aim”, “anticipate”, “believe”, “expect”, “estimate”, “intend”, “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 statements contained in this 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, objectives, strategies, goals and prospects are forward-looking statements.

All forward-looking statements 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.

Further, actual results may differ materially from those suggested by the forward-looking statements due to risks or uncertainties or assumptions associated with the expectations with respect to, but not limited to, regulatory changes pertaining to the industry in which our Company operates 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, changes in competition in its industry and incidents of any natural calamities and / or acts of violence.

Important factors that could cause actual results to differ materially from our expectations include, but are not limited to, the following:

- Dependency on a limited number of customers for a significant portion of our revenues, and the fact that a loss of a major customer or significant reduction in production or sales of, or demand for our products from our major customers may adversely affect our business, financial condition, results of operations, and prospects.
- Existence of outstanding litigation against our Company, our Subsidiary and a Group Entity, and the fact that any adverse outcome in any of these proceedings may adversely affect our profitability and reputation, and may have a material adverse effect on our financial condition and results of operations.
- Our substantial amount of indebtedness, which requires significant cash flows to service such debts, and the continuation of a substantial indebtedness and debt service obligations following the Offer. Further, the existence of certain financial and other restrictive covenants in relation to our indebtedness which limit our ability to operate freely and the fact that our inability to meet our obligations could adversely affect our business and results of operations.
- We experience insufficient cash flows to fund our working capital requirements, or to service our working capital loans, and there may be an adverse effect on our business, financial condition, results of operations, and prospects.
- Our contingent liabilities, as per AS 29, could adversely affect our results of operations, cash flows, and financial condition.

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 20, 163, and 417, 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.

Although we believe that the assumptions on which such forward-looking statements are based are reasonable, we cannot assure investors that the expectations reflected in these forward-looking statements will prove to be

correct. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements and not to regard such statements as a guarantee of future performance.

Forward-looking statements reflect the current views of our Company as of the date of this Red Herring Prospectus and are not a guarantee of future performance. These statements are based on the 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 are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect. Neither our Company, our Promoter, our Directors, the Selling Shareholder, the Lead Managers, 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 the 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 it in this Red Herring Prospectus until the time of the grant of listing and trading permission by the Stock Exchanges for this Offer.

## SECTION II: RISK FACTORS

*An investment in equity shares involves a high degree of risk. You should carefully consider all the information in the Draft Red Herring Prospectus, this Red Herring Prospectus and the Prospectus, including the risks and uncertainties described below, before making an investment in the Equity Shares. If one, or a combination of any of the following risks occurs, our business, prospects, financial condition, cash flows and results of operations could suffer, the trading price of the Equity Shares could decline, and you may lose all, or part of your investment. In addition, the risks set out in this section may not be exhaustive, and additional risks and uncertainties not presently known to us, or which we currently deem to be immaterial, may arise or may become material in the future.*

*Unless specified in the relevant risk factors below, we are not in a position to quantify the financial implication of any of the risks mentioned below. Any potential investor in, and purchaser of the Equity Shares should pay attention to the fact that we are governed in India, by a legal and regulatory environment which may be different from that which prevails in other countries in material respects.*

*In making an investment decision, prospective investors must rely on their own examination of us on a consolidated and standalone basis and the terms of the Offer including the merits and the risks involved. To obtain a complete understanding of our business, you should read the sections “Our Business” and “Management's Discussion and Analysis of Financial Condition and Result of Operations” on pages 163 and 417, respectively. If our business, results of operations or financial condition suffer, the price of our Equity Shares and the value of your investments in the Equity Shares could decline. This Red Herring Prospectus also contains forward-looking statements that involve risks and uncertainties. Our 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 Red Herring Prospectus. Unless otherwise stated or the context otherwise requires, the financial information of our Company used in this section has been derived from our Restated Consolidated Summary Statements.*

### INTERNAL RISK FACTORS

#### *Risks Relating to Our Business*

- 1. *We depend on a limited number of customers for a significant portion of our revenues. The loss of a major customer or significant reduction in production and sales of, or demand for our products from our major customers may adversely affect our business, financial condition, results of operations and prospects.***

A significant majority of our consolidated revenue from operations (net) is from sales to OEMs. OEM sales constituted 78.76% and 75.09% of our income from operations (net) in the six months period ended September 30, 2017 and Fiscal 2017, respectively. Within OEM sales, we depend on a limited number of customers for a significant portion of our revenues. Revenue from our top five customers constituted 67.15%, 67.86%, 66.80%, 66.60% and 65.59% of our consolidated income from operations (net) for Fiscal 2017, Fiscal 2016, Fiscal 2015, Fiscal 2014, and Fiscal 2013, respectively, and 70.27% for the six months period ended September 30, 2017. The names of our top five customers and the percentage of the Company's income from operations (net) derived from sales made to such customers for the six months period ended September 30, 2017, and for each of Fiscal 2017, Fiscal 2016, Fiscal 2015, Fiscal 2014, and Fiscal 2013, are set forth in the table below.

<b>Percentage of the Company's income from operations (net) contributed by sales made to the customer (%)</b>							
Sr. No.	Name of customer	Revenue from sales for the six months period ended September 30, 2017	Fiscal 2017	Fiscal 2016	Fiscal 2015	Fiscal 2014	Fiscal 2013
1.	Hero	29.25	28.20	29.86	30.46	32.47	31.67
2.	TVS	23.63	20.12	17.37	17.30	17.28	19.69
3.	Honda	8.49	8.02	10.35	8.74	5.39	4.04
4.	Bosch	4.83	5.50	5.41	5.85	6.21	5.86
5.	Royal Enfield <sup>(*)</sup>	4.07	-	-	-	-	-
5.	Global Automotive Component Supplier <sup>(**)</sup>	-	5.31	4.87	4.45	5.25	4.33

<sup>(\*)</sup> Royal Enfield formed part of the Company's top five customers only for the six months period ended September 30, 2017.

<sup>(\*\*)</sup> The global automotive component supplier formed part of the Company's top five customers for each of Fiscal 2017, Fiscal 2016, Fiscal 2015, Fiscal 2014, and Fiscal 2013.

For Fiscal 2017, Fiscal 2016, Fiscal 2015, Fiscal 2014, and Fiscal 2013, the number of customers which individually contributed more than 5% of our revenue on a consolidated basis was five, four, four, five, and three, respectively and on an unconsolidated basis was four, three, three, three, and two, respectively. Similarly, for the six months period ended September 30, 2017 the number of customers which individually contributed more than 5% of our revenue on a consolidated basis was three, and on an unconsolidated basis was three. We do not have firm commitment from our customers for any particular quantity of work or price, and purchase orders may be amended or cancelled by the customers.

It is difficult to forecast the success or sustainability of any strategies undertaken by any of our major customers in response to the current economic or industry environment. Unfavourable industry conditions can also result in an increase in commercial disputes and other risks of supply disruption. A sustained decline in the demand for products produced by our OEM customers could prompt them to cut their production volumes, directly affecting the demand from OEMs for our products. In addition to decline in demand for existing products, insufficient demand for new products launched by our OEMs may also affect demand for our products from such OEMs.

Further, it is common for large OEMs to source their parts from a relatively small numbers of vendors, and as a result, our customers often undertake vendor rationalisation to reduce costs related to procurement from multiple vendors. Since we are significantly dependent on certain key customers for a significant portion of our sales, the loss of any one of our key customers or a significant reduction in demand from such customers could have an adverse effect on our business, results of operations and financial condition.

2. ***There are outstanding litigation against our Company, our Subsidiary and a Group Entity. Any adverse outcome in any of these proceedings may adversely affect our profitability and reputation, and may have a material adverse effect on our financial condition and results of operations.***

There are certain outstanding legal proceedings involving our Company, our Subsidiary and a Group Entity. These proceedings are pending at different levels of adjudication before various courts, tribunals, authorities, and appellate tribunals. The brief details of such outstanding material litigation as on the date of this Red Herring Prospectus, are as follows:

*Litigation against our Company:*

Nature of cases	Number of cases outstanding	Amount involved (in ₹million)
Direct Tax Proceedings	5	5.00
Indirect Tax Proceedings	31	32.68

*Litigation against our Subsidiary:*

*ST Barcelona*

Nature of cases	Number of cases outstanding	Amount involved (in € million)
Labour Matters	3	0.57

*Litigation against our Group Entity:*

*Jubin Finance & Investment Limited*

Nature of cases	Number of cases outstanding	Amount involved (in ₹ million)
Income Tax Proceeding(s)	1	2.69

For further details see, “*Outstanding Litigation and Material Developments*” on page 450.

We cannot assure you that these legal proceedings will be decided in favour of our Company, our Subsidiary or Group Entity, as the case may be, or that no further liability will arise out of these proceedings. Further, such legal proceedings could divert management time and attention and consume financial resources. Any adverse outcome in any of these proceedings may adversely affect our profitability and reputation and may have a material adverse effect on our financial condition and results of operations.

**3. We have a substantial amount of indebtedness, which requires significant cash flows to service such debts, and will continue to have substantial indebtedness and debt service obligations following the Offer. Certain financial and other restrictive covenants in relation to this indebtedness limit our ability to operate freely, and our inability to meet our obligations could adversely affect our business and results of operations.**

As of September 30, 2017, and December 31, 2017, our Company had total secured borrowings (long term and short term) of ₹2,794.54 million and ₹3,240.97 million, respectively, and total unsecured borrowings (long term and short term) of ₹1,937.52 million and ₹1,917.28 million, respectively on a consolidated basis.

The high amount of unsecured borrowings on a consolidated basis *vis-à-vis* on an unconsolidated basis is primarily on account of borrowings of one of our Subsidiaries, ST Barcelona. As at September 30, 2017, ST Barcelona had total secured borrowings (long term and short term) of ₹140.33 million, and total unsecured borrowings (long term and short term) of ₹1,365.02 million, representing 5.02% of the Company's secured borrowings (long term and short term), and 70.45% of the Company's unsecured borrowings (long term and short term), on a consolidated basis. The aggregate of ST Barcelona's secured and unsecured borrowings (long term and short term) stood at ₹1,505.35 million as on September 30, 2017, representing 31.81% of the Company's total long term and short-term borrowings on a consolidated basis.

These borrowings are primarily secured by stand-by-letter of credits and through collateral security provided by the Company over its current assets, fixed assets, and an equitable mortgage of specified immoveable properties of the Company. However, since ST Barcelona being the primary borrower has not provided any security to the lenders for its borrowings, such borrowings have been shown as 'unsecured borrowings' in the consolidated financial statements of the Company.

For details, see "*Financial Indebtedness*" on page 448. We may incur additional borrowings in the future to meet our business requirements.

Our ability to meet our debt service obligations and repay our outstanding borrowings will depend primarily on the revenues and cash flows generated by our business. We cannot assure you that we will generate sufficient revenues and cash flows to service existing or proposed borrowings or fund other liquidity needs.

Our financing agreements contain certain restrictive covenants and events of default that limit our ability to undertake certain types of transactions, which may adversely affect our business and financial condition. These financing agreements also require us to maintain certain financial ratios. Covenants under our financing agreements, *inter alia*, include the following restrictions:

- Alteration of our capital structure in any manner;
- Making certain restricted payments (including declaration of dividend for any year except out of profits for the year and after meeting the bank's obligations);
- Prepaying any indebtedness prior to its maturity date;
- Undertaking any guarantee obligations on behalf of any other person;
- Undertaking sale or other disposition of assets;
- Making drastic changes to management set-up and alteration in the constitution of our Company;
- Undertaking change or expansion in scope of business; and
- Entering into certain transactions such as reorganisations, amalgamations and mergers.

Failure to meet the conditions listed above, or obtaining consents from lenders as may be required could have significant consequences for our business.

Additionally, if we fail to meet our debt service obligations, covenants or approvals to undertake certain transactions provided under the financing agreements, the relevant lenders could declare us in default under the terms of our agreements, accelerate the maturity of our obligations, terminate existing credit facilities,

take over the financed project and / or trigger cross-defaults under certain of our other financing agreements. We cannot assure you that in the event of any such acceleration or cross-default, we will have sufficient resources to repay these borrowings. Any such failure on our part to meet our obligations under the debt financing agreements could have an adverse effect on our business and results of operations. For further details, see “*Financial Indebtedness*” on page 448.

4. ***If we experience insufficient cash flows to fund our working capital requirements or to service our working capital loans, there may be an adverse effect on our business, financial condition, results of operations and prospects.***

Our working capital requirements have increased significantly in recent years, due to the general growth in our business. While our working capital requirements are primarily met through customer bill discounting, there is no assurance that our customers will continue these bill discounting facilities. Withdrawal of bill discounting facilities by any of our customers may create additional stress on our working capital funding. Any mismatch in cash flows could result in liquidity constraints, and may increase our working capital requirements. Further, most of our projects require permanent working capital infusion, which is not separately funded by the banks or financial institutions and is met out of our internal accruals which increases our working capital requirements.

Details of working capital requirements, on a consolidated basis, are provided below:

Particulars	(₹ in million)			
	Nine months ended December 31, 2017	Fiscal 2017	Fiscal 2016	Fiscal 2015
Working Capital sanctioned (fund based)	3,313.87	2,568.45	1,611.45	1,658.28
Working capital borrowings availed as at the end of the financial year / period	2,223.62	1,832.64	1,246.84	1,422.86

If a significant customer defaults on, or delays payment on any order to which we have devoted significant resources, it may affect our profitability and liquidity and decrease capital resources available to us for other uses, including our obligations under the credit facilities granted to us by our lenders. This could increase the quantum of payables to our suppliers, which may further result in reduced availability of raw materials and / or increased raw material costs. If we are unable to finance our working capital needs or to secure other financing, when needed, on acceptable commercial terms, it may adversely affect our business, financial condition, results of operations and prospects.

5. ***We intend to use a portion of the Net Proceeds to prepay / repay certain loan facilities.***

One of the objects of the Offer is the prepayment / repayment of certain loan facilities, in full or in part, availed by our Company. As on the date of this Red Herring Prospectus, our Company has not been in default in meeting any conditions prescribed under the documentation governing each of these loans. Further, there are no interest overdues, or requests received from banks or financial institutions, seeking a revision to the repayment schedule governing these loans. Our Company intends to utilise an amount of up to ₹2,250 million from the Net Proceeds, constituting 75% of the total Fresh Issue size, towards the prepayment / repayment of these loan facilities. For details of the outstanding loans proposed for repayment or prepayment, in full or in part from the Net Proceeds, without any obligation to any particular bank or financial institution, see “*Objects of the Offer – Details of the Objects – Repayment or Prepayment in Full or in Part of Certain Loans availed by our Company*” on page 98. The amount utilized to prepay / repay these loans will, therefore, not be available for investment in our business and will not result in any immediate increase in the value of your investment in our Equity Shares.

6. ***Our contingent liabilities, as per AS 29, could adversely affect our results of operations, cash flows and financial condition.***

As of September 30, 2017, we had contingent liabilities (that had not been provided for), in the following amounts, as disclosed in our Restated Consolidated Summary Statements:

Sr. No.	Particulars	(₹ in million)
		As of September 30, 2017
A.	Claims against the Group not acknowledged as debts	

Sr. No.	Particulars	As of September 30, 2017
1.	Excise duty demands	NIL
2.	Service tax demands	38.67
3.	Income tax demands	5.00
4.	Sales tax / VAT demand	0.13
5.	Demand notice against land (Chakan and Pathredi)	83.75
6.	Other matters	3.67
<b>B.</b>	Guarantees given by the Group	6.73
<b>C.</b>	Bills discounting with bank	794.13
<b>GRAND TOTAL (A + B + C)</b>		<b>932.08</b>

If any of aforementioned contingent liabilities materialise, it could have a material adverse effect on our results of operations, cash flows and financial condition. For further details, see “*Financial Statements*” on page 248.

**7. *Our Previous Auditors have included certain qualifications and matters of emphasis in their auditor’s reports.***

The Previous Auditor’s report on our audited unconsolidated financial statements as at, and for the years ended March 31, 2015, March 31, 2014 and March 31, 2013 was qualified to indicate inability of the Previous Auditors to comment on the realisability of investment made by our Company in, and the recoverable amount due to our Company from PT Sandhar, one of our Subsidiaries. This qualification has been included by the Previous Auditor in its audit report for the Fiscal ended March 31, 2010 onwards. Our Company had incorporated this subsidiary in Indonesia to manufacture products for one of its key customers. However, due to various factors including, lack of adequate business from the customer, PT Sandhar suffered losses. Our Company invested ₹40.39 million in PT Sandhar, Indonesia, and had extended loans and advances of ₹41.97 million to PT Sandhar, as at March 31, 2015. PT Sandhar’s accumulated losses of ₹70.59 million exceeded its net worth as at March 31, 2015. PT Sandhar, Indonesia also had net current liabilities of ₹32.10 million as at March 31, 2015 and had filed for liquidation on August 2, 2012. The impact of provision of investment of ₹40.39 million, and loan of ₹21.32 million were considered in the opening retained earnings as of March 31, 2013. Impact of provision of balance of loan of ₹20.65 million was considered in the restated statement of profit and loss for the year ended March 31, 2013.

Further, the Previous Auditor’s reports on our audited unconsolidated financial statements and audited consolidated financial statements as at and for the years ended March 31, 2014 and March 31, 2013 included a matter of emphasis to indicate the demand notice received by our Company from the HSIIDC towards payment of enhanced charge in respect of factory land and accounting of amount paid in protest as capital advance pending the outcome of the case. For details, see “*Management’s Discussion and Analysis of Financial Condition and Results of Operations – Reservations or Qualifications or Matters of Emphasis or Adverse Remarks of Auditors in the last five Fiscals*” on page 445.

Investors should consider these qualifications and matters of emphasis in evaluating our financial position, cash, flows and results of operations.

**8. *Our Company has experienced delays in the receipt of the unique identification number (“UIN”) from RBI in respect of certain allotments of securities made by our Company to Actis Group. Further, there have been delays in complying with reporting obligations to RBI in respect of certain allotments of equity shares made by our Company to Actis Group in the past.***

Our Company had made an allotment of 9,520,000 Convertible Debentures to Actis Group on December 29, 2005 which were subsequently converted into 4,193,496 equity shares of face value of ₹2 each on June 3, 2006. Whilst our Company had made requisite filings with RBI in respect of the allotment of 9,520,000 Convertible Debentures on December 29, 2005, there was a delay in the receipt of the UIN by our Company, which was received by our Company from RBI only on February 16, 2018.

Further, we have, in the past, delayed in filing form FC-GPR in respect of (i) bonus issue of 1,397,831 equity shares of face value of ₹2 each to Actis Group on August 8, 2007, and (ii) bonus issue of 6,150,459 equity shares of face value of ₹2 each to Actis Group on April 19, 2010. Whilst our Company has subsequently carried out the requisite filings, there was a delay in the receipt of the UINs for the aforesaid bonus issuances, which were received on February 22, 2018. However, the receipt of the UINs for the aforesaid allotment and



bonus issuances are subject to compounding under the relevant laws and regulations. There can be no assurance that deficiencies in our compliances 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 a timely manner or at all.

**9. *We have entered into and will continue to enter into, related party transactions. There is no assurance that our future related party transactions would be on terms favourable to us when compared to similar transactions with unrelated or third parties.***

We have entered into transactions with several related parties, including our Promoter, Subsidiaries and Group Entities. For details of the related party disclosures, as per the requirements under Accounting Standard 18 'Related Party Disclosures' issued by the Institute of Chartered Accountants in India and as reported in the Restated Financial Statements, see "*Related Party Transactions*" on page 246. Related party transactions may involve conflicts of interests which may be detrimental to our Company. We cannot assure you that related party transactions could not have been made on more favourable terms with unrelated parties. Further, there is no assurance that our related party transactions in future would be on terms favourable to us when compared to similar transactions with unrelated or third parties or that our related party transactions, individually or in the aggregate, will not have an adverse effect on our financial condition.

**10. *Our quarterly results may fluctuate significantly, which could have a negative effect on the price of our Equity Shares.***

Our quarterly results of operations may fluctuate significantly as a result of a variety of factors, including the seasonal nature of the sector in which we operate. For instance, a significant portion of our operating profit and cash flows have historically been realized during the fourth quarter of each fiscal, primarily due to seasonality and weather conditions. As a result, our financial statements for consecutive quarters may not be directly comparable with each other. Moreover, any significant disruption in our operations or other factors that result in a significant shortfall compared with our expectations for the fourth quarter could, consequently, result in a significant shortfall in sales and operating cash flows for the full year.

**11. *We have not registered the trade marks used by us for our business, and our inability to obtain or maintain these registrations may adversely affect our competitive business position. Our inability to protect or use our intellectual property rights may adversely affect our business.***

We have not registered the trade marks used by us for our business, including the name of our Company and our logo "**SANDHAR**", appearing on the cover page of this Red Herring Prospectus. We have filed applications for registration of trade marks in relation to our Company, including the name "Sandhar" and the logo "**SANDHAR**" on October 21, 2014. However, these registrations have not been granted to us as on the date of this Red Herring Prospectus and consequently, do not enjoy statutory protections accorded to registered trade marks in India or the other geographies in which we operate. In the absence of registration, competitors or other companies may challenge our use of our corporate name and logo or allege that we have breached their intellectual property rights, which may adversely affect our brand image, goodwill and customer relations. In the event that we become involved in litigation in order to defend our intellectual property claims, we may become subject to significant legal costs and there is no assurance that any such litigation will be resolved in our favour.

The Registrar of Trade Marks has, by way of an Examination Report dated January 5, 2016, raised certain objections to the application under Section 11 of the Trade Marks Act, 1999. Our Company has responded to the same by way of an affidavit of use dated April 6, 2016. In case our application is rejected, we may only get passing off relief for our trade marks, if used by others, which could materially and adversely affect our brand image, goodwill, and business.

Further, our Group Entities, Sandhar Estates Private Limited, Sandhar Intelli-glass Solutions Limited, and Sandhar Infosystems Limited, also utilise the trade name "Sandhar". Any adverse impact on the businesses of reputation of the abovenamed Group Entities, could materially and adversely affect our Company's reputation or business, as a result of the Group Entities using the trade name "Sandhar".

**12. *We may not be successful in implementing our strategies, such as expanding of product portfolio, increasing wallet share from existing OEM customers and enhancing innovation and design capabilities, which could adversely affect our business, results of operations and future prospects.***

The success of our business depends largely on our ability to effectively implement our business and strategies. Please see “*Our Business*” on page 163. Even if we have successfully executed our business strategies in the past, there can be no assurance that we will be able to execute our strategies on time and within the estimated budget, or that we will meet the expectations of targeted customers. We expect our strategies to place significant demands on our management, and other resources and require us to continue developing and improving our operational, financial and other internal controls. Our inability to effectively manage our business and strategies could have an adverse effect on our business, financial condition and profitability.

Our strategy of expanding our product portfolio involves understanding different product specifications, technology and other factors, which we may currently be unfamiliar with. Further, change in the product mix manufactured by us may lead to an increase in costs on account of cost of raw materials that may be higher than those required for our existing products. Further, aggressive positioning by our competitors may prevent us from successfully pursuing our strategy of increasing our wallet share from existing OEM customers.

In order to achieve future growth, we need to effectively manage our expansion projects, accurately assess new markets, attract new customers, obtain sufficient financing for our expected capital expenditures, control our input costs, maintain sufficient operational and financial controls and make additional capital investments to take advantage of anticipated market conditions. We may not be able to achieve growth in revenues and profits or maintain such rate of growth in the future. If we are unable to execute our future strategies effectively, our business and financial results will be adversely affected. Our inability to manage the expansion of our business could have an adverse effect on our business, results of operations and financial condition.

**13. *We rely significantly on the two-wheeler market and any adverse changes to the demand in the two-wheeler market could adversely impact our business, results of operations and financial condition.***

We supply locking systems, vision systems, handle bars, clutch assemblies and steel wheel rims and assemblies to some of the largest two-wheeler OEMs in the country. Our revenue from two-wheeler OEMs constituted 58.61%, 54.62%, 53.84%, 55.51%, 58.76%, and 59.33% of our total consolidated revenue for the six months period ended September 30, 2017, Fiscal 2017, Fiscal 2016, Fiscal 2015, Fiscal 2014 and Fiscal 2013, respectively. For details of our major customers, see “*Our Business – Overview*” on page 163. Whilst we are growing our presence in the four-wheeler market, revenue from our two-wheeler OEM customers continue to account for a major portion of our revenue. In the event of a decrease in demand for two-wheelers, or any developments that make the sale of components in the two-wheeler market less economically beneficial, we may experience more pronounced effects on our business, results of operations and financial condition. Any slowdown or adverse change in demand in the two-wheeler automobile sector on account of various factors including cyclical demand, could adversely impact our business, results of operations and financial conditions.

**14. *Our reliance on third parties for certain aspects of our business, including raw material suppliers, transporters of our raw materials and products as well as contract labour, exposes us to certain risks.***

We rely on third parties for the supply of raw materials, components, contract labour and power required for the manufacture of our products, as well as for performance of certain functions and services carried out at our manufacturing and office premises including waste management and facility management functions. We also rely on transporters for transport and logistics support at some of our units including Nalagarh in Himachal Pradesh and Hosur in Tamil Nadu. For six months period ended September 30, 2017 and fiscal 2017, job work charges constituted 2.73% and 3.27% of our total expenses and freight and forwarding charges constituted 1.16% and 1.25% of our total expenses, respectively. Our reliance on third parties for certain critical outsourced job works and on transporters for transport and logistics may affect our timelines for making delivery to our customers.

Our ability to identify and build relationships with reliable vendors worldwide contributes to our growth and our successful management of our inventory as well as other aspects of our operations. Our raw material and component suppliers may fail to consistently deliver products of acceptable quality and within stipulated

schedules, or the contractors to whom we have outsourced certain functions and services at our manufacturing or office premises may not fulfil specified performance standards, which may adversely affect our operations. We may be required to replace a vendor if its products or services do not meet our safety, quality or performance standards or if a vendor should unexpectedly discontinue operations due to reasons beyond its or our control (including financing constraints caused by credit market conditions).

Further, we rely significantly on one of our suppliers for procurement of glass required for manufacturing rear view mirror who supplies more than 90% of our total glass requirement. In the six months period ended September 30, 2017 and Fiscal 2017, glass accounted for 1.78% and 1.82% of our cost of raw material and components consumed, respectively. Any inability or inefficiency on the part of this supplier could result in an adverse impact of our business, results of operations and financial condition. Moreover, most of our suppliers are small players with limited resources and competencies, thereby increasing the risk of instability on the part of such suppliers. Any such instability may render us incapable of, or result in delays on our part in, meeting our contractual obligations to our customers thereby adversely affecting our business and financial condition.

Further, our Company also relies on certain critical job works outsourced to third parties on a contract basis for our products. As on December 31, 2017, we had 5,134 individuals engaged by us on contractual basis, who have been hired through various agencies. We exercise lesser control on individuals employed on a contract basis as compared to our own individuals. Whilst cost for contract labour may be lower than employees, contract labour may not be as competent in carrying out operations as compared to trained and skilled employees.

As we rely on transport and logistics service providers for transporting a portion of our product supplies, any failure on their part to perform their services in the expected manner could result in us breaching our committed delivery timelines. Factors such as the financial instability of contractors, suppliers, vendors' non-compliance with applicable laws, trade restrictions, labour disputes, currency fluctuations, changes in tariff or import policies, severe weather, political uncertainty, terrorist attacks and transport capacity and cost may disrupt our supply chains, which may result in increased costs or delivery delays. Further, increase in competition and / or our competitors having established operations and long-term relationships with suppliers may see us facing challenges to secure adequate supply of raw materials or may increase our overall cost of raw materials. Therefore, there is no assurance that third party suppliers or contractors will be able to meet their contractual commitments to us, or that we will not be required to incur additional costs to remedy any deficiencies in their services or to obtain alternative sources of supply in the event that our contracted suppliers should default or be delayed in their performance. A significant disruption in supply of raw material, contract labour, power or other third-party services may, in turn, disrupt our operations and adversely affect our inventory management, business and financial condition, at least until alternative sources of supply of goods and services are arranged.

***15. Our research and development efforts may not produce successful products or enhancements to our products that result in significant revenue or other benefits in the near future, if at all.***

We expect to continue to dedicate significant financial and other resources to our research and development efforts in order to maintain our competitive position. In the six months period ended September 30, 2017, Fiscal 2017, Fiscal 2016, Fiscal 2015, Fiscal 2014 and Fiscal 2013, the amount of research and development expenses were ₹21.33 million, ₹40.21 million, ₹33.66 million, ₹27.74 million, ₹27.84 million, and ₹25.30 million, respectively, which constituted 0.22%, 0.25%, 0.22%, 0.19%, 0.22% and 0.22% respectively, of our total revenue from operations (net) on consolidated basis. However, investing in research and development, developing new products and enhancing existing products is expensive and time consuming, and there is no assurance that such activities will result in significant new marketable products or enhancements to our products, design improvements, cost savings, revenues or other expected benefits. If we spend significant time and effort on research and development, and are unable to generate an adequate return on our investment, our business and results of operations may be materially and adversely affected.

***16. We have undertaken and may continue to undertake strategic investments, joint ventures, and alliances, acquisitions and mergers in the future, which may be difficult to integrate and manage.***

We have pursued and may continue to pursue acquisitions, mergers and strategic investments, joint ventures, and alliances as a mode of expanding our operations. For example, we currently have six joint ventures. Further, during Fiscal 2006, we acquired Adeep Locks Limited, Adeep Roloforms Limited, and Agrim

Automach Private Limited to complement our overall growth strategy. Adeep Locks Limited, Adeep Roloforms Limited and Agrim Automach Private Limited were subsequently merged into our Company in Fiscal 2006. For details of our joint venture agreements, acquisitions and the scheme of amalgamation, see “*History and Certain Corporate Matters – Acquisition of Business, Mergers and Amalgamations*” on page 203. We also acquired the business carried on by Mag Engineering in Fiscal 2013, the cabin division of Arkay Fabsteel Systems Private Limited in Fiscal 2015, and in Fiscal 2008, acquired the aluminium die casting of small parts and mould design business of TECFISA, Spain, into our Subsidiary ST Barcelona. For details, see “*Our Business*” on page 163. There can be no assurance that the integration of any future expansion or acquisitions will be successful or that the expected strategic benefits of any future expansion, acquisitions, mergers or alliances will be realised.

Our Company has in the past incurred losses from one of its Joint Ventures, Sandhar Caama, wherein our Company had to write down unamortized goodwill of ₹1.63 million in the Restated Consolidated Summary Statements. Our Company has sold 50% of its shareholding in Sandhar Caama at a nominal value of ₹1, pursuant to a share purchase agreement dated June 30, 2015. Further, our Company has waived the outstanding loan amount amounting to ₹4.35 million, and has borne 50% of the outstanding liability (after adjustment of assets on a fair value basis) in the books of Sandhar Caama, amounting to ₹1.36 million. The losses incurred by our Company from Sandhar Caama during Fiscal 2016, Fiscal 2015, Fiscal 2014, and Fiscal 2013 have been adjusted in the Restated Consolidated Summary Statements for the respective financial year. Further, our Company has also considered a provision of ₹55 million towards the investments in Sandhar Caama in the Restated Unconsolidated Summary Statements for Fiscal 2015. For details, see “*Financial Statements*” on page 248.

Further, one of our Subsidiaries, PT Sandhar was liquidated in Fiscal 2017 on account of non-viability of the business being undertaken, and had incurred losses during certain previous years including Fiscal 2015, Fiscal 2014, and Fiscal 2013. Our Company had invested ₹40.39 million, and had a recoverable amount (loans and advances) of ₹41.97 million from PT Sandhar as at March 31, 2015. Our Company has made necessary adjustments in its Restated Unconsolidated Summary Statements, and has not been able to realise this investment or the recoverable amount from PT Sandhar. The impact of provision of investment of ₹40.39 million and loan of ₹21.32 million were considered in the opening retained earnings of March 31, 2013. Impact of provision of balance of loan of ₹20.65 million was considered in the restated statement of profit and loss for the year ended March 31, 2013. The Previous Auditor of the Company had qualified their audit reports for the Fiscals ended March 31, 2013, March 31, 2014 and March 31, 2015, to indicate their inability to comment on: (i) the realisability of the investment made by the Company in PT Sandhar, and (ii) the recoverability of the loans and advances made by the Company to PT Sandhar.

Going forward, we may continue to pursue further acquisitions, mergers, investments and expansions to enhance our operations and technological capabilities. However, there can be no assurance that we will be able to identify suitable acquisition targets or investment opportunities on commercially reasonable terms or be able to raise sufficient funds to finance such growth strategies. Expansion and acquisitions may require us to incur or assume new debt, expose us to future funding obligations, or integration risks, and we cannot assure you that such expansion or acquisitions will contribute to our profitability. In addition, there can be no assurance that we will be able to consummate our expansions, acquisitions, mergers or alliances in the future on terms acceptable to us, or at all. Further, there is no assurance that our products manufactured through technical collaborations and alliances will generate the expected levels of interest amongst our OEM customers or that our new ventures will generate return on investment at expected levels or at all.

Our failure to successfully integrate an acquired business or our inability to realise the anticipated benefits of such expansion or acquisitions could adversely affect our business, results of operations and financial condition.

***17. If we are unable to accurately forecast demand for our products and plan production schedules in advance, our business, cash flows, financial condition, results of operations, and prospects may be adversely affected.***

The volume and timing of sales to our customers may vary due to variation in demand for our customers’ products, our customers’ attempts to manage their inventory, design changes, changes in their product mix, manufacturing strategy and growth strategy, and macroeconomic factors affecting the economy in general, and our customers in particular. Further, decline in demand for existing products or insufficient demand for new products launched by our OEMs may affect demand for our products from such OEMs. Our inability to

forecast the level of customer demand for our products, process innovation, and value engineering costs as well as our inability to accurately schedule our raw material purchases and production and manage our inventory may adversely affect our business and cash flows from operations. In particular, our inability to accurately forecast demand for products in our emerging product verticals may hinder our planned growth in these verticals.

For some of our customers, we have general purchase agreements which define the terms and conditions of purchases by the customers. These are supplemented by specific open purchase orders which do not have any validity in respect of time period. These purchase orders only specify the price at which the products are to be supplied with no mention of any specific quantity. The quantities supplied are based on delivery schedules provided by the customers based on their own demand and supply situation. Although our customers provide us with forecasts of annual business volumes, which enable us to predict our income for a portion of our business, the actual orders are only placed by way of on-going purchase orders. Our customers do not provide a firm commitment for any specific product quantity and purchase orders may be amended or cancelled prior to finalisation. Product quantities are typically based on delivery schedules received from the customers in short intervals and multiple times in a day, in certain cases. Typically, our customers do not 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 or sales.

Actual production volumes may vary from these estimates due to variations in consumer demand for the related vehicles leading to underutilized capacity or incurring additional expenditure to deploy additional resources to meet delivery timelines. In addition, in the event of significant cuts in production schedules announced by customers with little advance notice, we may be unable to respond with corresponding production and inventory reductions. Significant reduction in demand for our products from a major customer may have an adverse effect on our business, financial condition, results of operations, and prospects. While our customers share annual forecasts with us, we do not have any recourse against our customers in the event of a reduction in the forecasted volume. Further, we have manufacturing facilities which are either dedicated, or predominantly catering to some of our OEM customers and are in such localities to serve such customers efficiently. For example, our facility at Nalagarh, Himachal Pradesh caters specifically to TVS, our facility at Haridwar, Uttarakhand, caters predominantly to Hero, our facility at Chennai caters specifically to Royal Enfield, and our facility at Pathredi, Rajasthan caters specifically to Honda Cars. Any reduction in forecasted volume from customers for whom we run dedicated facilities, would materially and adversely affect our business, results of operations and financial condition.

Moreover, as many of our operating expenses are relatively fixed, an unanticipated change in customer demand may adversely affect our liquidity and financial condition. We typically commit to order raw materials and bought-out components from our own suppliers based on customer forecasts and orders. Cancellation by customers or delay or reduction in their orders or instances where anticipated orders fail to materialize can result in mismatch between our inventories of raw materials and bought-out components and of manufactured products, thereby increasing our costs relating to maintaining our inventory and reduction of our margins, which may adversely affect our profitability and liquidity.

***18. 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 adversely affected.***

Consistent with the automotive industry practice, we do not have firm commitment supply agreements with most of our customers and instead rely on purchase orders to govern the volume and other terms of our sales of products. Many of the purchase orders we receive from customers specify per unit price and delivery schedule and the quantities to be delivered are determined at a later date. However, such orders may be amended or cancelled prior to finalisation, and should such an amendment or cancellation take place, we may be unable to seek compensation for any surplus unpurchased products that we manufacture. 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 or sales.

In cases where we have agreements with our customers, they are general terms contracts which do not bind customers to any specific products or specification or purchase volumes. Further, such general terms contracts provide flexibility to our customers to place order for a lesser quantity of products in the purchase orders in spite of a higher number being specified in the contract. Customers may also place order for products

with specifications that are in variance to those mentioned in the contract. Accordingly, we are unable to forecast our production, sales or revenue even in cases where we enter into general term contracts

Consequently, there is no commitment on the part of the customer to continue to pass on new work orders to us and as a result, our sales from period to period may fluctuate significantly as a result of changes in our customers' vendor preferences.

Additionally, our customers have high and exacting standards for product quantity and quality as well as delivery schedules. Any failure to meet our customers' expectations could result in the cancellation of orders. There are also a number of factors other than our performance that are beyond our control and that could cause the loss of a customer. Customers may demand price reductions, set-off any payment obligations, require indemnification for themselves or their affiliates, change their outsourcing strategy by moving more work in-house, or replace their existing products with alternative products, any of which may have an adverse effect on our business, results of operations and financial condition.

**19. *We are exposed to foreign currency exchange rate fluctuations, which may impact our results of operations and cause our quarterly results to fluctuate.***

Our financial statements are presented in Indian Rupees. However, revenues and operating expenses of our overseas Subsidiaries are influenced by the currencies of those countries where we manufacture and / or sell our products (for example, Mexico, Poland, and Spain), as well as the agreements of our Subsidiaries with their customers and suppliers. Further, agreements executed by some of our Subsidiaries with some of their customers stipulate that invoices should be raised in USD, while the accounts of these Subsidiaries are prepared in the currencies of their respective countries. For the six months period ended September 30, 2017, Fiscal 2017, Fiscal 2016, and Fiscal 2015, our segment revenue from Europe and other locations (outside India), was ₹1,158.22 million, ₹2,328.62 million, ₹2,042.32 million and ₹1,952.48 million, amounting to, or 11.69%, 14.26%, 13.46% and 13.13% of our total revenue, respectively.

The exchange rate between the Indian Rupee and foreign currencies has fluctuated in the past, and this has impacted our results of operations and may also impact our business in 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 Rupees. However, the converse positive effect of depreciation in 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 business and results of operations during the same period. Further, our Company imports raw materials and components from other countries where payments are made in foreign currencies. While some of our OEMs compensate us for foreign exchange fluctuations on imports made on their behalf, based on an agreed formula, such compensation may not cover the actual loss suffered by us. Details of the Company's exposure to foreign exchange for the last three Fiscals and the six months period ended September 30, 2017, along with the impact of such exposure on the profitability of the Company are set forth below:

- For the six months period ended September 30, 2017, and Fiscal 2017, Fiscal 2016, and Fiscal 2015, we recorded a foreign exchange fluctuation (net), as a part of our other income, aggregating to NIL, ₹19.87 million, NIL, and ₹0.49 million, respectively.
- For the six months period ended September 30, 2017, and Fiscal 2017, Fiscal 2016, and Fiscal 2015, we recorded a foreign exchange fluctuation loss (net), as part of our other expenses, aggregating to ₹23.10 million, NIL, ₹35.24 million, ₹2.73 million, respectively.
- For the six months period ended September 30, 2017, and Fiscal 2017, Fiscal 2016, and Fiscal 2015, we recorded a foreign exchange fluctuation loss on long term loan, as part of our finance costs, aggregating to NIL, NIL, NIL, and ₹0.40 million, respectively.

While we seek to hedge our foreign currency exchange risk by entering into forward exchange contracts, any amounts that we spend or invest in order to hedge the risks to our business due to fluctuations in currencies may not adequately hedge against any losses that we may incur due to such fluctuations. Further, these contracts cover only a portion of our total exposure to foreign exchange risks.

**20. *If we are unable to retain and hire skilled employees, or to maintain good relations with our workforce, our business and financial condition may be adversely affected.***

Our ability to provide high-quality products and services and to manage the complexity of our business depends, in part, on our ability to retain and attract skilled personnel in the areas of management, product engineering, design, manufacture, servicing, sales, information technology, and finance. Competition for such personnel is intense and the cost of retaining or replacing such personnel may affect our profitability. In addition, our strategies for growth have placed, and are expected to continue to place, increased demands on our management's and employees' skills and resources.

Further, our manufacturing activities are labour intensive, requiring our management to undertake significant labour interface, and expose us to the risk of industrial action. In addition, as of December 31, 2017, we had 5,134 individuals engaged by us on a contractual basis who constituted 69.14% of our total work force of 7,426 individuals.

Although we have not faced work stoppages in the past, we cannot ensure that we will not be subject to work stoppages, strikes or other types of conflicts with our employees or contract workers in the future. We have no labour unions in any of our manufacturing facilities, except for the labour unions at ST Barcelona, Sandhar Technologies Limited Hosur, Sandhar Automach Mysore, Mag Engineering Unit A, Mag Engineering Unit B, Sandhar Components Attibele, Sandhar Automach Attibele, and Sandhar Automotives Bommasandra. However, there is no assurance that our employees will not unionize in the future. Any such event, at our current facilities or at any new facilities that we may commission or acquire in the future, may adversely affect our ability to operate our business and serve our customers, and impair our relationships with key customers and suppliers, which may adversely impact our business and financial condition. Any changes in the existing labour laws of the countries in which we operate may increase our labour cost and may also increase time spent by the management in labour related matters, which could impact our business and results of operations. If labour laws become more stringent or are more strictly enforced, it may become difficult for us to maintain flexible human resource policies, discharge employees or downsize, any of which could have an adverse effect on our business, results of operations, financial condition and cash flows.

**21. *We depend on our senior management and Key Management Personnel for our business and future growth. If we are unable to attract or retain key executives or Key Management Personnel, our operations may be adversely affected.***

Our future performance would depend on the continued service of our management, Key Management Personnel and our employees, and the loss of any key employee and the inability to find an adequate replacement may impair our relationship with key customers and our level of technical expertise, which may adversely affect our business, financial condition, results of operations and prospects. In particular, we rely on the experience and industry relationships of our Promoter, Managing Director and Co – Chairman, Jayant Davar, our Key Management Personnel, and other business heads, unit heads and functional heads. Should their involvement in our business reduce, or should our relationship with these persons deteriorate for any reason in the future, our business, financial condition, results of operations and prospects may be adversely affected.

For details of our management and Key Management Personnel, see “*Our Management – Key Management Personnel*” on page 233.

**22. *The discontinuation of, the loss of business with respect to, or a lack of commercial success of, a particular vehicle model for which we are a significant supplier could affect our business and results of operations.***

We have general purchase agreements which define the terms and conditions of purchases by the customers which are supplemented by specific open purchase orders which do not have any validity in respect of time period. Although we have purchase orders from many of our automotive customers, these purchase orders only specify the price at which the products are to be supplied with no mention of any specific quantity. The quantities supplied are based on delivery schedules provided by the customers on a daily basis, based on their own demand and supply situation. For example, one of our subsidiaries, PT Sandhar was liquidated in Fiscal 2017 on account of non-viability of business resulting from various factors including lack of business from one of our key customers. There is no assurance that such instance will not occur in the future.

We may be required to make investment to adapt to the expansions plans made by our existing OEM customers to ensure continuity in business from such OEMs, however there is no assurance that such

investments will be as profitable as our existing business and investments, or at all. Further, we may not be able to take on new opportunities from our existing OEM customers if such opportunities do not offer attractive value proposition or commercial viability.

Therefore, the discontinuation of, loss of business with respect to, or a lack of commercial success of, a vehicle model for which we are a significant supplier could lead to cancellation of orders or loss of business and consequently reduce our sales and affect our estimates of anticipated sales, which could have an adverse effect on our business and results of operations.

**23. *We may incur relocation costs on account of our business or the requirement of our OEM customers to locate our manufacturing facilities in close proximity to their facilities.***

To serve our OEM customers effectively, we currently have manufacturing facilities which are located in close proximity to our customers' facilities. For instance, our unit at Nalagarh, Himachal Pradesh caters specifically to TVS, our facility at Haridwar, Uttarakhand, caters predominantly to Hero, and our facility at Chennai caters specifically to Royal Enfield. Each of these facilities is located near the plants of the respective OEM customers that it caters to. If any of our customers' facilities are moved from their current locations, we would incur costs associated with relocating our manufacturing facilities. Our contracts with our customers do not provide for compensation upon the occurrence of such events. In addition, expansion to meet our growth requirements is limited by availability of land and other location issues in certain of our existing manufacturing facilities. We are, and will continue to evaluate various location options for our expansion plans. We may also have to incur capital expenditure to meet such requirements. Costs associated with such changes may have an adverse effect on our business, financial condition, and results of operations.

**24. *We have experienced significant growth in the past few years and if we are unable to sustain or manage our growth, our business, results of operations and financial condition may be adversely affected.***

We have experienced significant growth in the past five years. For the Fiscal 2017, our revenue from operations (net) was ₹16,268.70 million, as compared to ₹11,599.51 million for Fiscal 2013. Our operations have also grown significantly over the last five Fiscals. As on March 31, 2013, we had 20 manufacturing facilities in India and three manufacturing facilities outside of India, and now have 31 manufacturing facilities in India, and three manufacturing facilities outside of India. During these last five Fiscals, we have also grown inorganically through acquisition of the business carried on by Mag Engineering, and the cabin division of Arkay Fabsteel Systems Private Limited. For details, see "Our Business" on page 163.

We may not be able to sustain our rates of growth, due to a variety of reasons including a decline in the demand for automotive components, increased price competition, non-availability of raw materials, lack of management availability or a general slowdown in the economy. A failure to sustain our growth may have an adverse effect on our business, results of operations and financial condition.

We are embarking on a growth strategy which involves expansion and diversification of our current business. Such a growth strategy will place significant demands on our management as well as our financial, accounting and operating systems. If we are unable to increase our production capacity, we may not be able to successfully execute our growth strategy. Further, as we scale-up and diversify our operations, we may not be able to execute our operations efficiently, which may result in delays, increased costs and lower quality products. We cannot assure you that our future performance or growth strategy will be successful. Our failure to manage our growth effectively may have an adverse effect on our business, results of operations and financial condition.

**25. *Our business and financial conditions may be adversely impacted by changes or slowdown in the construction and agriculture sectors and the delay in demand revival in these sectors. Further, we may also be affected by the slower return on investments made by us in the construction and agriculture sectors.***

Demand for some of our products is directly related to the production and sales of off-highway vehicles by our major customers. OHV production and sales may be affected by general economic or industry conditions, including seasonal trends in the agriculture sector and cyclical or countercyclical effects in the construction sector, volatility in new housing construction, as well as evolving regulatory requirements, government initiatives, trade agreements and other factors. Further, in our experience, demand revival in construction and agriculture sectors are delayed compared to the other automobile sectors resulting in slower return on investments.



In particular, the agricultural sector is inherently seasonal and is further impacted by factors including agricultural commodity prices, costs of fertilizers and adverse weather conditions. If we are unable to adequately anticipate and respond to changing conditions affecting the agriculture and construction sectors and the related cyclical and countercyclical effects on our customers and vendors and on our own operations, our business, financial condition, results of operations and prospects may be adversely affected. Revenue from OHV OEMs constituted 8.75%, 9.17%, 6.83%, 4.55%, 3.66% and 5.36% of the total consolidated revenue of our Company for the six months period ended September 30, 2017, Fiscal 2017, Fiscal 2016, Fiscal 2015, Fiscal 2014 and Fiscal 2013, respectively.

Further, in our experience, the agriculture and construction sectors have been tending towards increased mechanization, especially in recent years. Our customers are increasingly developing larger, more technically complex products, projects, processes and applications. To meet our customers' requirements, we must regularly update existing technology or know-how or acquire or develop new technology or know-how. In addition, shifts in customer demand can render existing technologies and machinery obsolete, requiring additional capital expenditures and / or write-downs of assets. Our failure to anticipate and adequately respond to evolving technical and technological specifications and market trends may adversely affect our business, financial condition, results of operations, and prospects.

**26. *A substantial portion of our assets are hypothecated in favour of lenders as security for some of our borrowings. Our lenders may enforce the security in the event of our failure to service our debt obligations which may affect our business, financial condition, and results of operations.***

As of December 31, 2017, our Company had total secured borrowings (long term and short term) of ₹3,240.97 million on a consolidated basis, and ₹3,094.68 on an unconsolidated basis. These borrowings are secured, *inter alia*, through a charge by way of hypothecation on our present and future current assets and fixed assets as well as through mortgage on our land and building in favour of the lenders. For details, see "*Financial Indebtedness*" on page 448.

As these assets are hypothecated or mortgaged in favour of lenders, our rights in respect of transferring or disposing off these assets are restricted. Further, in the event we fail to service our debt obligations, the lenders have the right to enforce the security created in respect of our secured borrowings. If the lenders choose to enforce security and dispose our assets to recover the amounts due from us, our business, financial condition and results of operations may be adversely affected.

**27. *Our Company's ability to pay dividends in the future will depend on our future cash flows, working capital requirements, capital expenditures and financial condition.***

While our Company has paid dividends in the past, the amount of our future dividend payments, if any, will depend on our future earnings, cash flows, financial condition, working capital requirements, capital expenditures, applicable Indian legal restrictions and other factors. There can be no assurance that we will pay dividends. 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. For details relating to the dividends declared and paid by the Company between Fiscal 2013 and Fiscal 2017, see "*Dividend Policy*" on page 247.

Additionally, in the future, we may be restricted by the terms of our financing agreements in making dividend payments unless otherwise agreed with our lenders.

**28. *We enter into contracts and fix prices in advance of ultimate production, which could subject us to losses if actual costs are greater than those estimated or if certain costs such as design and engineering costs, are not factored into our prices.***

Our contracts expose us to the risk of cost overruns, since we are under increasing pressure to absorb more costs related to product design, engineering and tooling, as well as other items previously paid for directly by our customers. If the initial estimates we employ to calculate the price prove to be incorrect, we may incur losses on these contracts. Contract volumes for new programs are based on our customers' estimates of their future production levels, as well as our own assessment of future production levels. Actual production volumes may, and often do, vary significantly from these initial estimates, due to a host of factors, including lower than expected demand and delays in product launches. For programs currently under production, we are typically unable to request unit price changes when volumes differ significantly from initial production

estimates. Similarly, we are typically unable to request price changes when costs of production exceed our initial estimates. If we fail to meet the terms specified in these contracts, we may not realize their full benefits. If estimated production volume is not achieved, or we experience cost overruns, our design and engineering costs may not be fully recovered, we may not realize the full benefits of the contract or program, and our business, financial condition or results of operations could suffer.

**29. *Failure or disruption of our information technology and / or ERP systems may adversely affect our business, financial condition, results of operations and prospects.***

We have implemented various information technology and / or ERP solutions to cover key areas of our operations. For instance, we implemented Oracle ERP in 2009 which encompasses all production and materials management, human resource management, financial management, inventory management, and sale order management. For details of the information technology related initiatives of our Company, see “*Our Business – Information Technology*” on page 186. We significantly rely on our information technology systems for the timely supply of our products to customers.

We believe that we have deployed adequate information technology disaster management systems including data backup and retrieval mechanisms, in all our facilities. However, 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, meet business objectives based on information technology initiatives such as product life cycle management, manage our creditors, debtors and hedging positions, manage payables and inventory or otherwise conduct our normal business operations, which may increase our costs and otherwise adversely affect our business, financial condition, results of operations and prospects.

Further, unavailability of, or failure to retain, well trained employees capable of constantly servicing our information technology and / or ERP systems may lead to inefficiency or disruption of information technology systems thereby adversely affecting our ability to operate efficiently. We also propose to enhance use of information technology in our business and operations. For details, see “*Our Business – Information Technology*” on page 186. Our new information technology initiatives may not materialise in a timely manner or at all. In the event of our failure to achieve the desired benefits from our new information technology initiatives, which incur substantial cost and resources, our results of operations and financial condition may be adversely affected.

**30. *Availability and cost of raw materials, power and fuel may adversely affect our business, financial condition, results of operations, and prospects.***

Our business, financial condition, results of operations and prospects are significantly impacted by the availability and cost of raw materials, particularly zinc, aluminium, steel, plastics, nickel, brass, copper and glass. Zinc, sheet metal parts, and aluminium accounted for 41.24% and 41.45% of our cost of raw material and components consumed in the six months period ended September 30, 2017, and Fiscal 2017, respectively. Further, during the six months period ended September 30, 2017 and Fiscal 2017, bought-out parts constituted 26.45% and 28.25% of our cost of raw material and components consumed, respectively.

We rely significantly on one of our suppliers for procurement of glass required for manufacturing rear view mirror who supplies more than 90% of our total glass requirement. In the six months period ended September 30, 2017 and Fiscal 2017, glass accounted for 1.78% and 1.82% of our cost of raw material and components consumed, respectively.

Raw material supply and pricing can be volatile due to a number of factors beyond our control, including global demand and supply, general economic and political conditions, transportation and labour costs, labour unrest, natural disasters, competition, import duties, tariffs and currency exchange rates, and there are uncertainties inherent in estimating such variables, regardless of the methodologies and assumptions that we may use. This volatility in commodity prices can significantly affect our raw material costs. Further, volatility in fuel prices can also affect commodity prices worldwide which may significantly increase our raw material costs.

To the extent that we are unable to secure adequate supplies of raw materials on commercially reasonable terms or to pass on price increases to our customers, our profitability may be impaired.

**31. *Our failure to identify and understand evolving industry trends and preferences and develop new products to meet our customers' demands may adversely affect our business.***

Changes in regulatory or industry requirements or in competitive technologies may render certain of our products obsolete or less attractive. 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. For instance, one of our strategies for growth is to aim to focus on high value products. However, there can be no assurance that we will be able to secure the necessary technological knowledge, through technical assistance agreements or otherwise, which will allow us to develop our product portfolio in this manner. If we are unable to obtain such knowledge in a timely manner, or at all, we may be unable to effectively implement our strategies, and our business and results of operations may be adversely affected. Moreover, we cannot assure you that we will be able to achieve the technological advances that may be necessary for us to remain competitive or that certain of our products will not become obsolete. We are also subject to the risks generally associated with new product introductions and applications, including lack of market acceptance, delays in product development and failure of products to operate properly.

To compete effectively in the automotive components industry, we must be able to develop and produce new products to meet our customers' demand in a timely manner. We cannot assure you, however, that we will be able to install and commission the equipment needed to produce products for our customers' new product programs in time for the start of production, or that the transitioning of our manufacturing facilities and resources to full production under new product programs will not impact production rates or other operational efficiency measures at our facilities. In addition, we cannot assure you that our customers will execute on schedule the launch of their new product programs, for which we might supply products. Our failure to successfully develop and produce new products, or a failure by our customers to successfully launch new programs, could adversely affect our results of operations.

**32. *We are subject to various law and regulations, in jurisdictions where we operate, including environmental and health and safety laws and regulations, which may subject us to increased compliance costs, which may in turn result in an adverse effect on our financial condition.***

Our operations are subject to central, state, local and foreign laws and regulations relating to the protection of the environment and occupational health and safety, including those governing the generation, handling, storage, use, management, transportation and disposal of, or exposure to, environmental pollutants or hazardous materials resulting from our manufacturing processes. For instance, we require approvals under the Water (Prevention and Control of Pollution) Act, 1974, and the Air (Prevention and Control of Pollution) Act, 1981, in order to establish and operate our manufacturing facilities in India. Further, environmental laws of Mexico and Spain require us to obtain environment impact approvals in relation to our manufacturing facilities, and also obtain environment licenses in accordance with applicable air and water pollution norms.

If we fail to comply with such laws and regulations, we could be subject to significant fines, penalties, costs, liabilities, or restrictions on operations, which could negatively affect our financial condition. Regulatory permits required for our operations may also be subject to periodic renewals and in certain circumstances, modification or revocation. Environmental and occupational health and safety laws and regulations, and the interpretation and enforcement thereof, are subject to change and have tended to become stricter over time, in India and internationally. While we are not aware of any outstanding material claims or obligations, we may incur substantial costs, including clean up or remediation costs, fines and civil or criminal sanctions, and third-party property damage or personal injury claims, as a result of violations of, or liabilities under environmental or health and safety laws, or noncompliance with permits required at our facilities, which, as a result, may have an adverse effect on our business and financial condition.

**33. *Our failure to compete effectively in the competitive automotive components industry could result in the loss of customers, which could have an adverse effect on our business, results of operations, financial condition, and future prospects.***

We compete with various competitors to retain our existing business as well as winning new business for the new and redesigned existing components of our automotive customers and to win new businesses from our non-automotive customers. Our failure to obtain new business or to retain or increase our existing business could adversely affect our financial results. In addition, we may incur significant expense in preparing to meet anticipated customer requirements which may not be recovered.

We face increasing competition across our product portfolio, both from well-established, international producers of automotive components as well as from other low-cost producers.

There is no assurance that we will remain competitive with respect to technology, design and quality. Some of our competitors may have certain advantages, including greater financial resources, technology, research and development capability, greater market penetration and operations in diversified geographies and product portfolios, which may allow our competitors to better respond to market trends. Accordingly, we may not be able to compete effectively with our competitors, which may have an adverse impact on our business, results of operations, financial condition and future prospects.

**34. *We are subject to risks associated with our overseas operations, which could negatively affect our sales to customers in foreign countries as well as our operations and assets in such countries.***

We have international operations in Mexico, Poland and Spain, and we distribute our products in various countries outside of India. For the six months period ended September 30, 2017 and Fiscal 2017, our segment revenue from Europe and other locations (outside India) was ₹1,158.22 million and ₹2,328.62 million, or 11.69% and 14.26%, of our total revenue, respectively.

Our international operations are subject to risks that are specific to each country and region in which we operate as well as risks associated with international operations in general. Our international operations are subject to, among other risks and uncertainties, the following:

- Fluctuations in foreign currency exchange rates against the Indian Rupee, which can affect our results of operations, the value of our foreign assets, the relative prices at which we, and our foreign competitors sell products in the same markets, and the cost of certain inventory and non-inventory items required in our operations. For example, the Euro depreciated from ₹75.15 as on March 31, 2016 to ₹69.22 as on March 31, 2017 (*Source: www.oanda.com*), resulting in an impact on the revenue we derive from our operations in Spain, upon conversion into Indian Rupees.
- Compliance with local laws, including environmental, health, safety and accounting laws, may impose onerous obligations on our foreign subsidiaries.
- Changes in foreign laws, regulations and policies, including restrictions on trade, import and export license requirements, and tariffs and taxes, as well as changes in policies relating to foreign trade and investment, may affect our ability to operate and the way in which we manage our business in the countries in which we operate.
- Adverse weather conditions, social, economic and geopolitical conditions, such as natural disasters, civil disturbance, terrorist attacks, war or other military action would affect our business and operations.

Any of these risks could have an adverse effect on our business, prospects, results of operations and financial condition.

**35. *We do not have certain documents evidencing the biographies of certain of our Directors and Key Management Personnel in the section titled “Our Management” on page 219 of this Red Herring Prospectus.***

In accordance with the disclosure requirements stipulated under the SEBI ICDR Regulations, brief biographies of our Directors and Key Management Personnel disclosed in the section “*Our Management*” on page 219 include details of their educational qualifications and professional experience. However, in respect of certain directors and key management personnel, the original documents evidencing such educational qualifications and professional experience are not available. Details of the Directors and Key Management Personnel, in respect of whom, original documents that evidence their educational qualifications and professional experience remain untraceable is indicated by way of footnotes in “*Our Management – Brief Biographies of Directors*” on page 222, and “*Our Management – Key Management Personnel*” on page 233 of this Red Herring Prospectus. We have undertaken all reasonable efforts to obtain such documents from the concerned Directors and Key Management Personnel, and in the absence or loss of such documents, we have relied on affidavits provided by such Directors and Key Management Personnel,

as the case may be, to verify the authenticity of such disclosures. We cannot assure you that such disclosures do not have any inadvertent errors or omissions.

**36. *We have been unable to locate certain of our corporate records with respect to allotments of Equity Shares in the past.***

We have been unable to locate certain of our corporate records such as forms filed with jurisdictional registrar of companies, in respect of certain allotments of equity shares made by our Company in the past. For instance, we are unable to locate notices of allotments filed by the Company in Form 2 in respect of allotments of the Company's equity shares made to Jayant Davar and Friends Construction Company on May 31, 1989, and to Vinod Kumar, Radhay Kant, Dharam Prakash, Chander Dutt, I N Dubey, Shree Praksh, D P Dixit, and Jayant Davar on March 25, 1991. Details in respect of such allotments for the purpose of disclosure in the section "Capital Structure" have been ascertained based on the minutes of the meetings of the Board. For details, see "Capital Structure" on page 83.

**37. *Our Joint Venture partners may not perform their respective obligations satisfactorily and their interests may differ from ours, which could have an adverse effect on our business and results of operations.***

We currently have six Joint Ventures and we will continue to pursue such strategic alliances in the future. For details of our Joint Ventures, see "Our Business – Our Subsidiaries and Joint Ventures" and "Our Subsidiaries and Joint Ventures – Details of our Joint Ventures" on page 174 and page 213, respectively. The success of our business collaborations depends significantly on the satisfactory performance by our strategic partners of their contractual and other obligations. As we do not control our partners, we face the risk that they may not perform their obligations. If they fail to perform their obligations satisfactorily, we may be unable to successfully carry out our operations. In such a circumstance, we may be required to make additional investments or become liable for our partners' obligations, which could result in reduced profits or, in some cases, significant losses. Our collaborations may face difficulties in their operations due to a variety of circumstances, which could have an adverse effect on our business, results of operations and financial condition. If the interests of our partners conflict with our interests, this, and other factors may cause our Joint Venture partners to act in a manner that is contrary to our interests, or otherwise be unwilling to fulfil their obligations under our arrangements with them. Any of the foregoing could have an adverse effect on our business, results of operations, financial condition, and reputation.

**38. *Activities involving our manufacturing process can be dangerous and can cause injury to people or property in certain circumstances. A significant disruption at any of our manufacturing facilities may adversely affect our production schedules, costs, sales, and ability to meet customer demand.***

Our business involves complex manufacturing processes that can be dangerous to our employees. Although we employ safety procedures in the operation of our facilities and maintain what we believe to be adequate insurance, there is a risk that an accident or death may occur in one of our facilities. An accident may result in destruction of property or equipment, environmental damage, manufacturing or delivery delays, or may lead to suspension of our operations and / or imposition of liabilities. Any such accident may result in litigation, the outcome of which is difficult to assess or quantify, and the cost to defend such litigation can be significant. As a result, the costs to defend any action, or the potential liability resulting from any such accident or death or arising out of any other litigation, and any negative publicity associated therewith, may have a negative effect on our business, financial condition, results of operations and prospects.

In particular, if operations at our manufacturing facilities were to be disrupted as a result of any significant workplace accident, equipment failure, natural disaster, power outage, fire, explosion, terrorism, adverse weather conditions, labour dispute, obsolescence or other reasons, our financial performance may be adversely affected as a result of our inability to meet customer demand or committed delivery schedules for our products. During Fiscal 2013, we faced a total of four instances of accidents due to fire at our units located in Attibele, Bommasandra, Dhumasapur and Chennai, involving an aggregate claim amount of ₹2.53 million.

Interruptions in production may also increase our costs and reduce our sales, and may require us to make substantial capital expenditures to remedy the situation or to defend litigation that we may become involved in as a result, which may negatively affect our profitability, business, financial condition, results of operations and prospects.

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

We require certain approvals, licenses, registrations, and permissions for operating our business, some of which may have expired, and for which we have made applications for obtaining renewals. If we fail to obtain or retain any of these approvals or licenses, or renewals thereof, in a timely manner, our business may be adversely affected. Furthermore, our government approvals and licenses are subject to numerous conditions, some of which are onerous and require us to make substantial compliance-related expenditure. If we fail to comply, or a regulator claims that we have not complied with these conditions, our business, prospects, financial condition, and results of operations may be adversely affected. For details, see “*Government and Other Approvals*” on page 455.

**40. *Product liability and other civil claims and costs incurred as a result of product recalls could harm our business, results of operations and financial condition.***

We face an inherent business risk of exposure to product liability or recall claims, in the event that our products fail to perform as expected or such failure results, or is alleged to result, in bodily injury or property damage or both. We cannot assure you that we will not experience any material product liability losses in the future or that we will not incur significant costs to defend any such claims.

Vehicle manufacturers 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 vehicle design process and assume more vehicle assembly functions, vehicle manufacturers may seek compensation from their suppliers for contributions when faced with product recalls, product liability or warranty claims. Vehicle manufacturers are also increasingly requiring their outside suppliers to provide warranties for their products and bear the costs of repair and replacement of such products under new vehicle warranties. 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, when the product supplied does not perform as expected. Such warranties may be enforced against us even in cases where the underlying sales contract has expired. A successful warranty or product liability claim or costs incurred for a product recall in excess of our available insurance coverage, if any, would have an adverse effect on our business, results of operations and financial condition.

We do not carry insurance for product liability or recall. Whilst there have been no product liability claims against us in the past, 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.

**41. *Our continued operations are critical to our business and 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. For example, in February 2013, there was disruption in operations at our Dhumaspur unit on account of a fire break out. The assembly lines of our 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. Our 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.

Further, it is also important that we maintain capacity utilisation levels at our manufacturing units to ensure profitability. This is dependent on various factors which are beyond our control, including sustained business from our customers. In the event of a reduction in capacity utilisation levels at our manufacturing units, our profitability, results of operations and financial condition could be adversely affected.

**42. *We have significant energy requirements and any disruption to these power sources could increase our production costs and adversely affect our results of operations.***

We require substantial electricity for our manufacturing facilities, and energy costs represent a significant portion of the production costs for our operations. For the six months period ended September 30, 2017, Fiscal

2017, Fiscal 2016, Fiscal 2015, Fiscal 2014, and Fiscal 2013, our power and fuel costs was ₹331.78 million, ₹590.37 million, ₹537.76 million, ₹537.67 million, ₹490.31 million, and ₹458.54 million, constituting 3.74%, 3.99%, 3.92%, 4.00%, 4.27% and 4.30%, respectively, of our total expenses. We source almost all the electricity requirements for our manufacturing facilities from local utilities. If supply is not available for any reason, we will need to rely on alternative sources, which may not be able to consistently meet our requirements and are high on costs, thereby adversely affecting our cost of production and profitability. Further, if, for any reason such electricity is not available, we may need to shut down our plants until an adequate supply of electricity is restored. Interruptions of electricity supply can also result in production shutdowns, increased costs associated with restarting production and the loss of production in progress. If energy costs were to rise, or if electricity supplies or supply arrangements were disrupted, our profitability could decline.

**43. *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 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. Any inability on our part to adequately detect, rectify or mitigate any such deficiencies in our internal controls may adversely impact our ability to accurately report, or successfully manage, our financial risks, and to avoid fraud.

**44. *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 and financial condition.***

We operate 31 manufacturing facilities in India, some of which are operated on industrial land allotted by state-owned IDCs. Under the terms of allotment of such lands, we are required to comply with various conditions such as achieving the investment commitment set out in the project report, adhering to the timelines for completion of setting up of the manufacturing facility, and commencement of manufacturing activity. If we fail to meet these conditions, we may be required to pay a non-refundable premium to the concerned IDC to extend the deadline for meeting the commitments. Further, 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.

We have in the past sought time extensions to commence production for two of our manufacturing facilities in Pathredi, Rajasthan, and Chakan, Maharashtra. In order to obtain these time extensions, we paid ₹12.34 million and ₹7.64 million to RIICO and MIDC, respectively. These amounts have been capitalised. Subsequently, we received letters dated May 26, 2015 from RIICO, and February 18, 2015 from MIDC, calling upon our Company to make additional payments aggregating to ₹76.37 million to RIICO, and ₹7.65 million to MIDC, for time extensions to commence production. Our Company has not paid such additional amounts to either RIICO or MIDC as on the date of this Red Herring Prospectus. In the event the Company does not pay such amounts, the lands allotted by RIICO and MIDC to our Company may stand cancelled.

As we are constantly looking to expand our business, we will 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 licenses and approvals which could delay the completion of the manufacturing facility beyond the timeline agreed upon with the IDC. In such an event, we are subject to the risk of paying a heavy premium or, even, the cancellation of land allotment. Cancellation of land allotment could have an impact on our financial condition on account of the capital invested on a facility being blocked without any returns while we continue to service the cost of the capital raised which could adversely impact our results of operations and financial condition.

**45. *Certain of our immovable properties, where some of our manufacturing units are located, are leased by us. If we are unable to renew existing leases or relocate our operations on commercially reasonable terms, there may be an adverse effect on our business, financial condition and operations.***

Some of our manufacturing units are located on land held by us on a leasehold basis from third parties. The leases for these premises require periodic renewal, and remain subject to periodic escalation of lease payments. As on September 30, 2017, March 31, 2017, March 31, 2016, March 31, 2015, March 31, 2014 and March 31, 2013, our rental expenses amounted to ₹78.67 million, ₹165.76 million, ₹170.67 million, ₹141.21 million, ₹132.80 million and ₹126.95 million, respectively, on a consolidated basis. For details of our immovable properties, see “*Our Business – Immovable Properties*” on page 186.

If we are unable to renew certain or all of these leases on commercially reasonable terms, we may suffer a disruption in our operations or be unable to continue to operate from those locations in the future (and may, to that extent, need to revise our raw material sourcing, product manufacturing and raw material and product inventory schedules and / or incur significant costs to relocate or expand our operations elsewhere in order to continue to honour our commitments to our customers). In addition, the terms of certain of our leases require us to obtain the lessor’s prior consent for certain actions (including making significant structural alterations to the factory building, which may be required if we were to undertake a significant expansion in the future, or for undertaking a corporate restructuring or to sublet, transfer, assign, charge or mortgage such properties).

**46. *Some of our agreements may have certain irregularities.***

Our Company has entered into certain agreements, including lease agreements and joint venture agreements, that have not been adequately stamped. Accordingly, such documents may not be produced for enforcement before a court of law until the applicable stamp duty and consequent penalties are paid. Accordingly, we may be required to incur additional costs in order to adjudicate these agreements before relevant authorities.

**47. *Our insurance coverage may not adequately protect us from all material risks and liabilities.***

Our business, including our manufacturing operations in particular, carry an inherent risk of exposure to substantial liability for property damage, personal injury or death, product liability, environmental pollution, or other damage. As of December 31, 2017, and March 31, 2017, we have obtained insurance for an aggregate amount of ₹13,599.62 million and ₹12,280.26 million, respectively, on a consolidated basis, which constitutes 127.96% and 129.24%, respectively, of our gross block of depreciable tangible assets and inventory. Although we maintain insurance coverage for all anticipated risks, our insurance is subject to customary deductibles, exclusions and limits which may prevent us from fully recovering our losses, or our insurance may not be adequate to cover our liabilities. There may also be certain types of risks for which we are not covered. For instance, we currently do not have product recall insurance. Further, there is no assurance that insurance will be generally available in the future or, if available, that the premiums will be commercially justifiable. If we incur substantial liability which is not covered by insurance or exceed policy limits, our business, financial condition, results of operations and prospects may be adversely affected.

**48. *We might infringe upon the intellectual property rights of others, any misappropriation of which could harm our reputation and 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 which may force us to alter our technologies, obtain licenses or cease some of our operations. We may also 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 license, modify our existing technology or cease the use of such technology and design a new non-infringing technology. Such licenses or design modifications can be extremely costly. Furthermore, necessary licenses 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, which settlement could be costly. We may also be liable for any past infringement. Any of the foregoing could adversely affect our business, results of operations and financial condition.

In addition, 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 financial condition and damage our reputation and relationships with our customers.

**49. *Our failure to keep our technical knowledge confidential could erode our competitive advantage.***

Like many of our competitors, we possess extensive technical knowledge about our products. Our technical knowledge is a significant independent asset, which may not be adequately protected by intellectual property rights such as patent registration. Some of our technical knowledge is protected only by secrecy. As a result, we cannot be certain that our technical knowledge will remain confidential in the long run.

Even if all reasonable precautions, whether contractual or otherwise, are taken to protect our confidential technical knowledge of our products and business, there is still a danger that 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 in respect of research and development and certain other key employees, we cannot guarantee that we will be able to successfully enforce such agreements. We also have non-disclosure arrangements with a number of our customers and suppliers, as part of the general supply or purchase agreements, but we cannot assure you that such agreements will be successful in protecting our technical knowledge. The potential damage from such disclosure is increased as many of 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 leakages. 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 that we may have over other companies in the automotive components sector could be harmed. 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. Consequently, any leakage of confidential technical information could have an adverse effect on our business, results of operations, financial condition and future prospects.

**50. *We are entitled to certain tax benefits in respect of our manufacturing units in Haridwar and SCID, our research and development division. These tax benefits are available for a definite period of time, which, on expiry or if withdrawn prematurely, may adversely affect our business, financial condition, results of operations and prospects.***

We are entitled to the following tax benefits in respect of our manufacturing facilities in Haridwar and our research and development division:

- Our Company is availing deduction under Section 80IC of the IT Act, in connection with setting up a unit in the State of Uttarakhand. As per the provisions of the IT Act, our Company is entitled to deductions of: (i) 100% of profits and gains from our manufacturing facility in Haridwar for five years commencing from the initial assessment year, and (ii) 30% of profits and gains for the next five assessment years. Our manufacturing facility in Haridwar commenced commercial operations in March 2010, and we are currently entitled to 30% of profits and gains until Fiscal 2019.
- Our Company is entitled to deduction of a sum equal to 150% of the expenditure incurred during the financial year under Section 35(2AB) of the IT Act in connection with setting up a Research and Development Center at Gurugram. SCID, our Research and Development Center, has been registered and approved by the Department of Scientific and Industrial Research, Ministry of Science and Technology, New Delhi. The deduction of 150% of the expenditure is available up to March 31, 2020, post which, the deduction will be reduced to 100% of the expenditure incurred.

For details, see “*Statement of Possible Special Tax Benefits*” on page 113.

Our profitability will be affected to the extent that such benefits are not available beyond the periods currently contemplated. Our profitability may be further affected in the future if any of such benefits is reduced or withdrawn prematurely or if we are subject to any dispute with the tax authorities in relation to these benefits or in the event we are unable to comply with conditions required to be complied to avail each of such benefits. In the event that any adverse development in the law or the manner of its implementation affect our ability to

benefit from these tax incentives, our business, financial condition, results of operations and prospects may be adversely affected.

**51. *Our efforts in obtaining and protecting our patents may be costly and, unsuccessful, which may have any adverse effect on our business and results of operations.***

Patent protection is an important component of our business strategy. Patents covering our developed products provide exclusivity in the Indian market, which is important for the successful marketing and sale of our products. Currently, we have 14 patent applications pending. Our applications may be opposed, or our competitors may have filed similar patent applications or hold issued patents relating to products or processes that compete with those that we are developing or are seeking to protect. We cannot assure you that we will be granted patents that we apply for, in a timely manner, or at all and that such patents will be sufficiently broad to protect our technology or to provide us with any competitive advantage.

Even if we are successful in obtaining patents with respect to our pending applications, third parties may challenge, seek to invalidate or circumvent our patents and patent applications. Although we may defend our patent rights, there can be no assurance that our defence will be successful. Moreover, patent litigation and other challenges to our Company's patents may be costly and unpredictable. If one or more of our important patented products lose patent protection in profitable markets, sales of those products may decline significantly if alternative versions of those products become available, and this may have an adverse effect on our business and results of operations.

We also rely on non-disclosure agreements and non-competition agreements with certain employees, consultants and other parties to protect trade secrets and other proprietary rights that belong to us. We cannot assure you that these agreements will not be breached, that we will have adequate remedies for any breach or that third parties will not otherwise gain access to our trade secrets or proprietary knowledge.

**52. *We are subject to risks arising from interest rate fluctuations, which could adversely affect our results of operations, planned expenditures and cash flows.***

As of September 30, 2017, all of our indebtedness was at floating interest rates. If the interest rates of our existing or future borrowings increase significantly, our cost of funds will increase. A further increase in interest rates (or the current high interest rate environment not changing) may have an adverse effect on our results of operations and financial condition. While we could consider refinancing the loan or hedging interest rate risks in appropriate cases, there can be no assurance that we will be able to do so on commercially reasonable terms, that our counterparties will perform their obligations, or that these agreements, if entered into, will protect us adequately against interest rate risks. Further, if such arrangements do not protect us adequately against interest rate risks, they would result in higher costs.

**53. *Some of our loans may be repayable on demand at any time, which may lead to default in terms of such financing agreements.***

As on September 30, 2017, our long-term and short-term borrowings, amounted to ₹4,732.06 million, on a consolidated basis. While all the working capital facilities availed by us, constituting 44.47% of our total borrowings as on September 30, 2017, are repayable on demand at the option of our lenders, all term loans availed by us, constituting 55.53% of our total borrowings as on September 30, 2017, become repayable on demand upon the occurrence of an event of default as envisaged under the respective financing agreement. Any failure to service such indebtedness, comply with a requirement to obtain lender consent or otherwise perform such obligations under such financing agreements (including unsecured borrowings) may lead to a such borrowing being repayable on demand or termination of one or more of our credit facilities or penalties and acceleration of amounts due under such credit facilities, which may adversely affect our business, financial condition, results of operations and prospects.

**54. *Third party statistical and financial data in this Red Herring Prospectus may be incomplete and unreliable.***

This Red Herring Prospectus includes information that is derived from an industry report, "Review & Outlook on Indian Automobile / Automotive Component sectors" published by CRISIL Limited. For details, see "Industry Overview" on page 117. No person connected with this Offer has independently verified the CRISIL Report. Generally, industry reports and data disclaims the accuracy, adequacy or completeness of information provided in such reports, and further disclaims any responsibility for any errors or omissions in the information

provided, or for the results obtained from the use of such industry information. Further, the CRISIL Report is subject to many assumptions. There are no standard data gathering methodologies in the industries in which we conduct our business, and methodologies and assumptions may vary widely among different industry sources. Further, such assumptions may change based on various factors. We cannot assure you that the assumptions considered in the CRISIL Report are correct or will not change and accordingly our position in the market may differ from that presented in this Red Herring Prospectus. Further, the CRISIL Report is not a recommendation to invest / disinvest in the Equity Shares. Further, generally industry reports and data disclaims all responsibility and liability for any costs, damages, losses, liabilities incurred by any third party including subscribers / users / transmitters / distributors in the Offer who uses or relies upon the industry information, or extracts there from. Prospective investors are advised not to unduly rely on the CRISIL Report when making their investment decisions.

**55. *The deployment of funds for the Objects of the Offer is at the discretion of our Board, and the funding plan has not been appraised by any bank or financial institutions and the use of Net Proceeds.***

We intend to use the Net Proceeds for the purposes described in the chapter “*Objects of the Offer*” on page 97. Subject to this chapter, our management will have broad discretion to use the Net Proceeds. The funding plans are in accordance with our management’s own estimates, and have not been appraised by any bank / financial institution. Our Company may have to revise its management estimates from time to time and consequently its requirements may change. Further, pending utilisation of the Net Proceeds towards the Objects of the Offer, our Company will deposit the net proceeds only with schedule commercial banks.

**56. *A portion of the proceeds from this Offer will not be available to us.***

As this Offer includes an offer for sale of Equity Shares by the Selling Shareholder, the proceeds from the Offer for Sale will be remitted to the Selling Shareholder. Our Company will not benefit from such proceeds.

**57. *The premises in which our Registered Office is situated is held by us on a leasehold basis. In the event we lose our right to use such premises, our business could be adversely affected.***

The premises in which our Registered Office is situated is located at B-6/20, L.S.C., Safdarjung Enclave, New Delhi – 110 029, India. By way of an agreement dated November 8, 2017, executed between our Company and Shorah Realty LLP, our Company has obtained the abovementioned premises on lease from Shorah Realty LLP, for a monthly consideration of ₹5,000. The abovementioned lease agreement is valid until October 8, 2018. If Shorah Realty LLP decides to revoke or terminate the lease agreement with our Company, or refuses to renew the lease, our business could be adversely affected.

**58. *We had negative cash flow from investing activities, during the six months period ended September 30, 2017 and Fiscal 2017.***

During the six months period ended September 30, 2017 and Fiscal 2017, our Company had a negative cash flow from investing activities of ₹984.48 million and ₹1,049.74 million, respectively, on a consolidated basis and ₹738.20 million and ₹696.03 million, respectively, on an unconsolidated basis. For details, see “*Financial Statements*” on page 248. We cannot assure you that our Company would not experience negative cash flow from any of our activities in future.

**59. *Some of our Group Entities have incurred losses in the last three financial years.***

Some of our Group Entities, namely, Sandhar Intelli-glass Solutions Limited, Haridwar Estates Private Limited, and Sandhar Enterprises have incurred losses during have incurred loss in the last three fiscals. Details of profits (or losses) after tax of these entities in the preceding three fiscals are provided in “*Our Group Entities – Loss Making Group Entities*” on page 242. There is no assurance that these or any of our other Group Entities will not incur losses in future periods or that there will not be an adverse effect on our Company’s reputation or business as a result of such losses.

**External Risk Factors:**

**60. *The cyclical nature of automotive sales and production can adversely affect our business.***

Our business is directly related to our customers' vehicle sales and production levels across various segments. Automotive sales and production are highly cyclical and depend on general economic conditions and other factors, including consumer spending and preferences as well as changes in interest rate levels, consumer confidence and fuel costs. Our sales are also affected by inventory levels and production levels of automotive manufacturers. We cannot predict when manufacturers will decide to either build or reduce inventory levels or whether new inventory levels will approximate historical inventory levels. This may result in variability in our sales and financial condition. Uncertainty regarding inventory levels may be exacerbated by favourable consumer financing programs initiated by manufacturers which may accelerate sales that would otherwise occur in future periods. In the past, we have experienced sales declines during the manufacturers' scheduled shutdowns or shutdowns resulting from unforeseen events. As we have high fixed production costs, even relatively modest declines in our customers' production levels and thus, our production volumes, can have a significant adverse impact on our profitability. In addition, recently lower global automotive sales have resulted in substantially all automotive manufacturers lowering vehicle production schedules. There is no assurance that global automotive sales will continue to recover or not decrease further. Continued uncertainty and other unexpected fluctuations could have an adverse effect on our business, results of operations and financial condition.

**61. Companies in India (based on notified thresholds), including our Company, will be required to prepare financial statements under Ind-AS (which is India's convergence to IFRS). The transition to Ind-AS in India is very recent and there is no clarity on the impact of such transition on our Company.**

Our Company currently prepares its annual financial statements under Indian GAAP. Companies in India, including our Company, will be required to prepare financial statements under Indian Accounting Standard 101 "First-time Adoption of Indian Accounting Standards ("Ind-AS"). On January 2, 2015, the MCA announced the revised roadmap for the implementation of Ind-AS (on a voluntary as well as mandatory basis) for companies other than banking companies, insurance companies and non-banking finance companies through a press release (the "Press Release"). Further, on February 16, 2015, the MCA has released the Companies (Indian Accounting Standards) Rules, 2015 (to be published in the Gazette of India) which has come into effect from April 1, 2015.

Ind-AS will be required to be implemented on a mandatory basis by companies based on their respective net worth as set out below:

Sr. No.	Category of companies	First Period of Reporting
1.	Companies whose securities are either listed or proposed to list, on any stock exchange in India or outside India and having a net worth of ₹5,000 million or more	Financial year commencing on or after April 1, 2016
2.	Companies other than those covered in (1) above and having a net worth of ₹5,000 million or more	Financial year commencing on or after April 1, 2016
3.	Companies whose securities are either listed or proposed to list, on any stock exchange in India or outside India and having a net worth of less than ₹5,000 million	Financial year commencing on or after April 1, 2017
4.	Unlisted companies having a net worth of ₹2,500 million or more but less than ₹5,000 million	Financial year commencing on or after April 1, 2017

In addition, any holding, subsidiary, joint venture or associate companies of the companies specified above shall also comply with such requirements from the respective periods specified above.

There is not yet a significant body of established practice on which to draw informing judgments regarding its implementation and application. Additionally, Ind-AS differs in certain respects from IFRS and therefore financial statements prepared under Ind-AS may be substantially different from financial statements prepared under IFRS. There can be no assurance that our Company's financial condition, results of operation, cash flow or changes in shareholders' equity will not be presented differently under Ind-AS than under Indian GAAP or IFRS. When our Company adopts Ind-AS reporting, it may encounter difficulties in the ongoing process of implementing and enhancing its management information systems. There can be no assurance that the adoption of Ind-AS by our Company will not adversely affect its results of operation or financial condition.

**62. Significant differences exist between Indian GAAP and other accounting principles, such as US GAAP and IFRS, which may be material to investors' assessments of our financial condition.**

Our financial statements are prepared in accordance with Indian GAAP. We have not attempted to quantify the impact of IFRS or U.S. GAAP on the financial data included in this Red Herring Prospectus, nor do we provide a reconciliation of our financial statements to those of U.S. GAAP or IFRS. U.S. GAAP and IFRS differ in significant respects from Indian GAAP. Accordingly, the degree to which the Indian GAAP financial statements included in this Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Red Herring Prospectus should accordingly be limited.

**63. *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. Further, if it is proved 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. It is unclear as to how the Competition Act and the CCI will affect the business environment in India.

**64. *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. See "*Regulations and Policies*" on page 190 for details of the laws currently applicable to us.

There can be no assurance that the Government may not implement new regulations and policies which will require us to obtain approvals and licenses from the Government and other regulatory bodies or impose onerous requirements and conditions on our operations. Any such changes and the related uncertainties with respect to the implementation of the new regulations may have a material adverse effect on our business, financial condition and results of operations. In addition, we may have to incur capital 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.

The application of various Indian tax laws, rules and regulations to our services, 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. Further, changes in capital gains tax or tax on capital market transactions or 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.

**65. *Any future issuance of Equity Shares may dilute your shareholdings and sales of the Equity Shares by our Promoters or other major shareholders may adversely affect the trading price of the Equity Shares.***

Any future equity issuances by our Company may lead to the dilution of investors' shareholdings in our Company. In addition, any sales of substantial amounts of the Equity Shares in the public market after the completion of the Offer, including by our Promoters or other major shareholders, or the perception that such sales could occur, could adversely affect the market price of the Equity Shares and could materially impair future ability of our Company to raise capital through offerings of the Equity Shares. Our Promoter and Promoter Group currently hold an aggregate of 82.53% of the outstanding Equity Shares. After the completion

of the Offer, our Promoter and Promoter Group will continue to hold more than 50% of the outstanding Equity Shares. We cannot predict the effect, if any, that the sale of the Equity Shares held by our Promoters or other major shareholders or the availability of these Equity Shares for future sale will have on the market price of the Equity Shares.

**66. *It may not be possible for investors outside India to enforce any judgment obtained outside India against our Company or our management or any of our associates or affiliates in India, except by way of a suit in India.***

Our Company is incorporated as a public limited company under the laws of India and all of our directors and executive officers reside in India. Further, certain of our assets, and the assets of our executive officers and directors, are located in India. As a result, it may be difficult to effect service of process outside India upon us and our executive officers and directors or to enforce judgments obtained in courts outside India against us or our executive officers and directors, including judgments predicated upon the civil liability provisions of the securities laws of jurisdictions outside India.

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.

**67. *The requirements of being a listed company may strain our resources.***

We are not a listed company and have not, historically, been subjected to the increased scrutiny of our affairs by shareholders, regulators and the public at large that is associated with being a listed company. As a listed company, we will incur significant legal, accounting, corporate governance and other expenses that we did not incur as an unlisted company. We will be subject to the SEBI Listing Regulations which will require us to file audited annual and unaudited quarterly reports with respect to our business and financial condition. If we experience any delays, we may fail to satisfy our reporting obligations and / or we may not be able to readily determine and accordingly report any changes in our results of operations as promptly as other listed companies.

Further, as a listed company, we will need to maintain and improve the effectiveness of our disclosure controls and procedures and internal control over financial reporting, including keeping adequate records of daily transactions. In order to maintain and improve the effectiveness of our disclosure controls and procedures and internal control over financial reporting, significant resources and management attention will be required. As a result, our management’s attention may be diverted from our business concerns, which may adversely affect our business, prospects, financial condition and results of operations. In addition, we may need to hire additional legal and accounting staff with appropriate experience and technical accounting knowledge, but we cannot assure you that we will be able to do so in a timely and efficient manner.

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

Under the IT Act, capital gains arising from the sale of equity shares in an Indian company are generally taxable in India except any gain realised on the sale of shares on a stock exchange held for more than 12 months will not be subject to capital gains tax in India if the STT has been paid on the transaction. The STT

will be levied on and collected by an Indian stock exchange on which equity shares are sold. Any gain realised on the sale of shares held for more than 12 months to an Indian resident, which are sold other than on a recognised stock exchange and as a result of which no STT has been paid, will be subject to long term capital gains tax in India. Further, any gain realised on the sale of shares on a stock exchange held for a period of 12 months or less will be subject to short term capital gains tax. Further, any gain realised on the sale of listed equity shares held for a period of 12 months or less which are sold other than on a recognised stock exchange and on which no STT has been paid, will be subject to short term capital gains tax at a relatively higher rate as compared to the transaction where STT has been paid in India. Capital gains arising from the sale of shares will be exempt from taxation in India in cases where an exemption is provided under a tax treaty between India and the country of which the seller is a resident. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdictions on gains arising from a sale of the shares subject to relief available under the applicable tax treaty or under the laws of their own jurisdiction.

**69. *Government regulation of foreign ownership of Indian securities may have an adverse effect on the price of the Equity Shares.***

Foreign ownership of Indian securities is subject to government regulations. In accordance with foreign exchange regulations currently in effect in India, under certain circumstances the RBI must approve the sale of the Equity Shares from a non-resident of India to a resident of India or vice-versa if the sale does not meet certain requirements specified by the RBI. Additionally, any person who seeks to convert the Rupee proceeds from any such sale into foreign currency and repatriate that foreign currency from India is required to obtain a no-objection or a tax clearance certificate from the Indian income tax authorities. As provided in the foreign exchange controls currently in effect in India, the RBI has provided that the price at which the Equity Shares are transferred be calculated in accordance with internationally accepted pricing methodology for the valuation of shares at an arm's length basis, and a higher (or lower, as applicable) price per share may not be permitted. We cannot assure investors that any required approval from the RBI or any other government agency can be obtained on terms favourable to a non-resident investor in a timely manner or at all. Because of possible delays in obtaining requisite approvals, investors in the Equity Shares may be prevented from realizing gains during periods of price increase or limiting losses during periods of price decline.

**70. *A third party could be prevented from acquiring control of our Company because of anti-takeover provisions under Indian law.***

There are provisions in Indian law that may delay, deter or prevent a future takeover or change in control of our Company, even if a change in control would result in the purchase of your Equity Shares at a premium to the market price or would otherwise be beneficial to you. Such provisions may discourage or prevent certain types of transactions involving actual or threatened change in control of our Company. Under the Takeover Regulations, an acquirer has been defined as any person who, directly or indirectly, acquires or agrees to acquire shares or voting rights or control over a company, whether individually or acting in concert with others. Although these provisions have been formulated to ensure that interests of investors / shareholders are protected, these provisions may also discourage a third party from attempting to take control of our Company. Consequently, even if a potential takeover of our Company would result in the purchase of the Equity Shares at a premium to their market price or would otherwise be beneficial to its stakeholders, it is possible that such a takeover would not be attempted or consummated because of the Takeover Regulations.

**71. *Natural calamities could have a negative effect on the Indian economy and cause our business to suffer.***

India has experienced natural calamities such as earthquakes, tsunami, floods and drought in the past few years. The extent and severity of these natural disasters determines their effect on the Indian economy. Further prolonged spells of below normal rainfall or other natural calamities in the future could have a negative effect on the Indian economy, adversely affecting our business and the price of our Equity Shares.

**72. *Various political and economic factors, as well as the occurrence of man-made disasters could adversely affect our results of operations and financial condition.***

Various political and economic factors within countries where we operate, such as a change in the Government, a change in the economic and deregulation policies, high rate of inflation, poverty, unemployment, illiteracy, a downgrade of India's sovereign rating by international credit rating agencies, and a slowdown in economic growth or financial instability, could affect our access to capital, and adversely affect

our business and results of operations. This apart, the occurrence of man-made disasters such as acts of terrorism, civil unrests, military actions, and other acts of violence or war in India and around the world could impair our business, financial condition, and results of operations.

**Prominent Notes:**

1. Public issue of up to [●] Equity Shares for cash at a price of ₹[●] per Equity Share (including a share premium of ₹[●] per Equity Share) aggregating up to ₹[●] million, comprising of a Fresh Issue of [●] Equity Shares aggregating up to ₹3,000 million and an Offer for Sale of up to 6,400,000 Equity Shares by the Selling Shareholder, aggregating up to ₹[●] million. The Offer shall constitute [●]% of the fully diluted post-Offer paid-up Equity Share capital of our Company.
2. As of September 30, 2017, and March 31, 2017, our Company's Net Worth was ₹3,307.24 million and ₹3,013.34 million, respectively, as per the Restated Consolidated Summary Statements and ₹3,168.24 million and ₹2,883.24 million, respectively, as per the Restated Unconsolidated Summary Statements.
3. As of September 30, 2017, and March 31, 2017, the net asset value per Equity Share was ₹64.65 and ₹58.91, respectively, as per the Restated Consolidated Summary Statements and ₹61.93 and ₹56.36, respectively, as per the Restated Unconsolidated Summary Statements.
4. The average cost of acquisition per Equity Share by our Promoter is ₹6.81.

For details, see "*Capital Structure – History of the Equity Share Capital held by our Promoter*" on page 88. The average cost of acquisition per Equity Share by our Promoter has been calculated by taking the average of the amounts paid by our Promoter to acquire the Equity Shares.

5. The average cost of acquisition per Equity Share by the Selling Shareholder is ₹84.00.

For details, see "*Capital Structure – Details of Build-up of Equity Share Capital held by the Selling Shareholder*" on page 92. The average cost of acquisition per Equity Share by the Selling Shareholder has been calculated by taking the average of the amounts paid by the Selling Shareholder to acquire the Equity Shares.

6. During the period commencing from six months immediately preceding the date of filing of the Draft Red Herring Prospectus, no financing arrangements existed pursuant to which our Promoter, Promoter Group, Directors, or their relatives have financed the purchase of Equity Shares by any other person.
7. There have been no changes to our name or main objects in the three years preceding the date of filing of the Draft Red Herring Prospectus. Our Company was incorporated as Sandhar Locking Devices Private Limited on October 19, 1987, at New Delhi, India, as a private limited company under the Companies Act, 1956. The name of our Company was subsequently changed to Sandhar Locking Devices Limited on conversion to a public limited company, and a fresh certificate of incorporation consequent upon change of name was issued by the RoC on September 21, 1992. Subsequently, the name of our Company was changed from Sandhar Locking Devices Limited to Sandhar Technologies Limited, and a fresh certificate of incorporation, consequent upon change of name was issued by the RoC to our Company on November 11, 2005. For details of change in the name and Registered Office of our Company, see "*History and Certain Corporate Matters – Changes in Registered Office*" on page 196.
8. For details of related party transactions entered into by our Company with the Group Entities and Subsidiaries during the last Fiscal, the nature of transactions and the cumulative value of transactions, see "*Related Party Transactions*" on page 246.
9. Except as stated in the chapter "*Related Party Transactions*" on page 246, our Group Entities do not have any business or other interest in our Company.
10. Any clarification or information relating to the Offer shall be made available by the Lead Managers and our Company to the investors at large, and no selective or additional information would be available for a section of investors in any manner whatsoever. Investors may contact any of the Lead Managers who have submitted the due diligence certificate to SEBI for any complaints pertaining to the Offer.



11. All grievances pertaining to the Offer, and all future communications in connection with queries related to Allotment, credit of Equity Shares, refunds, non-receipt of Allotment Advice and other post-Offer matters should be addressed to the Registrar to the Offer, Compliance Officer and / or the Lead Managers, with a copy to the relevant SCSB or the member of the Syndicate, or the Non-Syndicate Registered Broker if the Bid was submitted to a Non-Syndicate Registered Broker at any of the Broker Centres, or the Collecting DP if the Bid was submitted to a Collecting DP at any of the Designated Collecting DP Locations or the Collecting RTA if the Bid was submitted to a Collecting RTA at any of the Designated Collecting RTA Locations, as the case may be, quoting the full name of the sole or first Bidder, ASBA Form number, address of the Bidder, Bidder's DP ID, Client ID, PAN, number of Equity Shares applied for, date of ASBA Form, name and address of the member of the Syndicate or the Designated Branch, the Non-Syndicate Registered Broker, Collecting DP or the Collecting RTA, as the case may be, with whom the Bid was submitted, and the ASBA Account number in which the amount equivalent to the Bid Amount was blocked. Further, with respect to the ASBA Forms submitted with the Designated Intermediaries, the investor shall also enclose the acknowledgment from the Designated Intermediaries in addition to the documents / information mentioned hereinabove.

## SECTION III: INTRODUCTION

### SUMMARY OF INDUSTRY

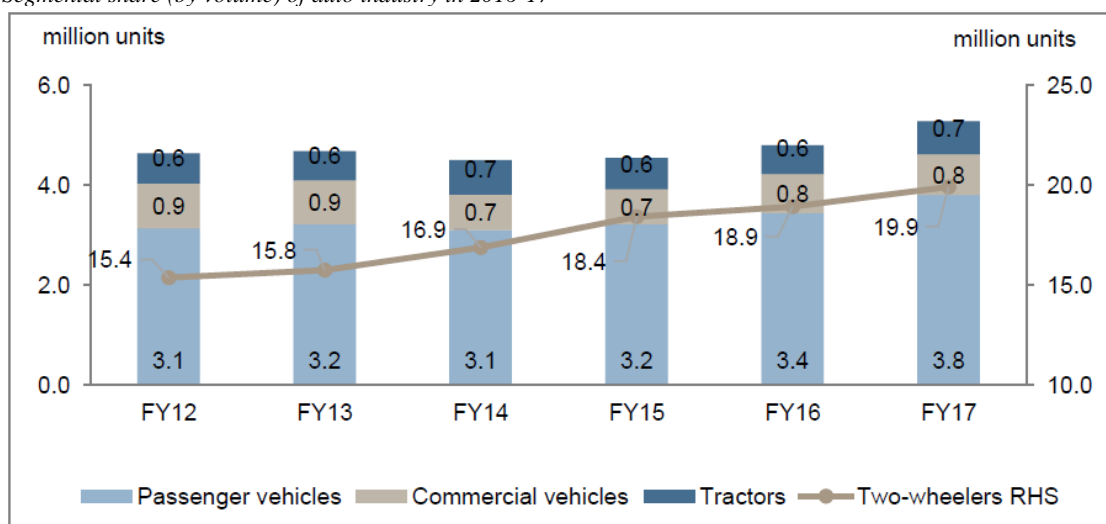
Investors should note that this is only a summary description of the industry in which we operate and does not contain all information that should be considered before investing in the Equity Shares. Before deciding to invest in the Equity Shares, prospective investors should read this entire Red Herring Prospectus, including the information in the sections “Risk Factors” on page 20. An investment in the Equity Shares involves a high degree of risk.

The information set out below has been disclaimed by CRISIL Research, a division of CRISIL Limited. For a copy of the disclaimer provided by CRISIL Research, a division of CRISIL Limited, see “Industry Overview” on page 117.

### REVIEW AND OUTLOOK OF THE INDIAN AUTOMOBILE SECTOR

The two wheelers segment dominates the Indian auto industry (~80% by volumes) and primarily dictates its tone. A robust 5.3% CAGR (during FY12-FY17 period) in total two wheeler sales accelerated auto industry growth, along with a 4% growth in the passenger vehicles segment. On the other hand, a 2% drop in commercial vehicles sales and subdued growth in tractors by 1.7% added to the pressure.

Segmental share (by volume) of auto industry in 2016-17



Source: Society of Indian Automobile Manufacturers (SIAM), CRISIL Research

#### 1. Two wheelers

##### • Domestic market

Domestic two-wheeler sales recorded 5.3% CAGR between 2011-12 and 2016-17, reaching 19.9 million units. While motorcycle and moped sales recorded 2% CAGR, scooter sales grew 14%. Sharp growth in scooters over a low base aided overall growth. Motorcycles accounted for 63% share in 2016-17, while the share of scooters rose to 32% from merely 19% in 2011-12.

The two wheeler industry grew 7% in 2016-17 on average - after showing a sharp 17.5% rise in the first half, sales dropped 300 basis points in the second half. This drop was primarily due to the impact of demonetisation, owing to its higher dependence on rural sales, lower finance penetration, and, in turn, higher share of cash transactions. The BS-III vehicle ban had no sizeable impact on the industry.

##### • Exports market

The two wheeler exports market has grown at 3.4% CAGR between 2011-12 and 2016-17. A 6% drop in exports in 2016-17 narrowed the overall growth rate from 6% up to 2015-16, to 3.4% for the five year period. This slide

was mainly due to the drop in oil prices and currency availability issues which wreaked havoc on India's exports.

- **Two wheelers outlook**

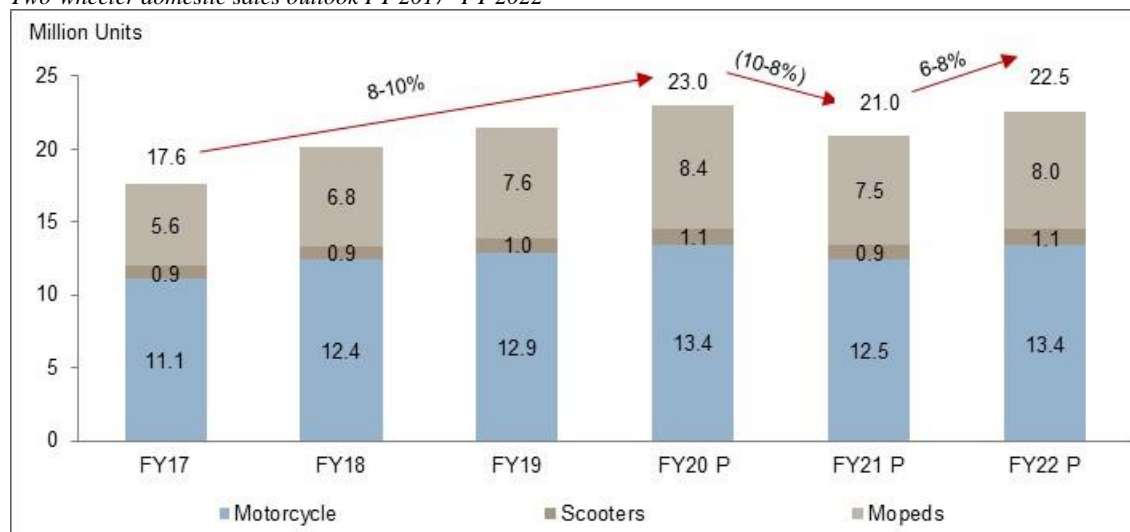
CRISIL Research projects the two-wheeler industry to grow at a faster pace of 14-16% in 2017-18, compared with 7% in 2016-17. Over the longer horizon, CRISIL Research estimates demand to grow at a robust CAGR of 8-10% till 2019-20, to ~23 million units.

Following are the key growth drivers for two wheelers:

- Growth in affordability, or higher disposable incomes supported by higher GDP growth and lower inflation. According to the CRISIL Research it is expected that affordability will improve, especially in rural areas, on the back of better crop output owing to a good monsoon. Muted interest rates are likely to aid demand further. Disbursement of farm loan waivers, which can push demand, remains a key monitorable, too.
- Urban two wheelers growth is expected to be driven by the rising income, greater women workforce and higher urbanisation due to migration.
- Improved finance penetration with the rise in captive financing (schemes provided by automotive OEM affiliates to customers) by automotive OEMs and deeper reach in tier-III and tier-IV cities (which is expected to drive finance penetration), boosting two-wheeler demand.
- On the exports front, a revival is expected in FY18 from the low base of FY17 with rise in crude oil prices and in turn improving economic indicators of primary markets as well as from the support of expanding geographical presence and increasing export portfolio of Indian two wheeler manufacturers.
- Government investments in developing rural roadways are expected to increase demand for two wheelers. A previous study by CRISIL Research has shown that each kilometre of road constructed results in additional 20-25 two wheeler vehicle demand.

CRISIL Research expects motorcycle sales to expand at 6-8% CAGR on the back of rural demand and premium launches. Scooter sales is likely to grow at 13-15% CAGR, led by positive structural factors such as convenience, perceived higher utility in intra-city transport, and growth in demand from urban and semi-urban areas.

*Two-wheeler domestic sales outlook FY 2017- FY 2022*



Source: Society of Indian Automobile Manufacturers, CRISIL Research

## 2. Passenger vehicles

Indian market was on a growth phase during FY07 to FY12 period and the domestic PV industry grew at a sharp pace of 14% CAGR during FY07- FY12. In the next five years, growth pace tapered from this high base to 3% CAGR, primarily due to the dismal sales in 2012-13 and 2013-14 owing to slowdown in the economy, and deregulation of petrol and diesel prices, which saw a sharp hike in fuel prices.

In 2016-17, industry sales grew 9.2% backed by improved monsoon, better economic indicators, lower fuel cost, interest rate cuts and launch of new models. Seventh Pay Commission pay-outs during the latter part of 2016-17 provided additional support. However, demonetisation restricted the industry's growth.

- ***PV industry outlook***

Going ahead, the domestic PV industry is expected to grow at 10-12% in 2017-18 over the high base of 2016-17. Improved GDP (7% in 2017-18) and crop output (normal monsoon) will support demand growth. Pay commission arrears, improving rural sentiments and continued traction for popular models are expected to give a push in 2017-18. Maruti's additional capacity, which became operational in February 2017, will also provide thrust to volume growth.

However, in 2017-18, the cost of ownership is expected to rise slightly due to vehicle price hikes. Vehicle prices are estimated to rise 4-6% with the 3-5% hike already announced by most of the original equipment manufacturers (OEMs) from January 2017. Petrol and diesel prices are expected to remain stable.

Key growth drivers for passenger vehicle demand over long term:

- PV demand will be led primarily by income growth and lower cost of capital.
- In next five years, CRISIL Research expects affordability to improve with economic growth. Cost of ownership is expected to remain subdued with no estimated sharp rise in crude oil prices.
- Greater affordability is expected to raise the number of addressable households to 94 million in 2021-22 from 73 million currently. Consequently, vehicle penetration in India is expected to rise from the current estimated levels of 20 vehicles per 1,000 population to 25-27 vehicles in the next five years.
- However, compliance with emission norms as well as various mandatory safety features (under consideration) is expected to push vehicle prices north. A major price rise is expected in 2020-21, when BS VI implementation becomes mandatory --3-4% price hike in petrol vehicles and 10-12% in diesel vehicles.

### ***3. Commercial vehicles***

- ***Domestic industry***

Between 2011-12 and 2016-17, domestic CV sales fell by 2.5% CAGR, wherein goods carrying medium and heavy CV (MHCV) sales contracted 3.1% CAGR, while goods carrying light commercial vehicle (LCV) sales decreased by 2.6% CAGR. Buses sales, too, failed to show any growth in the past five years.

- ***CV outlook***

CRISIL Research projects the CV segment to continue its moderate growth in 2017-18. Sales of CVs are expected to rise 4-6% in 2017-18. This is primarily on the back of 12-14% estimated rise in LCV sales. LCV sales are expected to grow supported by better demand from consumption-driven sectors (Private Final Consumption Expenditure to rise 8.4% in 2017-18 versus 7.2% in 2016-17).

On the other hand, MHCV sales are expected to drop 0-2% because of low replacement demand, advancement of purchases in 2016-17 from 2017-18 due to implementation of BS IV, rising cost of ownership of BS-IV vehicles and lower freight demand.

Bus sales to fall 7-9% in 2017-18 due to lower demand from STUs, schools, private stage carriage, staff segment. Growth trajectory in demand from intercity segment is expected to come down in 2017-18 after a stellar growth in 2016-17.

In the long run also, CVs will show moderate growth.

### ***4. Tractors***

Tractor sales are highly dependent on agriculture incomes, which are dependent on the monsoons. Hence, fluctuation in sales is higher than other automobile segments. During 2011-12 to 2016-17, domestic tractor sales grew at a modest 1.7% CAGR. While adequate rainfall in 2013-14 saw tractor sales rise a sharp 19% on-year, consecutive years of weak monsoon thereafter restricted demand in 2014-15 and 2015-16.

Tractor sales revived in 2016-17, rising 18% on-year, on the back of a normal monsoon (97% of the long period

average) with spatial and temporal distribution, resulting in *kharif* and *rabi* production increasing 10% and 7% on-year, respectively, as per the third advance estimates. The impact of demonetisation on tractor sales was short-lived, as there was a shift to cashless transactions, with adequate support from financiers.

- **Tractor industry outlook**

The tractor industry is expected to fare better in 2017-18, supported by near-normal monsoon (5% below long period average, as on August 20th) and the government's focus on rural development. According to the CRISIL Research, it is expected that the tractor sales volume will grow 11-13% on-year during the year. This forecast includes an upside of 3-5% due to the announcement of farm loan waivers in Karnataka, Maharashtra, Punjab and Uttar Pradesh.

Over the longer term, i.e. between 2016-17 and 2021-22, tractor exports are expected to grow at 8-10% CAGR, with Africa and Asia expected to remain the focal regions.

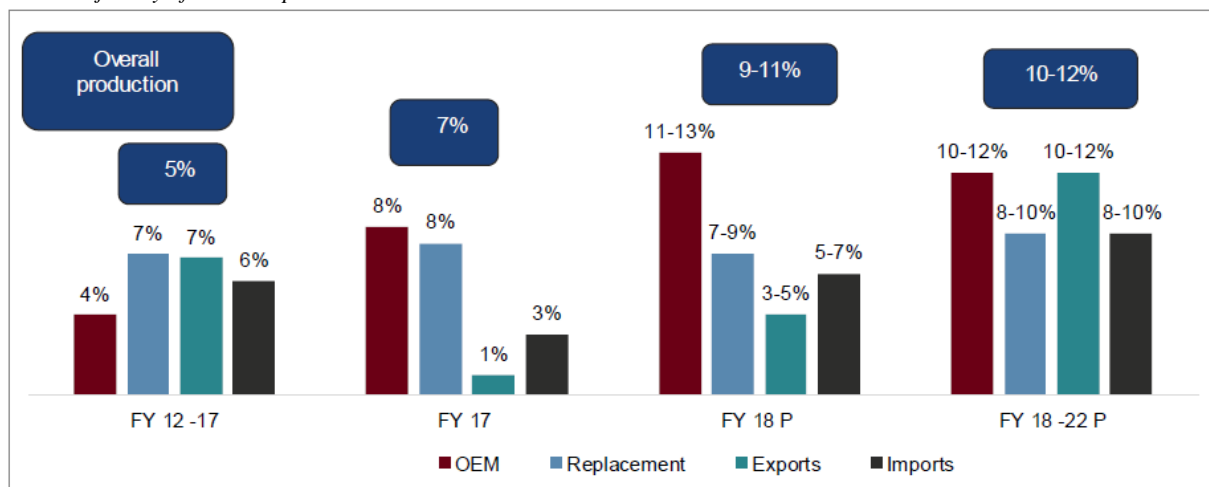
### 5. Earthmoving equipments

Volume sales of the earthmoving equipment (EME) industry surged over 42% on-year in 2016 (January to December) to ~52,500 units, as demand for road construction equipment accelerated. The sudden upturn came after a tepid revival in 2015, when sales grew 3-5% on-year after declining for three consecutive years.

Backhoe loaders, though, are yet to reach their peak of 33,595 units in 2011. However, earth excavators crossed their earlier peak of 15,155 units achieved in 2011 to reach 16,517 units in 2016. Over the next two years, growth of the excavator segment is expected to be ~21% CAGR.

### 6. Automotive Components

Growth trajectory of auto component sector



P: Projected  
Source: CRISIL Research

#### CERTAIN KEY AUTO-COMPONENTS:

##### 1. Locking systems

Locking systems in a two-wheeler consists a kit of 2-5 locks for steering, ignition, fuel tank cap, seat, tool box or helmet, depending on the two wheeler segment and individual model configuration. A locking system in a passenger vehicle consists of a kit of 3-4 locks, including steering-cum-ignition lock, two door locks and a boot lock, depending on the model configuration.

- **Two wheeler locking systems market in India**

CRISIL Research estimates the two wheeler locking systems market catering to the OEM demand to be around

Rs. 6.3-7.0 billion in FY 2017. The average realisation from a lock kit ranges from Rs. 200 to Rs. 450, primarily depending on the quality of the ignition-steering lock and fuel tank cap lock. Ignition steering is available as a mechanical lock, mechanical lock with magnetic shutter, immobiliser lock or smart lock. A lock kit with an immobiliser commands higher realisation in the range of Rs. 900-1,000. Smart locks are still in the nascent or development stages.

CRISIL Research estimates the two wheeler locking systems market to grow at a CAGR of 22-24% to Rs. 17.9-19.8 billion by FY2022.

- ***Passenger vehicle locking systems market in India***

CRISIL Research estimates the passenger vehicle locking systems market catering to OEM demand to be around Rs. 4.9-5.5 billion in FY 2017. The average realisation for a lock kit for a passenger vehicle ranges from Rs. 500 to Rs. 2,500 depending on the quality of locking technology of ignition-steering lock and door locks. Various locking technologies available in the ascending level of their technical complexity include central locking, central locking with electronic keyfobs, central locking with immobilisers and smart lock.

CRISIL Research estimates the passenger vehicle locking systems market to grow at a CAGR of 13-15% to Rs. 9.7-10.7 billion by FY 2022.

- ***Commercial vehicle locking systems market in India***

Commercial vehicle locking systems include set of 4-5 locks including door lock, ignition cum steering lock, glove box lock and fuel filler cap lock. CRISIL Research estimates the commercial vehicles locking systems market catering to OEM demand at around Rs 0.3 billion in FY 2017. Average realisation for a locking set ranges from Rs 400 to Rs 650 depending upon the type of lock. Costing for lock is higher where door lock is integrated with the door handle.

CRISIL Research estimates commercial vehicle locking systems market to grow at 13-14% CAGR reaching size of around Rs 0.6 billion by FY2022, driven largely by pickup in light commercial vehicle demand till FY 2022. Premium segment within commercial vehicles is expected to shift to electronic locking system by FY 2022 where average realisation will be in Rs. 2000-2500 range. However proportion such vehicles is expected to be less than 5%.

## **2. Vision systems**

A vision system in a two-wheeler (2W) consists a pair of rear view mirrors. In the case of passenger vehicles, vision system comprises a pair of outside rear view mirrors (ORVMs), inside rear view mirrors (IRVMs), a set of parking sensors and a rear view camera.

### **a) Two wheeler vision systems market in India**

#### ***Rear view mirrors (RVMs)***

- ***Review of two wheeler RVMs market in India***

CRISIL Research estimates the two wheeler rear view mirror market catering to original equipment manufacturer (OEM) demand at around Rs. 3.8 billion in FY 2017. Average realisation for a pair of mirrors ranges from Rs 100 to Rs. 400, depending upon the quality of plastic and glass material. As compared to simple plastic body mirrors, body painted and chrome plated mirrors have higher realisations. Economy range of motorcycles and mopeds typically have lower realisations compared to executive and premium motorcycle segment.

CRISIL Research estimates that the two wheeler rear view mirror market will grow at a compound annual growth rate (CAGR) of 11-12%, reaching a size of Rs 6.2-6.8 billion by FY2022, largely driven by pickup in two wheeler demand.

### **b) Passenger cars vision systems market in India**

### ***Outside rear view mirrors (ORVMs)***

- *Review of passenger vehicle (PV) ORVMs market in India*

Four major technologies in ORVMs are available in the Indian market, namely:

- Type I- Ball joint type mirror (manually operated mirror)
- Type II- Manually foldable mirror with side turn indicators
- Type III- Manually foldable, electrically actuated mirror with side turn indicators
- Type IV- Electrically foldable and actuated mirror with side turn indicators

CRISIL Research estimates the passenger vehicle rear view mirror market catering to OEM demand at around Rs 8.9 billion in FY 2017. Average realisation for a pair of mirror ranges from Rs 600 to Rs 5000, depending upon the mirror technology, quality of plastic and glass material. Body painted mirrors and chrome plated mirrors have higher realisations when compared to simple plastic body mirror. Top end variants passenger car models typically offer electrically foldable and actuated mirrors with side turn indicators. Mid-end variants typically offer manually foldable, electrically actuated mirror with side turn indicators.

CRISIL Research estimates passenger vehicle outside rear view mirror (ORVM) market to grow at a CAGR of 19-20%, reaching size of Rs 20.8-23.0 billion by FY2022, driven by pickup in passenger vehicle demand and improvement in average realisation.

### ***Inside rear view mirrors (IRVMs)***

- *Review of passenger vehicle IRVMs market in India*

Three major technologies in inside rear view mirrors available in Indian market are as follows:

- Non-prismatic mirror (day mirror)
- Prismatic mirror (Day/ night mirror)
- Electrochromic mirror (auto dimming)

CRISIL Research estimates the passenger vehicles inside rear view mirror market catering to OEM demand at around Rs 1.6 billion in FY 2017. Average realisation for a pair of mirrors ranges from Rs 50 to Rs 3000, depending upon the mirror technology. Electrochromic mirrors command higher realisations compared to prismatic and non-prismatic mirrors. Top end variants of premium and executive and UV models typically offer electrochromic mirrors.

CRISIL Research estimates passenger vehicle inside rear view mirror (IRVM) market to grow at 21-23% CAGR reaching size of Rs 3.5 to 3.9 billion by FY2022, driven by pickup in passenger vehicle demand and improvement in average realisation.

### ***Reverse parking sensors***

- *Review of passenger vehicle reverse parking sensors market in India*

Reverse parking assist system (RPAS) helps in gauging the distance between the vehicle and obstacle. The sensors emit ultrasonic sound waves and then receives the reflected waves. The system helps in detecting the nearest obstacle and calculating the distance of the vehicle from the nearest obstacle.

RPAS consists set of four parking sensors installed in the rear bumper of the vehicle which assist the vehicle driver in parking the vehicle. These four parking sensors with separate distance indicator cost between Rs 1100-1300. Reverse parking assist sensors with indicator system in IRVM are available in higher end vehicles.

CRISIL Research estimates the parking sensors market at around Rs 1.6 billion in FY 2017. Improved volumes are expected to set in economies of scale bringing down average costing of parking assist system. CRISIL Research estimates parking assist market to grow at 28-30% CAGR reaching size of Rs 5.5-6.0 billion by FY2022, driven by increased penetration of parking sensors across all passenger vehicle segments.

### ***Reverse parking camera***

- *Review of passenger vehicle reverse parking camera market in India*

Reverse parking camera is most commonly fitted into rear bumper of vehicle to help capture a visual display of blind spots at the rear of the vehicle. Display is either integrated with infotainment system, separate LCD screen or on the IRVM.

Reverse parking cameras are night vision camera that differ in terms of their resolution quality, accordingly cameras with VGA and megapixel resolution are available. VGA camera is available costs around Rs. 1200 whereas megapixel camera cost around Rs. 3000. CRISIL Research estimates parking camera market at around Rs 1.4 billion in FY 2017.

Improved volumes are expected to set in economies of scale bringing down average costing of parking cameras. CRISIL Research estimates parking camera market to grow at 39-41% CAGR reaching size of Rs 7.1-7.8 billion by FY2022 driven by increased penetration of parking cameras across all passenger vehicle segments.

### **c) Commercial vehicle vision systems market in India**

- *Review of commercial vehicle rear view mirror market in India*

Commercial vehicle rear view mirrors include inside rear view mirrors and outside rear view mirror. Inside rear view mirrors are primarily used in small commercial vehicle, light commercial passenger vehicles. Outside rear view mirror includes main mirror, wide angle mirror, close proximity mirror and front view mirror.

CRISIL Research estimates the commercial vehicles rear view mirror market catering to OEM demand at around Rs 0.9 billion in FY 2017. Average realisation for a pair of outside mirror ranges from Rs 900 to Rs 2500, depending upon the type of the mirror. Whereas average realisation for inside rear view mirror is around Rs. 100.

Revision in Central Motor Vehicles Rules with regards to outside rear view mirror specifications is expected to result in increase in average realisation of mirrors in 2018 to Rs. 2000-2500 range. Accordingly, CRISIL Research estimates commercial vehicle rear view mirror market to grow at 14-15% CAGR reaching size of Rs 1.6 to 1.8 billion by FY2022, driven by pickup in light commercial vehicle demand and increase in average realisation till FY 2022.

### **3. Outdoor handles**

CRISIL Research estimates passenger vehicle door handles market to be around Rs 3.4-3.7 billion in FY 2017. Average realisation for a set of four door handles ranges from Rs 200 to Rs 1200 depending upon the design (simple, body painted, chrome plated) and technology (mechatronics).

CRISIL Research estimates door handles market to grow at 16-18% CAGR to reach Rs 7.4-8.1 billion by FY 2022.

### **4. Aluminium die castings**

The automotive castings industry includes auto components manufactured through the process of metal casting. Casting sizes range from a few grams to several kilograms, depending on their functional applications. The desired dimensional accuracy and surface finish of castings can be achieved by the choice of process, its control and subsequent machining. Castings can be ferrous and aluminium.

Auto casting industry has 1:1 correlation with the automotive component industry. The amount of value addition done in ferrous casting is less, due to which the average realisation of the players is less. Indian foundries meet most of their raw material requirements indigenously, while importing specific grades required for automotive castings.

Aluminium die casted products are most prominently used in engine parts, transmission systems, suspension, wheels and steering systems. Realisation from aluminium castings is 3-4 times higher than from ferrous castings, given the difference in the quality of inputs used and the level of value addition.



The current market size for aluminium castings in India is around Rs 115 billion in FY 2017. Two wheelers accounted for 71% of aluminium die casting market, followed by passenger vehicle with 25% share and commercial vehicle with 4% share in value terms. Demand for aluminium die casted product stood at 0.43 million MT in FY 2017.

Automotive aluminium castings sales volume (in tonnage terms) is projected to grow 6-7% to reach Rs 0.58-0.64 million MT by FY 2022. Automotive aluminium castings market is expected to grow at 10-11% CAGR during FY 2017 to FY 2022 period in value terms to reach Rs. 190 billion by FY 2022

### **5. Operator cabins and fabrications**

Construction equipment and agricultural equipment OEMs outsource operator cabin fabrication and fabrication of components, such as buckets, shovels and arms, to third-party suppliers. Operator cabin fabrication involves assembly of several components, such as steel cabins, wiring harnesses, glass, locks and plastic parts. Operator cabin fabrication is a capital-intensive business and requires technical knowhow to fabricate protective structures. Proximity to construction equipment OEM is considered to be critical.

CRISIL Research estimates the operator cabin and fabrication market to be around Rs. 5.1-5.6 billion in FY 2017. The average realisation for an operator cabin is Rs. 60,000 to 80,000, depending on the type of construction equipment and cabin specification. The average realization per cabin can be as high as Rs. 200,000 based on specifications. The fabrication intensity generally ranges between Rs. 20,000 and Rs. 40,000, based on the type of equipment.

CRISIL Research expects the construction industry to grow at a 12-13% CAGR over FY 2018 to FY 2022. CRISIL Research forecasts the construction equipment market to grow in line with the construction industry. Metal prices should remain subdued due to weak global demand. However, manpower, power and fuel, other manufacturing expenses, consumables and other overhead costs are expected to exert pressure on prices. CRISIL Research estimates the operator cabin and fabrications market to grow at a CAGR of 16-18% to Rs. 11-12.3 billion by FY 2022.

### **6. Wheels**

#### **a) Two wheelers wheels market in India**

Two-wheelers (2Ws) and passenger vehicles primarily use steel and alloy wheels. Steel wheels are pressed from steel billets. Alloy wheels are aluminium/magnesium-casted products. Steel wheels dominated the global automobiles industry historically. However, alloy wheels have gained prominence globally since the beginning of the 21st century on account of their lighter weight (20-30% lighter than steel wheels) and aesthetic appeal.

The current market size for two wheeler wheels produced in India is around Rs 37.2 billion, with alloy wheels accounting for 89% of the two wheeler wheels market in value terms. Alloy wheels had ~72% volume share in overall 2W wheels market in FY 2017.

Alloy wheels volume is estimated to grow at 7-9% CAGR between FY2017 and FY2022, whereas steel wheels is expected to grow by 2-3% CAGR. Customer demand for vehicle aesthetics is expected to drive demand for alloy wheels over the period.

As of FY 2017, penetration of alloy wheels stood at around 72%. CRISIL Research estimates this to improve by 5-7% to reach ~78% by FY 2022. Increase in penetration along with growth in volume is expected to drive the demand for alloy wheels.

CRISIL Research expects raw material prices to remain subdued due to weak global demand for steel. However, manpower, power and fuel, other manufacturing expenses, consumables and other overhead costs are expected to exert pressure on prices. Average realisation over forecasted period expected to be at 2-4% CAGR.

CRISIL Research expects the market size for wheels in value terms to grow at 9-11% CAGR over the next five years based on projections of volume and increase in average price realisation in alloy wheels. Alloy wheels market is expected to reach Rs 52-57 billion, whereas steel wheels market is expected to be in Rs 4.7-5.2 billion range.

## **b) Passenger vehicle wheels market in India**

The current market size for wheels used in passenger vehicles produced in India is Rs 17.5-19.5 billion with alloy wheels accounting for 52% of the passenger vehicle wheels market in value terms. Alloy wheels had ~24% volume share in overall passenger wheels market in FY 2017.

Alloy wheels volume is estimated to grow at 28-32% CAGR between FY2017 and FY2022, whereas steel wheels demand is expected to drop by 3-4% CAGR. Growing customer demand for vehicle aesthetics will support demand for alloy wheels. Accordingly, volume share of alloy wheels is expected to grow from 24% to 57% during the period.

CRISIL Research expects raw material prices to remain subdued due to weak global demand for steel. However, manpower, power and fuel, other manufacturing expenses, consumables and other overhead costs are expected to exert pressure on prices. Average realisation per steel and alloy wheel is expected to grow at 2-4% CAGR over forecasted period.

CRISIL Research expects the market size for wheels in value terms to grow at 20-22% CAGR over the next five years based on projections of volume and increase in average price realisation in alloy wheels. Passenger vehicle alloy wheels market is expected to reach Rs 38-42 billion, whereas steel wheels market is expected to be in Rs 7.7-8.5 billion range.

## **7. Relays**

A relay is an electrically operated switch that allows a small current in one circuit to control a greater flow of current in another circuit. Relays are used to control a circuit by a separate low-power signal, or where several circuits must be controlled by one signal. Electromagnetic and solid state relays are used in automotive applications.

### **Review of two wheeler relays market in India:**

As of FY 2017, CRISIL Research estimates the market size of relays produced for two-wheelers in India to be about Rs. 1.3 - 1.5 billion. Motorcycles accounted for 63% share in relay value for two-wheelers in FY 2017, while scooters and mopeds accounted for 34% and 3%, respectively.

The value of the two wheeler relays market is estimated to grow at a CAGR of 25-27% between FY 2017 and FY 2022 in line with the growth in two wheeler demand.

Growth is expected to be robust in FY 2021, due to the implementation of BS VI emission norms from April 1, 2020. The fuel injection system, to be used under the BS VI emission norms, will lead to an increase in the intensity of usage of relays in two wheelers.

The current usage of relays in a two wheelers is estimated to be ~2-4, with the usage of relays expected to double by FY 2022. CRISIL Research expects the market size of relays to grow at a 25-27% CAGR over FY 2017 to FY 2022 period, based on the projections of two-wheeler volume and average price realisation. In FY 2022, the market size of relays for produced in India is projected to be in Rs 4.2-4.7 billion.

### **Review of passenger vehicles relays market in India:**

As of FY 2017, CRISIL Research estimates the market size of relay's produced for passenger vehicles in India at about Rs 2.1-2.3 billion. The Seventh Pay Commission pay-outs during the latter part of FY 2017 provided additional support, while demonetisation restricted the industry's growth.

The value of the passenger vehicle relays market is estimated to grow at a CAGR of 15-17% between FY 2017 and FY 2022. CRISIL Research expects the size of the relays market to grow at a 16-18% CAGR over FY 2017 to FY 2022 period, based on the projections of passenger vehicle volume and average price realisation. In FY 2022, the market size of passenger vehicle relays produced in India is projected to be around Rs. 4.9 billion.

## **8. Filters**

CRISIL Research estimates, the filter market catering to original equipment manufacturers (OEMs) of passenger vehicles (PVs) and two-wheelers (2Ws) was Rs 4.7-5.2 billion in FY 2017, with PVs comprising 63% share. There are four types of filters - air filter, oil filter, fuel filter and cabin filter.

### **a) *Air filters***

The two wheeler air filter market catering to OEM demand was ~Rs 0.71 billion in FY 2017, with average realisation ~Rs 35. The life of a two wheeler air filter is typically 12,000-20,000 km. CRISIL Research projects the two wheeler air filter market to grow at 9-10% CAGR to Rs 1.1-1.16 billion by FY 2022, in line with two wheeler demand.

CRISIL Research estimates the PV air filter market catering to OEM demand at ~Rs 0.57 billion in FY 2017, with average realisation at ~Rs 150. The lifespan of a PV air filter is 20,000-40,000 km. CRISIL Research forecasts the PV air filter market to grow at 11-12% CAGR to Rs 0.94-1.04 billion by FY 2022, in line with PV production.

### **b) *Oil filters***

CRISIL Research estimates the two wheeler oil filters market catering to OEM demand was ~Rs 27.5 million in FY 2017, with average realisation for an oil filter at ~Rs 20. The lifespan of a two wheelers oil filter is ~10,000 km. CRISIL Research expects the two wheelers air filter market to grow at 15-17% CAGR to Rs 55-61 million by FY 2022, in line with two wheelers demand. During the period, the price of filter paper media is projected to increase by 10%, as under BS-VI better quality filters will be required.

CRISIL Research estimates the PV oil filters market catering to OEM demand at ~Rs 0.25 billion in FY 2017, with average realisation at ~Rs 60 for petrol vehicles and ~Rs 72 for diesel vehicles. The lifespan of a petrol oil filter is ~40,000 km and that of a diesel oil filter is ~20,000 km. CRISIL Research projects the PV oil filter market to grow at 11-12% CAGR to Rs 0.4-0.45 billion by FY 2022, in line with PV production. Over the period, the price of filter media is expected to increase by 10%, owing to better quality filters required with the implementation of BS-VI norms.

### **c) *Fuel filters***

CRISIL Research estimates the two wheeler fuel filter market catering to OEM demand was ~Rs 0.43 billion in FY 2017, with average realisation for an air filter at ~Rs 25. Motorcycles accounted for 73% share of the air filter market in value terms in FY 2017, with scooters comprising the remaining share. CRISIL Research projects the two wheeler fuel filter market to grow at 10-12% CAGR to Rs 0.68-0.75 billion by FY 2022, which is in line with two wheeler demand. During the period, the price of filter media is forecast to increase by 10% as better quality filters will be required under BS-VI.

CRISIL Research estimates the PV fuel filter market catering to OEM demand at ~Rs 0.68 billion in FY 2017, with average realisation of a petrol filter at ~Rs 100 and that of a diesel filter at ~Rs 290. The lifespans of petrol and diesel filters are ~40,000 km and ~20,000 km, respectively. CRISIL Research forecasts the PV fuel filter market to grow at 9-11% CAGR to Rs 1.04-1.15 billion by FY 2022, which is in line with PV production. Over the period, filter media prices will inch up as under BS-VI common rail diesel systems will require better fuel filtration systems.

### **d) *Cabin filters***

CRISIL Research estimates the PV cabin filter market catering to OEM demand was ~Rs 0.46 billion in FY 2017, with average realisation at ~Rs 120. The lifespan of a cabin filter is ~40,000 km. CRISIL Research expects the PV cabin filter market to grow at 11-13% CAGR to Rs 0.76-0.84 billion by FY 2022, which is in line with PV production.

## **9. Fuel delivery modules**

The fuel-supply system provides the necessary amount of fuel from the tank to the injection system at a specific design pressure. Fuel delivery module (FDM) is an integral part of fuel supply system with fuel pump, fuel reservoir, float, level sender, and a strainer.

CRISIL Research estimates the two-wheeler FDM market catering to OEM demand to be ~ Rs 3.4 billion in fiscal 2017. Average realisation for a fuel injection module with fuel pump is ~Rs 1,500 whereas a carburettor variant costs around Rs 150. Motorcycles accounted for 69% share in the FDM market in value terms in FY 2017, while scooters and mopeds accounted for 27% and 4%, respectively. CRISIL Research estimates the two-wheeler FDM market to grow at a CAGR of 66-70%, reaching a size of Rs 43-48 billion by FY 2022, primarily driven by regulatory changes.

CRISIL Research estimates the passenger vehicle FDM market catering to OEM demand to be ~Rs 8.2 billion in FY 2017. Average realisation for a petrol car FDM with a fuel pump is around Rs 2,200. Average realisation for a diesel car FDM with a fuel pump is around Rs 2,800, whereas that for one without a fuel pump is around Rs 1,100. CRISIL Research estimates the passenger vehicle FDM market to grow at a CAGR of 11-12% and reach Rs 13.3-14.7 billion by FY 2022.

## SUMMARY OF OUR BUSINESS

*Investors should note that this is only a summary of our business and does not contain all information that should be considered before investing in the Equity Shares. Before deciding to invest in the Equity Shares, prospective investors should read this entire Red Herring Prospectus, including the information in “Risk Factors” and “Financial Statements” beginning on pages 20 and 248, respectively. An investment in the Equity Shares involves a high degree of risk.*

We are a customer centric component supplier primarily catering to automotive OEMs and largely focused on safety and security systems of vehicles with a pan India presence and a growing international footprint. We are the leader in the two-wheeler locking systems market, and the commercial vehicle rear view market in India, and are one of the two largest companies catering to the commercial vehicle locking systems market, and the two-wheeler rear view market in India. We are also one of the two largest manufacturers of operator cabins in India, along with being the largest player in the excavator cabins market (*Source: CRISIL Report*). Our business involves designing and manufacturing a diverse range of automotive components, parts and systems, driven by technology, process, people and governance.

Our long-standing relationship with our major customers has been one of the most significant factors contributing to our growth. Our customer portfolio consists of 79 Indian and global OEMs across various segments, including those indicated in the table below:

Segment	Total number of OEM customers	Key OEM Customers
Two-wheelers	9	Hero
		TVS
		Royal Enfield
		Suzuki
		UM Lohia
Passenger vehicles	21	Honda Cars
Passenger vehicles and commercial vehicles		Tata Motors
Commercial vehicles		Ashok Leyland
		Scania
		SML Isuzu
Commercial vehicles, Off-highway vehicles and tractors	34	Atlas Copco
		Caterpillar
		Doosan Bobcat
		Escorts
		Hyundai Construction
		International Tractors
		JCB
		Kobelco
		Komatsu
		LeeBoy India
		Mahindra & Mahindra
		Potain India
		Tata Hitachi
		TAFE
Volvo		
Non-automotive	15	Forza Medi

In addition to the above OEM customers, we also have relationships with global automotive component suppliers such as Autoliv, Bosch, and CTS, to whom we supply various products.

Presently, we manufacture 21 categories of products, including such product categories that are manufactured through our Subsidiaries and Joint Ventures, which cater to different industry segments. Our portfolio comprises various categories of products including safety and security systems such as lock assemblies, mirror assemblies, operator cabins for off-highway vehicles, aluminium spools, spindles, and hubs. We also manufacture other product categories including wheel assemblies, handle bar assemblies, brake panel assemblies, sheet metal components such as fuel filler caps, fuel cock assembly, step pillions, tools, dies, moulds, other aluminium components, crane and tractor parts, plastic and painted parts such as door handles (inner and outer), panels for televisions, and cabinets for air conditioners. We have also entered into the following joint venture arrangements:

Sr. No.	Name of Joint Venture	Name of Joint Venture partner	Activity undertaken
1.	Indo Toolings	JBM Auto	Commercial tooling activities
2.	Sandhar Han Sung	Han Sung	Manufacture of high precision press parts, insert moulded contact plates, and switches
3.	Jinyoung Sandhar	Jinyoung Electro-Mechanics	Assembly of AVN panels and switches
4.	Sandhar Ecco-Green Energy	DMRG and Tarun Agrawal	EPC contracts in the field of solar power generation
5.	Sandhar Daewha	Daewha Fuel Pump	Manufacturing and assembly of oil fuel module, fuel filters, starter motors and wiper blades
6.	Sandhar Amkin	Amkin group	Manufacture of safety rider helmets and other headgears for two-wheelers

We manufacture our products from 31 manufacturing facilities across eight states in India, two manufacturing facilities in Spain, and one manufacturing facility in Mexico. Further, we are in the process of commissioning five manufacturing facilities in India. For details, see “*Our Business – Our Manufacturing Facilities*” on page 117. This apart, we also have an overseas assembly and packaging centre located in Poland. Further, through SCID, our research and development activities are undertaken at Gurugram, Haryana. Our facilities are located in key auto-clusters in the northern, southern, and western parts of India, and most of our facilities are in close proximity to the plants of our OEM customers. Apart from allowing us to optimise delivery to our customers, the proximity of our facilities to the plants of our OEM customers also facilitates greater interaction with our customers, thereby enabling us to respond to their requirements in a timely manner. We believe that our proximity to our key customers has played a strong role in building and strengthening our relationship with such customers over time. Our products are manufactured through diversified technology platforms such as plastic injection moulding, zinc die casting, aluminium die casting, sheet metal stampings and fabrication, automotive electronics and robotic painting. We also have dedicated in-house tool room facilities. Whilst many of these processes were established as a part of our backward integration strategy, we have also been able to commercialise many of these processes for direct supplies to meet the needs of our customers.

We implement and create access to modern and advanced technology, which are critical for us to succeed in our business. The development of our access to technology is enabled through an in-house research and development department and through joint ventures, technical collaborations and acquisitions. Research and development is a critical part of our business and our research and development team comprises of 35 engineers as on December 31, 2017 who are all based out of SCID in Gurugram, Haryana, India. Our research and development team primarily work on the development of new products, designing, prototyping, and product upgrades. Additionally, most of our manufacturing facilities have their own engineering department which focuses on customer programs and continuous improvements to specific products. Further, we have also entered into technical collaborations with: (i) Honda Lock for availing technical advice from Honda Lock in relation to door mirrors, outside door handles, and key sets for automobiles and motorcycles, and (ii) JEM Techno for availing technical advice from JEM Techno in relation to relays used in automobiles. We have also collaborated with leading international players for development of parking assistant systems, fuel filters, fuel modules, starter motors and shark-finned antennas. For details, see “*Our Business – Technical Collaborations*” on page 181.

We have been able to harness our synergies through horizontal and vertical integration across our range products and through our integrated supply chain and inventory management systems, engineering, design, and information technology functions. We have implemented comprehensive and continuous improvements in our business processes such as centralization of our procurement system, maintenance system, information technology system and cost reduction programs to optimize manufacturing processes and realize operating efficiencies.

Incorporated on October 19, 1987, our Company commenced operations as a supplier to Hero (formerly Hero Honda Motors Limited) for sheet metal components. We are promoted by a first-generation entrepreneur, Jayant Davar, Co-Chairman and Managing Director of our Company, who has 30 years of experience in the OEM component manufacturing industry. We are also led by a qualified management team that has substantial industry, operational and financial experience, supported by a skilled work force. As of December 31, 2017, we had a total work force of 7,426 individuals comprising of 2,292 employees, and 5,134 individuals engaged by us on contractual basis.

We have believed in the importance of, and have focussed on maintaining high corporate governance standards. Our Board has also comprised of independent directors since 2003. In the last 12 years, our Company has received investment by two private equity investors, namely Actis Group and GTI. These investments by Actis Group and

GTI in our Company have helped us enhance and strengthen our operations, financial, and internal controls as well as our corporate governance standards.

Our consolidated total revenue for Fiscals 2017, 2016 and 2015 was ₹16,335.30 million, ₹15,178.87 million, and ₹14,873.43 million, respectively. On a consolidated basis, our EBITDA for Fiscals 2017, 2016 and 2015 was ₹1,524.73 million, ₹1,459.82 million, and ₹1,444.39 million, respectively. Our consolidated restated profit after tax for Fiscals 2017, 2016 and 2015 was ₹395.58 million, ₹337.48 million and ₹384.02 million, respectively. Our consolidated total revenue, EBITDA and restated profit after tax grew at a CAGR of 8.88%, 12.43% and 19.83%, respectively from Fiscal 2013 to Fiscal 2017.

Our consolidated total revenue for the six months period ended September 30, 2017 was ₹9,905.95 million. On a consolidated basis, our EBITDA for the six months period ended September 30, 2017 was ₹1,035.65 million. Our consolidated restated profit after tax for the six months period ended September 30, 2017 was ₹345.72 million. Further, we had an EBITDA margin of 10.45% and a PAT margin of 3.49% for the six months period ended September 30, 2017.

## **OUR COMPETITIVE STRENGTHS**

We believe that we are well-positioned to capture market opportunities, and benefit from the expected growth in the automobiles segment in India through our competitive strengths, which principally, include the following:

- Long-standing, and growing relationships with major OEMs.
- Diversified product portfolio.
- Production facilities close to our customers based on our philosophy – ‘Be Glocal’.
- Vertical and horizontal integration of our operations from product designing to supply solutions.
- In-house research and development, design capability and technical collaborations.
- Experienced and strong management team backed by good governance standards.

## **OUR BUSINESS STRATEGY**

We are committed to increasing our market share across our product verticals and our customers spend per vehicle, and to diversifying our product offerings, customer base and geographical footprint, thereby minimising our exposure to particular customers, segments, markets and geographies. Towards this objective, our growth and competitive strategies are as follows:

- Expansion of product portfolio through investment in new products and business with high growth potential.
- Expand our customer base.
- Increase our wallet share from existing OEM customers.
- Inorganic growth through strategic acquisitions.
- Ensure efficiency and cost optimisation and enhance innovation and design capabilities.

## SUMMARY OF FINANCIAL INFORMATION

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

These Restated Financial Statements have been prepared in accordance with the Companies Act, 2013 and Indian GAAP, and restated in accordance with SEBI ICDR Regulations and presented under "Financial Statements" on page 248. The summary financial information presented below should be read in conjunction with the Restated Financial Statements, and notes thereto, and "Financial Statements" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 248 and 417, respectively.

### RESTATED UNCONSOLIDATED SUMMARY STATEMENT OF ASSETS AND LIABILITIES

(All amounts in ₹ million, except share data and unless otherwise stated)

	As at 30 September 2017	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013
<b>Equity and liabilities</b>						
<b>A Shareholders' funds</b>						
Share capital	511.55	511.55	511.55	102.31	93.74	93.74
Reserves and surplus	2,656.69	2,371.69	2,096.16	2,398.20	1,869.18	1,632.66
<b>Total of Shareholders' funds</b>	<b>3,168.24</b>	<b>2,883.24</b>	<b>2,607.71</b>	<b>2,500.51</b>	<b>1,962.92</b>	<b>1,726.40</b>
Share application money pending allotment	-	-	-	-	14.76	-
<b>B Non-current liabilities</b>						
Long term borrowings	1,768.55	1,738.10	1,548.74	1,571.46	1,193.56	1,252.70
Deferred Tax Liabilities (Net)	58.27	62.22	62.89	86.74	112.02	113.95
<b>Total of Non-current liabilities</b>	<b>1,826.82</b>	<b>1,800.32</b>	<b>1,611.63</b>	<b>1,658.20</b>	<b>1,305.58</b>	<b>1,366.65</b>
<b>C Current liabilities</b>						
Short-term borrowings	822.85	940.12	571.61	695.38	735.64	304.68
Trade payables						
• Dues of micro and small enterprises	189.38	145.11	120.76	124.42	136.26	100.22
• Dues of creditors other than micro and small enterprises	2,374.73	1,709.34	1,664.13	1,677.40	1,262.40	1,164.96
Other current liabilities	1,083.92	858.96	975.18	730.95	724.10	720.62
Short-term provisions	210.03	111.94	89.60	117.50	71.98	40.86
<b>Total of current liabilities</b>	<b>4,680.91</b>	<b>3,765.47</b>	<b>3,421.28</b>	<b>3,345.65</b>	<b>2,930.38</b>	<b>2,331.34</b>
<b>Total A+B+C</b>	<b>9,675.97</b>	<b>8,449.03</b>	<b>7,640.62</b>	<b>7,504.36</b>	<b>6,213.64</b>	<b>5,424.39</b>
<b>Assets</b>						
<b>D Non-current assets</b>						
<b>Tangible Assets</b>						
Property, plant and equipment	4,704.27	4,632.27	4,145.62	3,889.41	3,424.39	3,186.70
Intangible assets	100.96	113.07	128.11	149.46	67.33	43.78
Capital work- in- progress	590.58	215.02	399.29	220.70	228.01	170.03
Non-current investments	428.40	354.08	398.90	316.57	319.71	314.60
Long-term loans and advances	214.23	143.10	153.94	155.53	268.04	168.27
<b>Total of non-current assets</b>	<b>6,038.44</b>	<b>5,457.54</b>	<b>5,225.86</b>	<b>4,731.67</b>	<b>4,307.48</b>	<b>3,883.38</b>
<b>E Current assets</b>						
Current investments	-	-	-	-	0.03	37.11
Inventories	1,044.97	957.15	889.92	929.07	573.80	572.69
Trade receivables	2,269.01	1,715.29	1,346.72	1,623.54	1,178.05	784.81
Cash and bank balances	13.53	34.38	18.13	43.94	11.60	59.06
Short-term loans and advances	287.46	155.49	153.92	152.28	140.91	80.09
Other current assets	22.56	129.18	6.07	23.86	1.77	7.25
<b>Total of current assets</b>	<b>3,637.53</b>	<b>2,991.49</b>	<b>2,414.76</b>	<b>2,772.69</b>	<b>1,906.16</b>	<b>1,541.01</b>
<b>Total D+E</b>	<b>9,675.97</b>	<b>8,449.03</b>	<b>7,640.62</b>	<b>7,504.36</b>	<b>6,213.64</b>	<b>5,424.39</b>



## RESTATED UNCONSOLIDATED SUMMARY STATEMENT OF PROFIT AND LOSS

*(All amounts in ₹ million, except share data and unless otherwise stated)*

Particulars	For the period / year ended					
	30-Sep-17	31-Mar-17	31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13
<b>Revenue</b>						
Revenue from operations (gross)	8,962.58	15,034.08	14,187.82	13,775.86	11,425.86	10,596.04
Less: Excise duty	377.83	1,347.52	1,280.70	1,206.57	1,013.33	972.37
<b>Revenue from operations (Net)</b>	<b>8,584.75</b>	<b>13,686.56</b>	<b>12,907.12</b>	<b>12,569.29</b>	<b>10,412.53</b>	<b>9,623.67</b>
Other Income	11.40	56.58	26.47	54.87	25.71	20.14
<b>Total revenue</b>	<b>8,596.15</b>	<b>13,743.14</b>	<b>12,933.59</b>	<b>12,624.16</b>	<b>10,438.24</b>	<b>9,643.81</b>
<b>Expenses</b>						
Cost of raw material and components consumed	5,545.63	8,826.70	8,307.98	8,440.53	6,952.75	6,650.43
Change in inventories of finished goods and work-in-progress	32.53	(49.08)	(16.81)	(39.46)	61.41	(89.90)
Employee benefit expenses	977.41	1,727.99	1,497.75	1,293.75	1,053.71	993.62
Other expenses	1,097.21	1,924.81	1,826.15	1,618.41	1,329.24	1,225.35
<b>Total expenses</b>	<b>7,652.78</b>	<b>12,430.42</b>	<b>11,615.07</b>	<b>11,313.23</b>	<b>9,397.11</b>	<b>8,779.50</b>
<b>Earnings before interest, tax, depreciation, amortization and exceptional items (EBITDA)</b>	<b>943.37</b>	<b>1,312.72</b>	<b>1,318.52</b>	<b>1,310.93</b>	<b>1,041.13</b>	<b>864.31</b>
Net depreciation and amortization expense	275.31	491.84	465.75	427.39	300.17	284.42
Interest income	(1.92)	(3.51)	(3.66)	(3.05)	(2.92)	(15.38)
Finance cost	176.45	355.58	373.44	352.90	336.27	311.58
<b>Restated profit before Exceptional items and Tax</b>	<b>493.53</b>	<b>468.81</b>	<b>482.99</b>	<b>533.69</b>	<b>407.61</b>	<b>283.69</b>
Exceptional items	-	15.51	131.67	55.00	-	-
Impairment of Investment and Advances	-	-	(82.35)	-	-	20.65
<b>Restated profit before tax</b>	<b>493.53</b>	<b>453.30</b>	<b>433.67</b>	<b>478.69</b>	<b>407.61</b>	<b>263.04</b>
<b>Tax expense</b>						
<b>Current tax</b>						
Pertaining to the profit for the current year	151.15	93.49	122.67	134.03	85.67	56.76
MAT credit entitlement	-	(4.97)	(2.05)	-	(25.11)	(12.04)
Adjustment of tax relating to earlier period	-	(0.97)	14.23	5.56	11.34	0.71
Deferred tax charge/(credit)	(3.95)	(0.67)	(23.85)	(9.27)	(1.93)	9.60
<b>Total tax expenses</b>	<b>147.20</b>	<b>86.88</b>	<b>111.00</b>	<b>130.32</b>	<b>69.97</b>	<b>55.03</b>
<b>Restated profit after tax</b>	<b>346.33</b>	<b>366.42</b>	<b>322.67</b>	<b>348.37</b>	<b>337.64</b>	<b>208.01</b>
<b>Earnings per equity shares (Rs.)</b>						
(Par value of Rs. 10 per share)						
Basic (Rs.)	6.77	7.16	6.31	6.84	6.71	4.14
Diluted (Rs.)	6.77	7.16	6.31	6.84	6.71	4.14

## RESTATED UNCONSOLIDATED SUMMARY STATEMENT OF CASH FLOWS

*(All amounts in ₹ million, except share data and unless otherwise stated)*

Particulars	For the period/ year ended					
	30-Sep-17	31-Mar-17	31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
Restated profit before tax	493.53	453.30	433.67	478.69	407.61	263.04
<b>Non-cash adjustments to reconcile profit before tax to net cash flow</b>						
Depreciation/amortization	275.31	491.84	465.75	427.39	300.17	284.42
Loss/(profit) on sale of property, plant and equipment	(1.37)	(26.74)	(0.42)	(2.49)	6.80	(0.27)
Provision for diminution in the value of investments	-	-	-	55.00	-	-
Provision for diminution in value of investments in subsidiary company	-	11.15	40.39	-	-	-
Share issue expenses	-	(29.15)	29.15	-	-	-
Provision for doubtful advances and receivable	-	-	(82.36)	-	-	20.65
Bad debts and advances written off	-	0.33	1.09	1.91	0.64	-
(Profit)/loss on sale of investments	-	-	-	-	-	(0.25)
Unrealised foreign exchange (gain)/loss	6.21	(9.81)	1.39	(5.65)	(6.34)	0.38
Interest expense	176.45	355.58	373.44	352.90	336.27	275.56
Interest income	(1.92)	(3.51)	(3.66)	(3.05)	(2.92)	(15.38)
Dividend income	(1.20)	(7.19)	(3.60)	(3.61)	(0.29)	(3.15)
Capital subsidy received	-	-	-	-	-	3.00
<b>Operating profit before working capital changes</b>	<b>947.01</b>	<b>1,235.80</b>	<b>1,254.84</b>	<b>1,301.09</b>	<b>1,041.94</b>	<b>828.00</b>
<b>Movements in working capital:</b>						
Decrease/(Increase) in trade receivables	(553.71)	(368.92)	275.78	(447.40)	(394.08)	15.24
Decrease/(Increase) in inventories	(87.82)	(67.23)	39.16	(355.27)	(1.11)	(77.80)
Decrease/(Increase) in long-term loans and advances	(0.73)	(6.59)	5.20	(6.83)	0.35	(1.91)
Decrease/(Increase) in short-term loans and advances and other current assets	(25.29)	(90.47)	13.72	(57.42)	(56.61)	(33.83)
Increase/(Decrease) in trade payables	704.85	77.64	(17.60)	407.20	138.81	96.12
Increase/(Decrease) in long-term provisions	-	-	-	-	-	-
Increase/(Decrease) in short-term provisions	1.24	16.74	7.42	26.85	5.60	13.12
Increase/(Decrease) in other current liabilities	106.72	(36.48)	11.66	2.83	0.08	(1.27)
<b>Cash generated from operations</b>	<b>1,092.27</b>	<b>760.49</b>	<b>1,590.18</b>	<b>871.05</b>	<b>734.98</b>	<b>837.67</b>
Income taxes paid, net of refunds	54.30	78.73	154.90	103.57	46.38	67.92
<b>Net cash inflow from operating activities (A)</b>	<b>1,037.97</b>	<b>681.76</b>	<b>1,435.28</b>	<b>767.48</b>	<b>688.60</b>	<b>769.75</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
Purchase of property, plant and equipment, including intangible assets, capital work in progress and capital advances	(666.88)	(777.35)	(790.30)	(922.88)	(728.87)	(1,012.55)
Proceeds from sale of property, plant and equipment.	1.90	34.16	7.01	7.02	2.56	4.77
Investments in/ (Redemption of) bank deposits (having original maturity of more than three months)	(1.94)	2.06	19.97	(27.18)	41.64	(44.21)
Purchase of current investments	-	-	-	-	-	(580.61)
Purchase of non-current investments in joint ventures	(74.23)	(23.00)	(44.76)	(61.14)	(5.11)	(72.93)
Purchase of non-current investments in subsidiary	(0.10)	(0.10)	(37.58)	-	-	-
Proceeds from sale/maturity of investments	-	56.78	0.00	0.03	37.07	543.75
Dividends received	1.20	7.19	3.60	3.61	0.29	3.15
Interest received	1.85	4.23	3.64	2.14	5.39	12.85
<b>Net cash used in investing activities (B)</b>	<b>(738.20)</b>	<b>(696.03)</b>	<b>(838.42)</b>	<b>(998.40)</b>	<b>(647.03)</b>	<b>(1,145.78)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>						
Proceeds from issuance of equity share capital	-	-	-	315.24	-	-
Proceeds from long-term borrowings	361.22	1,040.41	710.45	961.97	743.76	1,025.73
Proceeds from issuance of share capital	-	-	-	-	14.76	-
Repayment of long-term borrowings	(323.88)	(934.44)	(607.87)	(539.83)	(802.90)	(322.02)
Proceeds from/(repayment of) short-term borrowings (net of repayment/proceeds)	(117.27)	369.41	(123.76)	(40.27)	430.97	(34.95)
Interest paid	(181.30)	(351.94)	(366.04)	(351.37)	(332.88)	(271.85)
Dividends paid on equity shares	(51.15)	(76.73)	(204.34)	(93.74)	(93.74)	(35.15)
Corporate distribution tax on dividend	(10.17)	(14.16)	(11.15)	(15.93)	(15.93)	(5.70)
Receipts arising on business acquisition	-	-	-	-	8.55	-
<b>Net cash flow from/(used) in financing activities (C)</b>	<b>(322.55)</b>	<b>32.55</b>	<b>(602.71)</b>	<b>236.07</b>	<b>(47.41)</b>	<b>356.06</b>
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>(22.78)</b>	<b>18.28</b>	<b>(5.85)</b>	<b>5.15</b>	<b>(5.84)</b>	<b>(19.97)</b>

Particulars	For the period/ year ended					
	30-Sep-17	31-Mar-17	31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13
<b>Cash and cash equivalents at the beginning of the year</b>	<b>24.09</b>	<b>5.81</b>	<b>11.66</b>	<b>6.51</b>	<b>12.35</b>	<b>32.32</b>
<b>Components of Cash and cash equivalents</b>						
Cash on hand	0.76	1.44	1.50	1.06	1.08	1.46
Cheques on hand	20.20	0.07	0.10	0.76	-	5.93
With banks - on current account	3.13	4.30	10.06	4.69	11.27	24.93
- on deposit account	-	-	-	-	-	-
<b>Cash and cash equivalents at the end of the year</b>	<b>1.31</b>	<b>24.09</b>	<b>5.81</b>	<b>11.66</b>	<b>6.51</b>	<b>12.35</b>
<b>Components of cash and cash equivalents</b>						
Cash on hand	0.95	0.76	1.44	1.50	1.06	1.08
Cheques on hand	-	20.20	0.07	0.10	0.76	-
With banks - on current account	0.36	3.13	4.30	10.06	4.69	11.27
- on deposit account	-	-	-	-	-	-
<b>Total Cash and cash equivalents</b>	<b>1.31</b>	<b>24.09</b>	<b>5.81</b>	<b>11.66</b>	<b>6.51</b>	<b>12.35</b>

## RESTATED CONSOLIDATED SUMMARY STATEMENT OF ASSETS AND LIABILITIES

*(All amounts in ₹ million, except share data and unless otherwise stated)*

	As at 30 September 2017	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013
<b>Equity and liabilities</b>						
<b>A Shareholders' funds</b>						
Share capital	511.55	511.55	511.55	102.31	93.74	93.74
Reserves and surplus	2,795.69	2,501.79	2,224.76	2,489.66	1,977.43	1,699.37
<b>Total of Shareholders' funds</b>	<b>3,307.24</b>	<b>3,013.34</b>	<b>2,736.31</b>	<b>2,591.97</b>	<b>2,071.17</b>	<b>1,793.11</b>
<b>Share application money pending allotment</b>	-	-	-	-	14.76	-
<b>Minority Interest</b>	25.55	22.15	18.48	15.50	14.31	13.00
<b>B Non-current liabilities</b>						
Long-term borrowings	1,918.19	2,092.47	1,945.05	1,667.53	1,262.29	1,328.07
Deferred tax liabilities	81.69	83.19	79.74	105.98	144.92	140.40
Long term provisions	9.50	8.17	5.78	-	1.96	1.37
Other Long Term Liabilities	104.18	50.78	57.19	-	-	-
<b>Total of Non-current liabilities</b>	<b>2,113.56</b>	<b>2,234.61</b>	<b>2,087.76</b>	<b>1,773.51</b>	<b>1,409.17</b>	<b>1,469.84</b>
<b>C Current liabilities</b>						
Short-term borrowings	2,104.11	1,832.64	1,246.84	1,422.86	1,482.84	895.32
Trade Payables	-	-	-	-	-	-
• Dues of micro and small enterprises	189.38	149.72	122.65	124.42	136.26	100.20
• Dues of trade payable other than micro and small enterprises	2,963.35	2,212.60	2,127.43	2,124.49	1,700.48	1,522.85
Other current liabilities	1,414.30	1,138.01	1,219.04	978.84	991.42	863.88
Short term provisions	236.06	138.33	95.02	129.24	81.13	45.61
<b>Total of current liabilities</b>	<b>6,907.20</b>	<b>5,471.30</b>	<b>4,810.98</b>	<b>4,779.85</b>	<b>4,392.13</b>	<b>3,427.86</b>
<b>Total A+B+C</b>	<b>12,353.55</b>	<b>10,741.40</b>	<b>9,653.53</b>	<b>9,160.83</b>	<b>7,901.54</b>	<b>6,703.81</b>
<b>Assets</b>						
<b>D Non-current assets</b>						
Tangible assets						
Property, Plant and Equipment	6,124.57	5,838.74	5,143.22	4,607.00	4,115.01	3,770.33
Intangible assets	109.27	119.64	134.53	154.81	69.35	45.75
Capital work in progress	696.70	292.49	552.21	404.73	262.90	204.67
	<b>6,930.54</b>	<b>6,250.87</b>	<b>5,829.96</b>	<b>5,166.54</b>	<b>4,447.26</b>	<b>4,020.75</b>
Goodwill on consolidation	4.55	5.26	6.72	0.17	6.83	11.87
Non-current investment	30.35	31.19	31.11	30.20	30.20	30.20
Deferred tax assets	13.41	9.95	6.10	3.15	0.43	3.73
Long-term loans and advances	230.65	157.01	163.10	161.92	292.59	178.49
Other non-current assets	3.01	7.49	-	1.94	0.20	21.31
<b>Total of non-current assets</b>	<b>7,212.51</b>	<b>6,461.77</b>	<b>6,036.99</b>	<b>5,363.92</b>	<b>4,777.51</b>	<b>4,266.35</b>
<b>E Current Assets</b>						
Current investment	25.00	10.00	10.00	-	0.03	37.11
Inventories	1,935.29	1,670.63	1,598.22	1,571.97	1,298.55	1,165.59
Trade receivables	2,643.43	2,093.32	1,666.77	1,876.39	1,514.21	980.40
Cash and bank balances	60.86	73.02	60.38	72.66	27.02	63.21
Short-term loans and advances	453.61	303.45	274.63	252.00	282.37	183.89
Other current assets	22.85	129.21	6.54	23.89	1.85	7.26
<b>Total of current assets</b>	<b>5,141.04</b>	<b>4,279.63</b>	<b>3,616.54</b>	<b>3,796.91</b>	<b>3,124.03</b>	<b>2,437.46</b>
<b>Total D+E</b>	<b>12,353.55</b>	<b>10,741.40</b>	<b>9,653.53</b>	<b>9,160.83</b>	<b>7,901.54</b>	<b>6,703.81</b>

## RESTATED CONSOLIDATED SUMMARY STATEMENT OF PROFIT AND LOSS

*(All amounts in ₹ million, except share data and unless otherwise stated)*

Particulars	For the period / year ended					
	30-Sep-17	31-Mar-17	31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13
<b>Revenue</b>						
Revenue from operations (gross)	10,290.30	17,649.58	16,436.78	16,061.71	13,698.11	12,599.29
Less: Excise duty	396.25	1,380.88	1,304.59	1,241.19	1,048.10	999.78
<b>Revenue from operations (Net)</b>	<b>9,894.05</b>	<b>16,268.70</b>	<b>15,132.19</b>	<b>14,820.52</b>	<b>12,650.01</b>	<b>11,599.51</b>
Other income	11.90	66.60	46.68	52.91	38.84	23.44
<b>Total Revenue</b>	<b>9,905.95</b>	<b>16,335.30</b>	<b>15,178.87</b>	<b>14,873.43</b>	<b>12,688.85</b>	<b>11,622.95</b>
<b>Expenses</b>						
Cost of raw material and components consumed	5,984.44	9,602.19	9,025.56	9,114.58	7,688.33	7,349.62
Change in inventories of finished goods and work-in-progress	(65.40)	(90.67)	(12.70)	(37.88)	43.22	(154.98)
Employee benefits expenses	1,300.54	2,353.63	2,018.43	1,842.81	1,602.22	1,561.53
Other expenses	1,650.72	2,945.42	2,687.76	2,509.53	2,153.20	1,912.60
<b>Total Expenses</b>	<b>8,870.30</b>	<b>14,810.57</b>	<b>13,719.05</b>	<b>13,429.04</b>	<b>11,486.97</b>	<b>10,668.77</b>
<b>Earnings before interest, tax, depreciation, amortization (EBITDA) and exceptional items</b>	<b>1,035.65</b>	<b>1,524.73</b>	<b>1,459.82</b>	<b>1,444.39</b>	<b>1,201.88</b>	<b>954.18</b>
Net depreciation and amortization expense	336.67	602.76	551.52	523.71	393.69	359.20
Interest income	(2.74)	(4.97)	(4.87)	(3.66)	(3.58)	(15.66)
Finance costs	200.76	427.39	423.52	410.03	394.11	356.39
<b>Profit before Exceptional items and tax</b>	<b>500.96</b>	<b>499.55</b>	<b>489.65</b>	<b>514.31</b>	<b>417.66</b>	<b>254.25</b>
Exceptional items	-	5.05	37.43	-	-	-
<b>Profit before tax</b>	<b>500.96</b>	<b>494.50</b>	<b>452.22</b>	<b>514.31</b>	<b>417.66</b>	<b>254.25</b>
<b>Tax expense</b>						
<b>Current tax</b>						
Pertaining to the profit for the current period/year	160.21	105.61	133.23	144.31	95.79	63.45
Less: MAT Credit entitlement	-	(5.79)	(0.08)	-	(25.61)	(14.66)
Adjustment of tax relating to earlier year	-	(0.50)	14.36	8.02	11.41	-
Less: MAT credit entitlement relating to earlier year	-	-	(2.05)	-	-	-
Net Current tax expenses	160.21	99.32	145.46	152.33	81.59	48.79
Deferred tax charge/(credit)	(4.97)	(0.40)	(30.72)	(22.04)	3.68	13.62
<b>Total tax expenses</b>	<b>155.24</b>	<b>98.92</b>	<b>114.74</b>	<b>130.29</b>	<b>85.27</b>	<b>62.41</b>
<b>Restated profit after tax</b>	<b>345.72</b>	<b>395.58</b>	<b>337.48</b>	<b>384.02</b>	<b>332.39</b>	<b>191.84</b>
Less: Minority Share in Profits	3.40	3.67	2.98	1.20	1.30	1.26
<b>Net Profit transferred to Reserve and Surplus</b>	<b>342.32</b>	<b>391.91</b>	<b>334.5</b>	<b>382.82</b>	<b>331.09</b>	<b>190.58</b>
<b>Earnings per equity shares (Rs.)</b>						
(Par value of Rs. 10 per share)						
Basic (Rs.)	6.69	7.66	6.54	7.52	6.58	3.79
Diluted (Rs.)	6.69	7.66	6.54	7.52	6.58	3.79

## RESTATED CONSOLIDATED SUMMARY STATEMENT OF CASH FLOWS

Particulars	For the period/ year ended					
	30-Sep-17	31-Mar-17	31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
<b>Restated Profit before tax</b>	500.96	494.50	452.22	514.31	417.66	254.25
<b>Non-cash adjustments to reconcile profit before tax to net cash flow</b>						
Depreciation/amortization	336.67	602.76	551.52	523.71	393.69	359.20
Provision for doubtful debts and advances	0.18	0.33	0.60	1.82	29.09	1.74
Share Issue Expenses	-	(29.15)	29.15	-	-	-
Loss/(profit) on sale of Property, plant and equipment	(0.96)	(26.93)	(0.54)	(2.27)	6.82	15.35
Unrealized foreign exchange (gain)/loss	6.20	(9.80)	1.42	(8.42)	(5.13)	0.38
Interest expense	200.76	427.39	423.52	410.03	394.11	356.39
Interest income	(2.74)	(4.97)	(4.87)	(3.66)	(3.58)	(15.66)
Dividend income	-	-	-	(0.02)	(0.29)	(0.75)
<b>Operating profit before working capital changes</b>	<b>1,041.07</b>	<b>1,454.15</b>	<b>1,453.02</b>	<b>1,435.50</b>	<b>1,232.37</b>	<b>970.90</b>
<b>Movements in working capital:</b>						
Decrease/(Increase) in trade receivables	(550.29)	(426.88)	209.06	(363.99)	(563.11)	138.66
Decrease/(Increase) in inventories	(264.65)	(72.42)	(26.25)	(273.42)	(132.95)	(174.26)
Decrease/(Increase) in long-term loans and advances and other non-current assets	2.12	(14.13)	(0.98)	(11.80)	(9.73)	(7.60)
Decrease/(Increase) in short-term loans and advances and other current assets	(42.00)	(116.34)	(51.50)	(15.82)	(70.58)	3.01
Increase/(Decrease) in trade payables	785.59	120.32	0.51	416.20	219.00	168.53
Increase/(Decrease) in long-term provisions	(40.83)	1.48	5.78	(1.96)	0.59	(19.34)
Increase/(Decrease) in short-term provisions	92.76	34.86	2.39	31.23	6.03	33.43
Increase/(Decrease) in other current liabilities	145.16	37.78	7.79	(104.86)	135.85	(109.56)
<b>Cash generated from operations</b>	<b>1,168.93</b>	<b>1,018.82</b>	<b>1,599.82</b>	<b>1,111.08</b>	<b>817.47</b>	<b>1,003.77</b>
Income taxes paid, net of refunds	(61.11)	(89.01)	(162.60)	(115.34)	(68.78)	(71.05)
<b>Net cash inflow from operating activities ( A )</b>	<b>1,107.82</b>	<b>929.81</b>	<b>1,437.22</b>	<b>995.74</b>	<b>748.69</b>	<b>932.72</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
Purchase of Property, plant and equipment, including intangible assets, capital work in progress and capital advances	(969.73)	(1,100.88)	(1,074.97)	(1,113.08)	(903.77)	(1,184.95)
Proceeds from sale of Property, plant and equipment	2.05	34.35	7.27	7.02	3.20	8.39
Investments in bank deposits (having original maturity of more than three months)	(5.07)	10.75	9.35	(25.72)	40.62	(43.04)
Purchase of non-current investments in subsidiaries	-	(0.10)	(0.91)	-	-	-
Purchase of current investments	(14.15)	(0.48)	(10.00)	-	-	(37.11)
Proceeds from sale/maturity of current investments	-	0.49	0.00	0.03	37.07	-
Dividends received	-	-	-	0.02	0.29	0.75
Interest received	2.42	6.13	4.40	2.80	6.00	13.10
<b>Net cash used in investing activities ( B )</b>	<b>(984.48)</b>	<b>(1,049.74)</b>	<b>(1,064.86)</b>	<b>(1,128.93)</b>	<b>(816.59)</b>	<b>(1,242.86)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>						
Proceeds from long-term borrowings	391.90	1,075.00	1,051.33	1,038.25	698.00	1,093.73
Repayment of long-term borrowings	(365.00)	(996.79)	(647.73)	(575.15)	(826.62)	(383.11)
Proceeds from equity share capital	-	-	-	315.24	14.76	-
Proceeds from/(repayment of) short-term borrowings (net of repayment/proceeds)	85.33	586.73	(176.80)	(59.98)	587.53	(22.23)
Interest paid	(205.62)	(423.76)	(421.74)	(408.15)	(390.72)	(352.68)
Dividends paid on equity shares	(51.46)	(77.63)	(179.95)	(94.64)	(93.74)	(35.75)
Corporate distribution tax on dividend	(10.48)	(15.99)	(37.36)	(16.70)	(15.93)	(6.19)
Capital subsidy received	-	-	-	4.02	-	3.00
Receipts arising on business acquisition	-	-	-	-	8.55	-
<b>Net cash flow from/(used) in financing activities ( C )</b>	<b>(155.33)</b>	<b>147.56</b>	<b>(412.25)</b>	<b>202.89</b>	<b>(18.17)</b>	<b>296.77</b>
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>(31.99)</b>	<b>27.63</b>	<b>(39.89)</b>	<b>69.70</b>	<b>(86.07)</b>	<b>(13.37)</b>

Particulars	For the period/ year ended					
	30-Sep-17	31-Mar-17	31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13
Impact on Cash flow on account of Foreign currency translation	14.76	(4.25)	36.96	(50.09)	69.57	9.03
<b>Cash and cash equivalents at the beginning of the year</b>	<b>60.41</b>	<b>37.03</b>	<b>39.96</b>	<b>20.35</b>	<b>36.85</b>	<b>41.19</b>
<b>Components of cash and cash equivalents</b>						
Cash on hand	1.15	1.79	1.83	1.36	1.31	1.66
Cheques on hand	20.20	0.07	0.17	0.76	-	5.95
With banks - on current account	22.06	23.17	34.22	12.26	29.50	33.58
- on deposit account	17.00	12.00	3.74	5.97	6.04	-
<b>Cash and cash equivalents at the end of the period/ year</b>	<b>43.18</b>	<b>60.41</b>	<b>37.03</b>	<b>39.96</b>	<b>20.35</b>	<b>36.85</b>
<b>Components of cash and cash equivalents</b>						
Cash on hand	1.43	1.15	1.79	1.83	1.36	1.31
Cheques on hand	-	20.20	0.07	0.17	0.76	-
With banks - on current account	31.75	22.06	23.17	34.22	12.26	29.50
- on deposit account	10.00	17.00	12.00	3.74	5.97	6.04
<b>Total Cash and cash equivalents</b>	<b>43.18</b>	<b>60.41</b>	<b>37.03</b>	<b>39.96</b>	<b>20.35</b>	<b>36.85</b>

## THE OFFER

The following table summarizes the offer details:

<b>Equity Shares offered</b>	
Offer of Equity Shares	Up to [●] Equity Shares, aggregating up to ₹[●] million
<i>of which:</i>	
Fresh Issue <sup>(1)</sup>	Up to [●] Equity Shares, aggregating up to ₹3,000 million
Offer for Sale <sup>(2)</sup>	Up to 6,400,000 Equity Shares, aggregating up to ₹[●] million by the Selling Shareholder
The Offer comprises of:	
<i>of which:</i>	
A) QIB Portion <sup>(3)(4)</sup>	Not more than [●] Equity Shares
<i>of which:</i>	
(i) Anchor Investor Portion	Up to [●] Equity Shares
(ii) Balance available for allocation to QIBs other than Anchor Investors (assuming Anchor Investor Portion is fully subscribed) (“Net QIB Portion”)	[●] Equity Shares
<i>of which:</i>	
(a) Available for allocation to Mutual Funds only (5% of the Net QIB Portion)	[●] Equity Shares
(b) Balance for all QIBs including Mutual Funds	[●] Equity Shares
B) Non-Institutional Portion <sup>(4)</sup>	Not less than [●] Equity Shares
C) Retail Portion <sup>(4)</sup>	Not less than [●] Equity Shares
<b>Pre and post Offer Equity Shares</b>	
Equity Shares outstanding prior to the Offer	51,154,564 Equity Shares
Equity Shares outstanding after the Offer	[●] Equity Shares
<b>Use of Net Proceeds</b>	See “Objects of the Offer” on page 97 for information about the use of the Gross Proceeds. Our Company will not receive any proceeds from the Offer for Sale.

Allocation to all categories, except the Anchor Investor Portion and the Retail Portion, if any, shall be made on a proportionate basis, subject to valid Bids received at or above the Offer Price. The allocation to each Retail Individual Bidder shall not be less than the minimum Bid Lot, subject to availability of shares in Retail Portion, and the remaining available Equity Shares, if any, shall be Allocated on a proportionate basis. For further details, see “Offer Procedure – Basis of Allotment” on page 511.

- (1) *The Fresh Issue has been authorized by a resolution of our Board of Directors dated November 18, 2017, and by a special resolution of our Shareholders in their EGM dated November 18, 2017.*
- (2) *GTI Capital Beta Pvt Ltd, the Selling Shareholder, has consented to participate in the Offer for Sale and to offer up to 6,400,000 Equity Shares in the Offer pursuant to a consent letter dated March 5, 2018, and a resolution of their board of directors dated November 30, 2017. GTI Capital Beta Pvt Ltd, the Selling Shareholder, 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 the Draft Red Herring Prospectus with SEBI calculated in the manner as set out under Regulation 26(6) of SEBI ICDR Regulations, and are eligible for being offered for sale in the Offer as required by the SEBI ICDR Regulation.*
- (3) *Our Company and the Selling Shareholder may, in consultation with the Lead Managers, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis. The QIB portion will accordingly be reduced for 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 Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion (excluding Anchor Investor 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. 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 (excluding Anchor Investor Portion) and allocated proportionately to the QIB Bidders (other than Anchor Investors) in proportion to their Bids. For details, see “Offer Procedure” on page 480.*
- (4) *Subject to valid Bids being received at or above the Offer Price, undersubscription, 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 Selling Shareholder, in consultation with the Lead Managers and the Designated Stock Exchange. However, undersubscription, if any, in the QIB Portion will not be allowed to be met with spill-over from other categories or a combination of other categories. In the event of an undersubscription in the Offer, Equity Shares offered pursuant to the Fresh Issue shall be*



*allocated in the Fresh Issue, prior to the Equity Shares offered pursuant to the Offer for Sale. However, after receipt of minimum-subscription of 90% of the Fresh Issue, Equity Shares offered pursuant to the Offer for Sale, shall be allocated prior to the Equity Shares offered pursuant to the Fresh Issue.*

## GENERAL INFORMATION

Our Company was incorporated as Sandhar Locking Devices Private Limited on October 19, 1987, at New Delhi, India, as a private limited company under the Companies Act, 1956. The name of our Company was subsequently changed to Sandhar Locking Devices Limited on conversion to a public limited company, and a fresh certificate of incorporation consequent upon change of name was issued by the Registrar of Companies, Delhi and Haryana (“RoC”), to our Company on September 21, 1992. Subsequently, the name of our Company was changed from Sandhar Locking Devices Limited to Sandhar Technologies Limited, and a fresh certificate of incorporation, consequent upon change of name was issued by the RoC to our Company on November 11, 2005. For details of change in the name and Registered Office of our Company, see “*History and Certain Corporate Matters – Changes in Registered Office*” on page 196.

For details of the business of our Company, see “*Our Business*” on page 163.

### REGISTERED OFFICE OF OUR COMPANY

#### **Sandhar Technologies Limited**

B-6/20, L.S.C  
Safdarjung Enclave  
New Delhi – 110 029  
India  
Tel: +91 11 4051 1800

For details in relation to changes in the Registered Office, see “*History and Certain Corporate Matters – Changes in Registered Office*” on page 196.

### CORPORATE OFFICE OF OUR COMPANY

Sandhar Technologies Limited  
#13, Sector – 44  
Gurugram – 122 002  
Haryana, India  
Tel: +91 124 451 8900  
Fax: +91 124 451 8912

E-mail: [info@sandhar.in](mailto:info@sandhar.in)  
Website: [www.sandhargroup.com](http://www.sandhargroup.com)

**Corporate Identity Number:** U74999DL1987PLC029553

**Registration Number:** 029553

### ADDRESS OF THE ROC

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

4<sup>th</sup> Floor, IFCI Tower  
61, Nehru Place  
New Delhi – 110019  
India

### BOARD OF DIRECTORS

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

Name	Designation	DIN	Address
Dharmendar Nath Davar	Chairman and Non-Executive, Non-Independent Director	00002008	B5/82, Safdarjung Enclave New Delhi – 110 029 India

<b>Name</b>	<b>Designation</b>	<b>DIN</b>	<b>Address</b>
Jayant Davar	Co-Chairman and Managing Director	00100801	50, Sultanpur Farms, Prakriti Marg Mehrauli Gurgaon Road New Delhi – 110 030 India
Arvind Joshi	Whole-time Director	01877905	G – 39, Kirti Nagar 2 <sup>nd</sup> Floor, New Delhi – 110 015 India
Monica Davar	Non-Executive, Non-Independent Director	00100875	50, Sultanpur Farms, Prakriti Marg Mehrauli Gurgaon Road New Delhi – 110 030 India
Mohan Lal Bhagat	Independent Director	00699750	24/B, New Road Alipore, Kolkata – 700 027 West Bengal, India
Ravinder Nagpal	Independent Director	00102970	B-8/14, 1 <sup>st</sup> floor Vasant Vihar New Delhi – 110 057 India
Krishan Lal Chugh	Independent Director	00140124	N – 79, Panchsheel Park New Delhi – 110 017 India
Arvind Kapur	Independent Director	00096308	#181C, Western Avenue Sainik Farms, New Delhi – 110 062 India
Gaurav Dalmia	Nominee Director, Non-Independent and Non-Executive Director	00009639	20 – F, Prithvi Raj Road New Delhi – 110 011 India
Arjun Sharma	Independent Director	00003306	27, Sunder Nagar New Delhi – 110 003 India

For further details of our Directors, see “*Our Management – Board of Directors*” on page 219.

#### **COMPANY SECRETARY AND COMPLIANCE OFFICER**

Arvind Joshi  
Whole-time Director, Chief Financial Officer, Company Secretary and Compliance Officer  
Sandhar Technologies Limited  
#13, Sector – 44  
Gurugram – 122 002  
Haryana, India  
Tel: +91 124 451 8900  
Fax: +91 124 451 8911  
Email: investors@sandhar.in

#### **INVESTOR GRIEVANCES**

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

All grievances relating to the Offer, and all future communications in connection with queries related to Allotment, credit of Equity Shares, refunds, non-receipt of Allotment Advice and other post-Offer matters should be

addressed to the Registrar to the Offer, Compliance Officer and / or the Lead Managers, with a copy to the relevant SCSB or the member of the Syndicate, or the Non-Syndicate Registered Broker if the Bid was submitted to a Non-Syndicate Registered Broker at any of the Broker Centres, or the Collecting DP if the Bid was submitted to a Collecting DP at any of the Designated Collecting DP Locations or the Collecting RTA if the Bid was submitted to a Collecting RTA at any of the Designated Collecting RTA Locations, as the case may be, quoting the full name of the sole or first Bidder, ASBA Form number, address of the Bidder, Bidder's DP ID, Client ID, PAN, number of Equity Shares applied for, date of ASBA Form, name and address of the member of the Syndicate or the Designated Branch, the Non-Syndicate Registered Broker, Collecting DP or the Collecting RTA, as the case may be, with whom the Bid was submitted, and the ASBA Account number in which the amount equivalent to the Bid Amount was blocked.

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

All grievances relating to Bids submitted with Registered Brokers may be addressed to the Stock Exchanges with a copy to the Registrar to the Offer.

#### **Book Running Lead Managers and Syndicate Members**

##### **ICICI Securities Limited**

ICICI Centre, H T Parekh Marg  
Churchgate  
Mumbai – 400 020  
Maharashtra, India  
Tel: +91 22 2288 2460  
Fax: +91 22 2282 6580  
E-mail: sandhar.ipo@icicisecurities.com  
Investor Grievance  
E-mail: customercare@icicisecurities.com  
Website: www.icicisecurities.com  
Contact Person: Rishi Tiwari / Vishal Kanjani  
SEBI Registration No.: MB/INM000011179

##### **Axis Capital Limited**

1<sup>st</sup> Floor, Axis House  
C – 2, Wadia International Centre  
P B Marg, Worli  
Mumbai – 400 025  
Maharashtra, India  
Tel: +91 22 4325 2183  
Fax: +91 22 4325 3000  
E-mail: sandhar.ipo@axiscap.in  
Investor Grievance E-mail: complaints@axiscap.in  
Website: www.axiscapital.co.in  
Contact Person: Simran Gadh  
SEBI Registration No: MB/INM000012029

#### **Legal Counsel to the Offer**

##### **Khaitan & Co**

Simal, 2<sup>nd</sup> Floor  
7 / 1, Ulsoor Road  
Bengaluru – 560 042  
Karnataka, India  
Tel: +91 80 4339 7000  
Fax: +91 80 2559 7452

#### **Statutory Auditor to our Company**

##### **B S R & Co. LLP**

Building #10, 8<sup>th</sup> Floor  
Tower – B, DLF Cyber City  
Phase II, Gurugram – 122 002  
Haryana, India  
Tel: +91 124 719 1000  
Fax: +91 124 235 8613  
E-mail: shashankagarwal@bsraffiliates.com  
Contact Person: Shashank Agarwal  
ICAI Firm Registration Number: 101248W/W-100022  
Peer Review Number: 009060

#### **Registrar to the Offer**

##### **Link Intime India Private Limited**

C – 101, 247 Park  
L B S Marg, Vikhroli West  
Mumbai – 400 083  
Maharashtra, India  
Tel: +91 22 4918 6200

Fax: +91 22 4918 6195  
E-mail: stl.ipo@linkintime.co.in  
Investor Grievance E-mail: stl.ipo@linkintime.co.in  
Website: www.linkintime.co.in  
Contact Person: Shanti Gopalkrishnan  
SEBI Registration No.: INR000004058

#### **Escrow Collection Bank, Public Offer Account Bank and Refund Bank**

##### **Axis Bank Limited**

SCO 29, Old Delhi Gurgaon Road  
Sector 14  
Gurgaon – 122 001  
Haryana, India  
Tel: +91 124 408 4148  
Fax: +91 124 222 2740  
Email: gurgaon.branchhead@axisbank.com / gurgaon.operationshead@axisbank.com  
Website: www.axisbank.com  
Contact Person: Utpal Mukherji / Nitin Mittal  
SEBI Registration No.: INBI00000017

##### **Monitoring Agency**

YES Bank Limited  
3<sup>rd</sup> Floor, Building #8  
Tower A, DLF Cyber City  
Gurgaon – 122 002  
Haryana, India  
Tel: +91 124 461 9267  
Fax: +91 124 414 7193  
E-mail: dlgnescrowservices@yesbank.in  
Website: www.yesbank.in  
Contact Person: Arvinder Singh / Mukesh Kumar

#### **Bankers / Lenders to our Company**

##### **Citi Bank NA**

DLF Square, M Block  
Jaracanda Marg, DLF City  
Phase II, Gurugram – 122 002  
Haryana, India  
Tel: +91 124 418 6971  
Fax: +91 124 489 3998  
E-mail: appan.mahajan@citi.com  
Contact Person: Appan Mahajan  
Website: <https://www.online.citibank.co.in/>

##### **HDFC Bank Limited**

HDFC Bank House  
Vatika Atrium, A Block  
Sector 53, Golf Course Road  
Gurugram – 122 002  
Haryana, India  
Tel: +91 124 466 4000  
Fax: +91 124 466 4318  
E-mail: neeraj.chawla@hdfcbank.com  
Contact Person: Neeraj Chawla  
Website: www.hdfcbank.com

##### **ICICI Bank Limited**

NBCC Place, Bhishma Pitamah Marg  
New Delhi – 110 003  
India  
Tel: +91 11 4221 8433  
Fax: +91 11 2439 0070  
E-mail: anshul.shrivastava@icicibank.com  
Contact Person: Anshul Kumar  
Website: www.icicibank.com

##### **RBL Bank Limited**

UGF, Hansalaya Building  
15, Barakhamba Road  
New Delhi – 110 001  
India  
Tel: +91 11 4936 5527  
Fax: +91 11 3352 1414  
E-mail: amit.mahajan@rblbank.com  
Contact Person: Amit Mahajan  
Website: www.rblbank.com

##### **YES Bank Limited**

D – 12, South Ex Part – II  
New Delhi – 110 049  
India  
Tel: +91 11 4602 9178  
Fax: NIL  
E-mail: samrath.singh@yesbank.in

##### **DBS Bank Limited**

DLF Capitol Point  
Baba Kharak Singh Marg  
Connaught Place, New Delhi – 110 001  
India  
Tel: +91 11 6621 1888  
Fax: +91 11 6621 1899

Contact Person: Samrath Pal Singh  
Website: www.yesbank.in

E-mail: vinayg@dbs.com  
Contact Person: Vinay Gupta  
Website: www.dbs.com

#### **Hero Fin Corp Limited**

9, Basant Lok, Vasant Vihar  
New Delhi – 110 057  
India  
Tel: +91 11 4948 7150  
Fax: +91 11 3938 7197  
E-mail: anurag.binani@herofincorp.com  
Contact Person: Anurag Binani  
Website: www.herofincorp.com

#### **Tata Capital Financial Services Limited**

12<sup>th</sup> Floor, Tower A  
Peninsula Business Park  
Senapati Bapat Marg, Lower Parel  
Mumbai – 400 013  
Maharashtra, India  
Tel: +91 22 6606 9000  
Fax: +91 22 6656 2698  
E-mail: arun.poojari@tatacapital.com  
Contact Person: Arun Poojari  
Website: www.tatacapital.com

### **DESIGNATED INTERMEDIARIES**

#### **Self-Certified Syndicate Banks**

The list of banks that have been notified by SEBI to act as the SCSBs for the ASBA process is provided on the website of SEBI at <http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes> and as updated from time to time. For the 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. Further, the branches of the SCSBs where the Syndicate at the Specified Locations could submit the Bid cum Application Form 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.

#### **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](http://www.bseindia.com/Markets/PublicIssues/brokercentres_new.aspx?expandable=3) and [http://www.nseindia.com/products/content/equities/ipos/ipo\\_mem\\_terminal.htm](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](http://www.nseindia.com/products/content/equities/ipos/asba_procedures.htm), respectively, as updated 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 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](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:

Our Company has received written consent dated March 7, 2018, from the Statutory Auditor namely, B S R & Co. LLP, Chartered Accountants, to include their name as required under Section 26(1)(a)(v) of the Companies Act, 2013 in this Red Herring Prospectus, and as an “Expert” as defined under Section 2(38) of the Companies Act, 2013, in respect of the examination reports of the Statutory Auditor on the Restated Unconsolidated Summary

Statements and Restated Consolidated Summary Statements, both dated November 18, 2017, and the statement of possible special tax benefits dated March 1, 2018, included in this Red Herring Prospectus, and such consent has not been withdrawn as on the date of this Red Herring Prospectus. However, the term “Expert” shall not be construed to mean an “expert” as defined under the Securities Act.

### Trustee(s)

As this is an Offer of Equity Shares, the appointment of trustee(s) is not required.

### IPO Grading

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

### Monitoring Agency

The Company has appointed YES Bank Limited as the Monitoring Agency in relation to the Offer in accordance with Regulation 16 of the SEBI ICDR Regulations. The Audit Committee and the Monitoring Agency will monitor the utilisation of the Net Proceeds. The Company will disclose the utilisation of the Net Proceeds under a separate head along with details, for all such proceeds of the Fresh Issue that have not been utilised clearly specifying the purpose for which such Net Proceeds have been utilised in the interim. The Company will indicate investments, if any, of unutilised Net Proceeds in the balance sheet of the Company for the relevant financial years subsequent to the listing.

### Appraising Agency

No appraising agency has been appointed in respect of any of the Objects of the Offer.

### INTER-SE ALLOCATION OF RESPONSIBILITIES

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

S. No.	Activity	Responsibility	Co-ordinator
1.	Pre-offer due diligence of our Company’s operations/ management/ business plans/ legal. Drafting and designing of the Draft Red Herring Prospectus, Red Herring Prospectus and Prospectus. The BRLMs shall ensure compliance with stipulated requirements and completion of prescribed formalities with the Stock Exchanges, RoC and SEBI including finalisation of Prospectus and RoC filing of the same and drafting and approval of all statutory advertisements	ICICI Securities, Axis	ICICI Securities
2.	Capital structuring with the relative components and formalities such as composition of debt and equity, type of instruments	ICICI Securities, Axis	ICICI Securities
3.	Appointment of Banker(s) to the Offer and printer	ICICI Securities, Axis	ICICI Securities
4.	Appointment of advertising agency including co-ordination for agreements to appoint the ad agency and filing of media compliance report to SEBI	ICICI Securities, Axis	ICICI Securities
5.	Appointment of Registrar to the Offer including co-ordination for agreements to appoint the Registrar to the Offer	ICICI Securities, Axis	ICICI Securities
6.	Drafting and approval of all publicity material other than statutory advertisement as mentioned in (1) above including corporate advertisement and other collaterals	ICICI Securities, Axis	Axis
7.	International institutional marketing including co-ordination for research briefing, preparation and finalisation of the road-show presentation and frequently asked questions	ICICI Securities, Axis	Axis
8.	Selection and allocation of International institutional investors for meetings and finalization of roadshow schedules to be done in consultation and with approval of the management	ICICI Securities, Axis	Axis
9.	Domestic institutional marketing co-ordination	ICICI Securities, Axis	ICICI Securities

S. No.	Activity	Responsibility	Co-ordinator
10.	Selection and allocation of Domestic institutional investors to be done in consultation and with approval of the management	ICICI Securities, Axis	ICICI Securities
11.	Non-Institutional and retail marketing of the Offer, which will cover, inter alia: <ul style="list-style-type: none"> <li>▪ Formulating marketing strategies;</li> <li>▪ Preparation of publicity budget, finalizing media and public relations strategy.</li> <li>▪ Finalizing centres for holding conferences for brokers</li> <li>▪ Finalizing collection centres; and</li> <li>▪ Follow-up on distribution of publicity and Offer material including form, prospectus and deciding on the quantum of the Offer material.</li> </ul>	ICICI Securities, Axis	Axis
12.	Coordination with Stock Exchanges for book building process, filing of letters including software, bidding terminals, mock trading and anchor investor intimation, and payment of 1% security deposit to the designated stock exchange	ICICI Securities, Axis	Axis
13.	Pricing and managing the book	ICICI Securities, Axis	ICICI Securities
14.	Post bidding activities including management of escrow accounts, coordinate non-institutional allocation, coordination with Registrar, SCSBs and Banks, intimation of allocation and dispatch of refund to Bidders, etc.  Post-Offer activities, which shall involve essential follow-up steps including allocation to Anchor Investors, follow-up with Bankers to the Offer and SCSBs to get quick estimates of collection and advising the Issuer about the closure of the Offer, based on correct figures, finalisation of the basis of allotment or weeding out of multiple applications, listing of instruments, dispatch of certificates or demat credit and refunds and co-ordination with various agencies connected with the post-Offer activity such as registrar to the Offer, Bankers to the Offer, SCSBs including responsibility for underwriting arrangements, as applicable.  Payment of the applicable securities transactions tax on sale of unlisted equity shares by the Selling Shareholder under the Offer for Sale to the Government and filing of the securities transactions tax return by the prescribed due date as per Chapter VII of Finance (No. 2) Act, 2004  Co-ordination with SEBI and Stock Exchanges for refund of 1% security deposit and submission of all post Offer reports including the initial and final post Offer report to SEBI	ICICI Securities, Axis	Axis

## BOOK BUILDING PROCESS

The Offer is being undertaken in accordance with Rule 19(2)(b) of the SCRR, as amended. The book building, in the context of the Offer, refers to the process of collection of Bids on the basis of this Red Herring Prospectus within the Price Band, which will be decided by our Company in consultation with the Lead Managers, and advertised in all editions of Financial Express and Jansatta (which are widely circulated English and Hindi newspapers, respectively, Hindi being the regional language of New Delhi where our Registered Office is located), each with wide circulation, at least five working days prior to the Bid / Offer Opening Date. The Offer Price is finalised after the Bid / Offer Closing Date. The principal parties involved in the Book Building Process are:

- our Company;
- the Lead Managers;
- the Syndicate Members;
- the SCSBs;
- the Registered Brokers;
- the Registrar to the Offer;
- the Escrow Collection Bank(s);
- the RTAs; and
- the Collecting Depository Participants.

The Offer is being made through the Book Building Process in compliance with Regulation 26(1) of the SEBI ICDR Regulations, wherein 50% of the Offer shall be allotted on a proportionate basis to QIBs, of which 5% (excluding Anchor Investor Portion) shall be reserved for allocation on a proportionate basis to Mutual Funds



only. Our Company and the Selling Shareholder may, in consultation with the Lead Managers, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis, and one-third of the Anchor Investor Portion shall be available for allocation to domestic Mutual Funds, only subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. An Anchor Investor shall make a minimum Bid of such number of Equity Shares that the Bid Amount is at least ₹100.00 million.

Not less than 15% of the Offer will be available for allocation on a proportionate basis to Non-Institutional Investors and not less than 35% of the Offer will be available for allocation to Retail Individual Investors, subject to valid Bids being received at or above the Offer Price.

Subject to valid Bids being received at or above the Offer Price, undersubscription, if any, in any category except in the QIB category would be allowed to be met with spill-over from other categories or a combination of categories at the discretion of our Company and the Selling Shareholder, in consultation with the Lead Managers and the Designated Stock Exchange, subject to applicable law.

**All Bidders, except Anchor Investors, can participate in the Offer only through the ASBA process.**

**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 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 Investor Bid / Offer Period. Allocation to the Anchor Investors will be on a discretionary basis.**

Our Company confirms that it will comply with the SEBI ICDR Regulations and any other directions issued by SEBI for this Offer. The process of Book Building under the SEBI ICDR Regulations and the Bidding Process are subject to change from time to time and the investors are advised to make their own judgment about investment through this process prior to submitting a Bid in the Offer. For further details on the method and procedure for Bidding, see “Offer Structure” and “Offer Procedure” on pages 478 and 480. Notwithstanding the foregoing, the Offer is also subject to obtaining (i) the final approval of the RoC after the Prospectus is filed with the RoC; and (ii) final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment.

#### **Illustration of Book Building Process and Price Discovery Process**

For an illustration of the Book Building Process and price discovery process, see “Offer Procedure – Part B – Basis of Allocation - Illustration of the Book Building and Price Discovery Process” on page 510.

#### **UNDERWRITING AGREEMENT**

After the determination of the Offer Price and allocation of Equity Shares, but prior to the filing of the Prospectus with the RoC, our Company and the Selling Shareholder intend to enter into an Underwriting Agreement with the Underwriters for the Equity Shares proposed to be offered through the Offer. The underwriting shall be to the extent of the Bids uploaded, subject to Regulation 13 of the SEBI ICDR Regulations. Pursuant to the terms of the Underwriting Agreement dated [●], the obligations of the Underwriters will be several and will be subject to certain conditions specified therein. By way of the Underwriting Agreement, 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 million)
[●]	[●]	[●]

The above-mentioned is indicative underwriting and will be finalised after determination of Offer Price and Basis of Allotment and actual allocation 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 / IPO Committee, at its meeting held on [●], has accepted and entered into the Underwriting Agreement mentioned above on behalf of our Company. The board of directors of the Selling

Shareholder, at its meeting held on [●], has accepted and entered into the Underwriting Agreement mentioned above on behalf of the Selling Shareholder.

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 accordance with the Underwriting Agreement. 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 extent of underwriting obligations, and the Bids to be underwritten in the Offer shall be as per the Underwriting Agreement.

The Underwriting Agreement has not been executed as on the date of this Red Herring Prospectus and our Company and the Selling Shareholder intend to enter into the Underwriting Agreement with the Underwriters after determination of the Offer Price and allocation of Equity Shares, but prior to filing the Prospectus with the RoC.

## CAPITAL STRUCTURE

The share capital of our Company as of the date of this Red Herring Prospectus, before the Offer and after the Offer, is set forth below:

*(In ₹ except share data)*

Sr. No.	Particulars	Aggregate value at face value	Aggregate value at Offer Price
<b>A</b>	<b>AUTHORISED SHARE CAPITAL</b>		
	68,000,000 Equity Shares (of face value of ₹10 each)	680,000,000	NA
	200,000 Preference Shares (of face value of ₹100 each)	20,000,000	NA
	<b>TOTAL</b>	<b>700,000,000</b>	<b>NA</b>
<b>B</b>	<b>ISSUED, SUBSCRIBED AND PAID-UP CAPITAL BEFORE THE OFFER</b>		
	51,154,564 Equity Shares (of face value of ₹10 each)	511,545,640	NA
	<b>TOTAL</b>	<b>511,545,640</b>	<b>NA</b>
<b>C</b>	<b>PRESENT OFFER IN TERMS OF THIS RED HERRING PROSPECTUS</b>		
	[●] Equity Shares of which <sup>(1)(2)(3)</sup> :	[●]	[●]
	Fresh Issue of up to [●] Equity Shares aggregating to ₹3,000 million	[●]	[●]
	Offer for Sale of up to 6,400,000 Equity Shares by GTI	[●]	[●]
<b>D</b>	<b>SHARE PREMIUM ACCOUNT</b>		
	Before the Offer		31,135,650
	After the Offer		[●]
<b>E</b>	<b>ISSUED, SUBSCRIBED AND PAID UP EQUITY CAPITAL AFTER THE OFFER</b>		
	[●] Equity Shares	[●]	[●]

<sup>(1)</sup> The Fresh Issue has been authorized by the Board and the Shareholders, pursuant to their resolutions dated November 18, 2017, respectively.

<sup>(2)</sup> The Equity Shares offered by the Selling Shareholder in the Offer have been held by them for a period of at least one year prior to the date of filing of the Draft Red Herring Prospectus with SEBI, calculated in the manner as set out under Regulation 26(6) of SEBI ICDR Regulations. The Offer for Sale has been authorised by the Selling Shareholder pursuant to a consent letter dated March 5, 2018, and the resolution dated November 30, 2017, passed by its board of directors.

<sup>(3)</sup> For details of allocation to different categories of investors, refer to the chapter "The Offer" on page 74.

### NOTES TO THE CAPITAL STRUCTURE

#### 1. CHANGES IN THE AUTHORISED CAPITAL

Date of shareholder's resolution / court order for amalgamation	Cumulative number of Equity Shares	Face value of Equity Shares (in ₹)	Cumulative number of Preference Shares	Face value of Preference Shares (in ₹)	Authorized share capital (in ₹)	Details of changes
Incorporation	200,000	10	-	-	2,000,000	Original authorised share capital of our Company as mentioned in the MOA at the time of incorporation
October 25, 1989	250,000	10	-	-	2,500,000	Increase of authorised share capital of our Company by 50,000 Equity Shares of ₹10 each
March 25, 1991	500,000	10	-	-	5,000,000	Increase of authorised share capital of our Company by 250,000 Equity Shares of ₹10 each
April 16, 1992	2,000,000	10	-	-	20,000,000	Increase of authorised share capital of our Company by 1,500,000 Equity Shares of ₹10 each
September 6, 1997	1,750,000	10	25,000	100	20,000,000	Reclassification of authorised share capital of ₹20,000,000 divided into 1,750,000 Equity Shares of ₹10 each, and 25,000 Preference Shares of ₹100 each
May 24, 1999	2,750,000	10	25,000	100	30,000,000	Increase of authorised share capital of our Company by 1,000,000 Equity Shares of ₹10 each
May 19, 2000	4,750,000	10	25,000	100	50,000,000	Increase of authorised share capital of our Company by 2,000,000 Equity Shares of ₹10 each
October 7, 2005	23,750,000	2	25,000	100	50,000,000	Subdivision of the authorised share capital of ₹50,000,000 divided into 4,750,000 Equity Shares of ₹10 each, and 25,000 Preference

Date of shareholder's resolution / court order for amalgamation	Cumulative number of Equity Shares	Face value of Equity Shares (in ₹)	Cumulative number of Preference Shares	Face value of Preference Shares (in ₹)	Authorized share capital (in ₹)	Details of changes
						Shares of ₹100 each, into 23,750,000 Equity Shares of ₹2 each, and 25,000 Preference Shares of ₹100 each
July 17, 2006	115,750,000	2	200,000	100	251,500,000	Increase of authorised share capital by 92,000,000 Equity Shares of ₹2 each and 175,000 Preference Shares of ₹100 each, pursuant to the scheme of amalgamation sanctioned by the High Court of Delhi on May 26, 2006
May 2, 2013	140,750,000	2	200,000	100	301,500,000	Increase of authorised share capital by 25,000,000 Equity Shares of ₹2 each pursuant to the scheme of amalgamation of Mag Engineering sanctioned by the High Court of Delhi on May 2, 2013
August 8, 2015	68,000,000	10	200,000	100	700,000,000	Increase of authorised share capital by 199,250,000 Equity Shares of ₹2 each and consolidation of the authorized share capital of ₹700,000,000 divided into 340,000,000 Equity Shares of ₹2 each, and 200,000 Preference Shares of ₹100 each into 68,000,000 Equity Shares of ₹10 each, and 200,000 Preference Shares of ₹100 each

## 2. SHARE CAPITAL HISTORY OF OUR COMPANY

- (a) The history of the Equity Share capital and share premium account of our Company is detailed in the following table:

Date of allotment / buyback	No. of Equity Shares allotted	Face value (₹)	Issue price / Buy-back price per Equity Share (₹)	Reason for allotment	Nature of consideration	Cumulative number of Equity Shares	Cumulative paid-up Equity Share capital (₹)	Cumulative share premium (₹)
At incorporation	20	10	10	Allotment to the first subscribers to the MOA <sup>(1)</sup>	Cash	20	200	NIL
May 31, 1989	215,000	10	10	Preferential allotment <sup>(2)</sup>	Cash	215,020	2,150,200	NIL
March 25, 1991	160,000	10	10	Preferential allotment <sup>(3)</sup>	Cash	375,020	3,750,200	NIL
October 15, 1992	300,000	10	10	Preferential allotment <sup>(4)</sup>	Cash	675,020	6,750,200	NIL
October 28, 1992	159,000	10	10	Preferential allotment <sup>(5)</sup>	Cash	834,020	8,340,200	NIL
January 12, 1993	124,800	10	10	Preferential allotment <sup>(6)</sup>	Cash	958,820	9,588,200	NIL
April 27, 1999	958,820	10	-	Bonus issue in the ratio 1:1 <sup>(7)</sup>	Other than cash	1,917,640	19,176,400	NIL
November 11, 2005	-	2 <sup>(8)</sup>	-	-	Subdivision	9,588,200	19,176,400	NIL
June 3, 2006	4,193,496	2	-	Conversion of fully convertible debentures issued by our Company <sup>(9)</sup>	Other than cash	13,781,696	27,563,392	NIL
	4,554,534	2	-	Allotment pursuant to scheme of amalgamation <sup>(10)</sup>	Other than cash	18,336,230	36,672,460	475,905,248 <sup>(11)</sup>

Date of allotment / buyback	No. of Equity Shares allotted	Face value (₹)	Issue price / Buy-back price per Equity Share (₹)	Reason for allotment	Nature of consideration	Cumulative number of Equity Shares	Cumulative paid-up Equity Share capital (₹)	Cumulative share premium (₹)
August 8, 2007	6,112,072	2	-	Bonus issue in the ratio 1:3 <sup>(12)</sup>	Other than cash	24,448,302	48,896,604	463,681,104
April 19, 2010	26,893,130	2	-	Bonus issue in the ratio 11:10 <sup>(13)</sup>	Other than cash	51,341,432	102,682,864	463,681,104
November 18, 2011	(4,472,582)	2	81.08	Buyback of Equity Shares <sup>(14)</sup>	Cash	46,868,850	93,737,700	109,998,448
August 19, 2014	4,285,714	2	77	Allotment - rights issue <sup>(15)</sup>	Cash	51,154,564	102,309,128	431,426,998
August 8, 2015	204,618,256	2	-	Bonus issue in the ratio 4:1 <sup>(16)</sup>	Other than cash	255,772,820	511,545,640	31,135,650
August 8, 2015	-	10	-	-	Consolidation of face value of Equity Shares from ₹2 to ₹10	51,154,564	511,545,640	31,135,650

<sup>(1)</sup> Preferential allotment of 10 Equity Shares each to Jayant Davar and Yash Pal Vij, the first subscribers to the MOA.

<sup>(2)</sup> Preferential allotment of 165,000 Equity Shares to Jayant Davar, and 50,000 Equity Shares to Friends Construction Co.

<sup>(3)</sup> Preferential allotment of 60,000 Equity Shares to Jayant Davar, 12,500 Equity Shares to Vinod Kumar, 12,500 Equity Shares to Radhey Kant, 12,500 Equity Shares to Dharam Prakash, 12,500 Equity Shares to Chander Dutt, 20,000 Equity Shares to I N Dubey, 15,000 Equity Shares to Shree Prakash, and 15,000 Equity Shares to D P Dixit.

<sup>(4)</sup> Preferential allotment of 300,000 Equity Shares to Monica Davar.

<sup>(5)</sup> Preferential allotment of 150,000 Equity Shares to Jayant Davar, 7,000 Equity Shares to Monica Davar, and 2,000 Equity Shares to Shanti Devi.

<sup>(6)</sup> Preferential Allotment of 4,000 Equity Shares to Jayant Davar and 120,800 Equity Shares to Monica Davar.

<sup>(7)</sup> Bonus issue in the ratio of 1:1 out of credit balance available in the profit and loss account as on March 31, 1999.

<sup>(8)</sup> Equity Shares of face value ₹10 each was subdivided into Equity Shares of ₹2 each, pursuant to a resolution passed by the Shareholders on October 7, 2005.

<sup>(9)</sup> Allotted by way of a resolution dated June 3, 2006 passed by the Board, pursuant to conversion of 9,520,000 fully convertible debentures of face value ₹100 each issued in terms of the investment agreement dated December 29, 2005 executed among our Company, Sandhar Auto Components Limited, SLD Auto Limited, Sandhar Engineering Industries Private Limited, Jayant Davar, Monica Davar, Sandhar Enterprises, Sandhar Estates Private Limited, Sandhar Infosystems Limited, YSG Estates Private Limited, Sanjeevni Impex Private Limited, Actis Auto Components Investment Limited, and Actis Auto Investments Limited (the "Investment Agreement"). The aforementioned debentures were converted into Equity Shares consequent to the order dated May 26, 2006 passed by the High Court of Delhi, sanctioning the scheme of amalgamation for the amalgamation of Sandhar Auto Components Limited, SLD Auto Limited, Sandhar Engineering Industries Private Limited, Adeep Locks Limited, Adeep Roloforms Limited and Agrim Automach Private Limited with our Company (the "Sandhar-Adeep Scheme of Amalgamation"). For details regarding the Sandhar-Adeep Scheme of Amalgamation, see "History and Certain Corporate Matters – Acquisition of Business, Mergers and Amalgamations" on page 203. In terms of the Investment Agreement, upon conversion of the debentures pursuant to sanctioning of the Sandhar-Adeep Scheme of Amalgamation, the date of conversion shall be deemed to be the date of the Investment Agreement, i.e. December 29, 2005.

<sup>(10)</sup> Allotted by way of a resolution dated June 3, 2006 passed by the Board, pursuant to the Sandhar-Adeep Scheme of Amalgamation. In accordance with the terms of the Sandhar-Adeep Scheme of Amalgamation, the allotment took effect from the effective date of the Sandhar-Adeep Scheme of Amalgamation, i.e., December 29, 2005.

<sup>(11)</sup> The Sandhar-Adeep Scheme of Amalgamation was made effective from December 29, 2005, which was the appointed date under the Sandhar-Adeep Scheme of Amalgamation.

<sup>(12)</sup> Bonus issue in the ratio of 1:3 out of credit balance in share premium account Allotted pursuant to a resolution dated August 8, 2007 passed by the Share Transfer and Allotment Committee of the Board with effect from July 28, 2007.

<sup>(13)</sup> Bonus issue in the ratio of 11:10 out of part redemption of capital redemption reserve account and part utilisation out of general reserve account.

<sup>(14)</sup> Buy-back of 4,472,582 equity shares of face value ₹2 each at a price of ₹81.08 per Equity Share, authorised by our Shareholders through a resolution dated November 25, 2011. The buy-back was completed on December 17, 2011. Pursuant to the buy-back, 3,578,066 equity shares of ₹2 each held by Actis Auto Components Investment Limited and 894,516 equity shares of ₹2 each held by Actis Auto Investment Limited were bought back by the Company. This buy-back was envisaged keeping in mind the Company's accumulated free reserves as well as favourable liquidity position reflected in the audited accounts for the period from April 1, 2010 to March 31, 2011. The buy-back improved the return on equity and EPS owing to reduction in the Equity Share capital as well as future servicing to Shareholdings, thereby leading to long term increase in the shareholder value.

<sup>(15)</sup> Allotment of 389,610 Equity Shares of ₹2 each to Jayant Davar and 3,896,104 Equity Shares of ₹2 each to GTI, pursuant to the rights issue.

<sup>(16)</sup> Bonus issue in the ratio of 4:1 out of part redemption of capital redemption reserve account and part utilisation out of securities premium account.

- (b) Our Company entered into an investment agreement dated December 29, 2005 with Sandhar Auto Components Limited, SLD Auto Limited, Sandhar Engineering Industries Private Limited, Jayant Davar, Monica Davar, Sandhar Enterprises, Sandhar Estates Private Limited, Sandhar Infosystems Limited, YSG

Estates Private Limited, Sanjeevni Impex Private Limited, Actis Auto Components Investment Limited, and Actis Auto Investments Limited.

Pursuant to the Investment Agreement, our Company had issued 9,520,000 fully convertible debentures of face value of ₹100 each (“**Convertible Debentures**”) (7,616,000 Convertible Debentures to Actis Auto Components Investment Limited, and 1,904,000 Convertible Debentures to Actis Auto Investments Limited) on December 29, 2005. The investment by Actis Auto Components Investment Limited and Actis Auto Investments Limited in the Company was to facilitate the acquisition of 100% of the equity share capital of Adeep Locks Limited, Agrim Automach Private Limited, and Adeep Roloforms Limited (together, the “**Adeep Companies**”) by our Company.

The Investment Agreement contemplated a merger between the Adeep Companies and our Company, after which, the Convertible Debentures held by the Investors would be converted to fully paid-up equity shares of the Company. Subsequently, the Adeep Companies, Sandhar Auto Components Limited, SLD Auto Limited and Sandhar Engineering Industries Private Limited were amalgamated with the Company pursuant to a scheme of amalgamation approved by the High Court of Delhi in an order dated May 26, 2006 and in terms of the Investment Agreement, 9,520,000 Convertible Debentures were converted into 4,193,496 Equity Shares of face value of ₹2 each on June 3, 2006, based on a conversion price of ₹227.02 per Equity Share, and allotted as follows:

Date of conversion of Convertible Debentures	Name of the allottee	No. of Convertible Debentures converted	No. of equity shares allotted upon conversion
June 3, 2006	Actis Auto Components Investments Limited	7,616,000	3,354,797
June 3, 2006	Actis Auto Investments Limited	1,904,000	838,699
<b>TOTAL</b>		<b>9,520,000</b>	<b>4,193,496</b>

No person other than Actis Auto Components Investment Limited and Actis Auto Investments Limited was issued Equity Shares upon conversion of the Convertible Debentures. For details, see footnote number (9) to the table on “*Capital Structure – Share Capital History of our Company*” on page 83 above and “*History and Certain Corporate Matters – Acquisition of Business, Mergers, and Amalgamations*” on page 203.

- (c) The history of the Preference Share capital of our Company is detailed in the following table:

Date of allotment / redemption	No. of Preference Shares	Face value (₹)	Issue Price per Preference Share (₹)	Reason	Nature of consideration	Cumulative No. of Preference Shares	Cumulative paid-up Preference Share capital (₹)
September 6, 1997	10,000	100	100	Allotment	Cash	10,000	1,000,000
March 10, 1998	10,000	100	100	Allotment	Cash	20,000	20,00,000
May 31, 2003 <sup>(1)</sup>	(12,000)	100	100	Redemption	NA	8,000	8,00,000
October 1, 2005 <sup>(2)</sup>	(8,000)	100	100	Redemption	NA	0	0

<sup>(1)</sup> Redemption of 12,000 Preference Shares by way of a resolution passed by the Board on April 21, 2003.

<sup>(2)</sup> Redemption of 8,000 Preference Shares by way of a resolution passed by the Board on October 1, 2005.

- (d) Other than as stated below, our Company has not allotted any Equity Shares for consideration other than cash:

Date of allotment	Name of the allottee	No. of Equity Shares allotted	Face value (₹)	Issue price (₹)	Reasons for allotment	Benefits accrued to our Company
April 27, 1999	Shareholders of our Company <sup>(1)</sup>	958,820	10	-	Bonus issue in the ratio of 1:1	NIL
June 3, 2006 <sup>(2)</sup>	Actis Auto Components	4,193,496	2	-	Conversion of 9,520,000 Convertible	NIL

Date of allotment	Name of the allottee	No. of Equity Shares allotted	Face value (₹)	Issue price (₹)	Reasons for allotment	Benefits accrued to our Company		
	Investment Limited				Debtures issued by our Company			
	Actis Auto Investments Limited							
	Shareholders of Sandhar Auto Components Limited <sup>(3)</sup>	4,554,534	2	-			Allotment pursuant to Sandhar-Adeep Scheme of Amalgamation	Amalgamation of Sandhar Auto Components Limited, SLD Auto Limited, Sandhar Engineering Industries Private Limited, Adeep Locks Limited, Adeep Roloforms Limited and Agrim Automach Private Limited with our Company
	Shareholders of SLD Auto Limited <sup>(4)</sup>							
	Shareholders of Sandhar Engineering Industries Private Limited <sup>(5)</sup>							
August 8, 2007	Shareholders of our Company <sup>(6)</sup>	6,112,072	2	-	Bonus issue in the ratio 1:3	-		
April 19, 2010	Shareholders of our Company <sup>(7)</sup>	26,893,130	2	-	Bonus issue in the ratio 11:10	-		
August 8, 2015	Shareholders of our Company <sup>(8)</sup>	204,618,256	2	-	Bonus issue in the ratio 4:1	-		

<sup>(1)</sup> Allotted to the then existing shareholders of our Company being Jayant Davar, Y P Vij, Shanti Devi, Monica Davar, Mohan Lal Bhagat, Dharmendar Nath Davar, Santosh Davar and Rajinder Kumar

<sup>(2)</sup> Allotted by way of a resolution dated June 3, 2006 passed by the Board. The allotment took effect from the effective date of the Sandhar-Adeep Scheme of Amalgamation, i.e., December 29, 2005

<sup>(3)</sup> Jayant Davar, Monica Davar, Neel Jay Davar, Dharmendar Nath Davar, Santosh Davar, Poonam Juneja, YSG Estates Private Limited, Sanjeevni Impex Private Limited, Sandhar Enterprises and Sandhar Infosystems Limited.

<sup>(4)</sup> Jayant Davar, Monica Davar, Dharmendar Nath Davar, Santosh Davar, YSG Estates Private Limited, Sanjeevni Impex Private Limited, Sandhar Enterprises and Sandhar Infosystems Limited.

<sup>(5)</sup> Jayant Davar and Monica Davar

<sup>(6)</sup> Allotted to the then existing shareholders of our Company being Jayant Davar, Monica Davar, Neel Jay Davar, Dharmendar Nath Davar, Santosh Davar, Poonam Juneja, Sandhar Estates Private Limited, YSG Estates Private Limited, Sanjeevni Impex Private Limited, Sandhar Enterprises, Sandhar Infosystems Limited, Actis Auto Components Investments Limited and Actis Auto Investments Limited

<sup>(7)</sup> Allotted to the then existing shareholders of our Company being Jayant Davar, Monica Davar, Neel Jay Davar, Dharmendar Nath Davar, Santosh Davar, Poonam Juneja, Sandhar Estates Private Limited, YSG Estates Private Limited, Sanjeevni Impex Private Limited, Sandhar Enterprises, Sandhar Infosystems Limited, Actis Auto Components Investments Limited and Actis Auto Investments Limited

<sup>(8)</sup> Allotted to the then existing shareholders of our Company being Jayant Davar, Monica Davar, Neel Jay Davar, Dharmendar Nath Davar, Santosh Davar, Poonam Juneja, Sandhar Estates Private Limited, YSG Estates Private Limited, Sanjeevni Impex Private Limited, Sandhar Enterprises, Sandhar Infosystems Limited, Jubin Finance & Investment Limited and GTI

- (e) Other than as stated below, our Company has not issued any equity shares under scheme approved under Section 391 – Section 394 of the Companies Act, 1956:

Date of allotment	Name of the allottee	No. of Equity Shares allotted	Face value (₹)	Issue price (₹)	Reasons for allotment
June 3, 2006 <sup>(1)</sup>	Shareholders of Sandhar Auto Components Limited <sup>(2)</sup>	4,554,534	2	-	Allotment pursuant to the Sandhar-Adeep Scheme of Amalgamation <sup>(5)</sup>
	Shareholders of SLD Auto Limited <sup>(3)</sup>				
	Shareholders of Sandhar Engineering				

Date of allotment	Name of the allottee	No. of Equity Shares allotted	Face value (₹)	Issue price (₹)	Reasons for allotment
	Industries Private Limited <sup>(4)</sup>				

<sup>(1)</sup> Allotted by way of a resolution dated June 3, 2006 passed by the Board. The allotment took effect from the effective date of the Sandhar-Adeep Scheme of Amalgamation, i.e., December 29, 2005.

<sup>(2)</sup> Jayant Davar, Monica Davar, Neel jay Davar, Dharmendar Nath Davar, Santosh Davar, Poonam Juneja, YSG Estates Private Limited, Sanjeevni Impex Private Limited, Sandhar Enterprises and Sandhar Infosystems Limited.

<sup>(3)</sup> Jayant Davar, Monica Davar, Dharmendar Nath Davar, Santosh Davar, YSG Estates Private Limited, Sanjeevni Impex Private Limited, Sandhar Enterprises and Sandhar Infosystems Limited.

<sup>(4)</sup> Jayant Davar and Monica Davar.

<sup>(5)</sup> For further details regarding the Sandhar-Adeep Scheme of Amalgamation, see "History and Certain Corporate Matters – Acquisitions of Business, Mergers and Amalgamations" on page 203.

- (f) The Company has not carried out any allotment of Equity Shares in the two years preceding the date of the Draft Red Herring Prospectus.

### 3. HISTORY OF THE EQUITY SHARE CAPITAL HELD BY OUR PROMOTER

#### (a) Details of the build-up of our Promoter's shareholding in our Company:

As on the date of this Red Herring Prospectus, our Promoter, Jayant Davar holds 31,306,426 Equity Shares (inclusive of the 90,909 Equity Shares held by him in his capacity as sole proprietor of Sandhar Enterprises), representing 61.20% of the issued, subscribed and paid-up Equity Share capital of our Company, which shall constitute [●]% of post-Offer paid-up capital of our Company, pursuant to the Offer.

The Equity Shares held by our Promoter were acquired / allotted in the following manner:

Date of transaction	Nature of transaction	No. of Equity Shares issued / transferred	Cumulative no. of Equity Shares	Nature of consideration	Face value (₹)	Issue / acquisition / sale price per Equity Share (₹)	Total consideration / proceeds from sale (₹)	Percentage of pre-Offer paid-up capital (%)	Percentage of post-Offer paid-up capital (%)
At incorporation	Subscription to MoA	10	10	Cash	10	10	100	Negligible	[●]
May 31, 1989	Preferential allotment	165,000	165,010	Cash	10	10	1,650,000	0.32	[●]
August 20, 1989	Transfer to Shanti Devi	(1)	165,009	Cash	10	10	(10)	Negligible	[●]
October 1, 1990	Transfer to Monica Davar	(9)	165,000	Cash	10	10	(90)	Negligible	[●]
March 25, 1991	Preferential allotment	60,000	225,000	Cash	10	10	600,000	0.12	[●]
April 28, 1992	Transfer of 10 Equity Shares each to Mohan Lal Bhagat, Dharmendar Nath Davar, Santosh Davar, Rajinder Kumar	(40)	224,960	Cash	10	10	(400)	Negligible	[●]
October 28, 1992	Preferential allotment	150,000	374,960	Cash	10	10	1,500,000	0.29	[●]



Date of transaction	Nature of transaction	No. of Equity Shares issued / transferred	Cumulative no. of Equity Shares	Nature of consideration	Face value (₹)	Issue / acquisition / sale price per Equity Share (₹)	Total consideration / proceeds from sale (₹)	Percentage of pre- Offer paid-up capital (%)	Percentage of post- Offer paid-up capital (%)
January 11, 1993	Preferential allotment	4,000	378,960	Cash	10	10	40,000	0.01	[●]
April 27, 1999	Bonus issue in the ratio 1:1	378,960	7,57,920	Other than cash	10	-	-	0.74	[●]
October 1, 2005	Subdivision of face value of Equity Shares from ₹10 to ₹2	NA	3,789,600	NA	2	NA	NA	NA	[●]
March 31, 2006	Transfer from Monica Davar	3,000,000	6,789,600	Transfer	2	2	6,000,000	1.17	[●]
June 3, 2006	Transfer from Monica Davar	1,211,625	8,001,225	Transfer	2	2	2,423,250	0.47	[●]
June 3, 2006	Through amalgamation <sup>(1)</sup>	2,619,375	10,620,600*	Transfer	2	-	0	1.04	[●]
August 8, 2007	Bonus issue in the ratio 1:3	3,540,200	14,160,800*	Other than cash	2	-	-	1.39	[●]
April 19, 2010	Bonus issue in the ratio 11:10	15,576,880	29,737,680*	Other than cash	2	-	-	6.11	[●]
January 16, 2012	Transfer from Actis	1,088,227	30,825,907*	Transfer	2	81.07	88,222,563	0.43	[●]
August 19, 2014	Rights issue	389,610	31,215,517*	Cash	2	77	29,999,970	0.15	[●]
August 8, 2015	Bonus issue in the ratio 4:1	124,862,068	156,077,585*	Other than cash	2	-	-	48.96	[●]
	Consolidation of face value of Equity Shares from ₹2 to ₹10	NA	31,215,517*	NA	10	NA	NA	NA	[●]

<sup>(1)</sup> Allotment of 537,164 Equity Shares, 12,704 Equity Shares and 2,069,507 Equity Shares of face value of ₹2 each to Jayant Davar in respect of the equity shares held by him in Sandhar Auto Components Limited, SLD Auto Limited and Sandhar Engineering Industries Private Limited, respectively.

\* Includes Equity Shares held by Jayant Davar as proprietor of Sandhar enterprises.

All the Equity Shares held by our Promoter were fully paid-up on the respective dates of acquisition of such Equity Shares. None of the Equity Shares held by our Promoter are pledged or encumbered as on date. Our Promoter has confirmed to the Company and the Lead Managers that the Equity Shares held by him have been financed from his personal funds, and no loans or financial assistance from any bank or financial institution has been availed by him for this purpose.

(b) *Shareholding of our Promoter and Promoter Group*

Name of the Shareholder	Total Equity Shares	Percentage of pre-Offer capital (%)	Percentage of post-Offer paid-up capital (%)
<b>Promoter</b>			
Jayant Davar*	31,306,426	61.20	[●]
<b>Promoter Group</b>			
Monica Davar	2,622,725	5.13	[●]
Sanjeevni Impex Private Limited	1,667,727	3.26	[●]
YSG Estates Private Limited	1,662,032	3.25	[●]
Neel Jay Davar	1,555,995	3.04	[●]
Dharmendar Nath Davar	839,582	1.64	[●]
Sandhar Infosystems Limited	793,569	1.55	[●]
Santosh Davar	785,950	1.54	[●]
Jubin Finance & Investment Limited	573,508	1.12	[●]
Sandhar Estates Private Limited	350,280	0.68	[●]
Poonam Juneja	62,265	0.12	[●]
<b>TOTAL</b>	<b>42,220,059</b>	<b>82.53</b>	

\*90,909 Equity Shares are held by Jayant Davar in his capacity as proprietor of Sandhar Enterprises.

(c) *Details of Promoter's contribution and lock-in:*

Pursuant to Regulation 32 and Regulation 36(a) of the SEBI ICDR Regulations, an aggregate of 20% of the fully diluted post-Offer equity share capital of our Company held by our Promoter shall be locked-in for a period of three years from the date of Allotment.

All the Equity Shares held by our Promoter are eligible for lock-in for a period of three years from the date of Allotment. The details of Equity Shares which shall be locked-in for a period of three years from the date of Allotment are set out in the table below:

Date of allotment of the Equity Shares	Date of transaction and when made fully paid-up	Nature of transaction	No. of Equity Shares	Face value per Equity Share (₹)	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
[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]
[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]
[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]
[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]
<b>TOTAL</b>			[●]			[●]	[●]	

\* Commencing from the date of the Allotment of the Equity shares in the Offer.

The minimum Promoter's contribution has been brought to the extent of not less than the specified minimum lot and from the persons defined as 'Promoter' under the SEBI ICDR Regulations.

The Equity Shares constituting minimum Promoter's contribution in the Offer, which shall be locked-in for a period of three years commencing from the date of Allotment, are eligible for computation of Promoter's contribution, in terms of Regulation 33 of the SEBI ICDR Regulations. In this regard, our Company confirms the following:

- The Equity Shares offered for our Promoter's contribution (a) have not been acquired in the last three years for consideration other than cash, and revaluation of assets or capitalisation of intangible assets, or (b) not arising from bonus shares out of revaluation reserves or unrealised profits of our Company or issued against Equity Shares which are otherwise ineligible for computation of our Promoter's contribution;
- Our Promoter has given an undertaking to the effect that he shall not sell, transfer or dispose of, in any manner, the Equity Shares forming part of the minimum Promoter's contribution from the date of filing the Draft Red

Herring Prospectus with SEBI till the date of commencement of lock-in in accordance with SEBI ICDR Regulations;

- (iii) Promoter's contribution does not include any Equity Shares acquired during the preceding one year at a price lower than the price at which the Equity Shares are being offered to the public in the Offer;
- (iv) Our Company has not been formed by the conversion of a partnership firm into a company; and
- (v) The Equity Shares held by our Promoter and offered for Promoter's contribution are in dematerialised form and not subject to any pledge.

Our Promoter has, pursuant to his letter dated December 6, 2017, given his consent to include such number of Equity Shares held by him as may constitute 20% of the fully-diluted post-Offer Equity Share capital of our Company as minimum Promoter's contribution, and has agreed not to sell, transfer, charge, pledge, or otherwise encumber in any manner, the Promoter's contribution from the date of filing the Draft Red Herring Prospectus, until completion of the lock-in period specified above, or for such other time, as required under the SEBI ICDR Regulations.

(d) ***Details of pre-Offer Equity Share capital locked-in for one year:***

In addition to the 20% of the post-Offer shareholding of our Company held by our Promoter and locked in for three years as specified above, the entire pre-Offer Equity Share capital of our Company, other than the Equity Shares offered and sold by the Selling Shareholder in the Offer for Sale portion in this Offer, will be locked-in for a period of one year from the date of Allotment.

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

The Equity Shares held by our Promoter may be transferred to another Promoter or an entity belonging to the Promoter Group or to a new promoter or a person in control of our Company, subject to continuation of the lock-in of such Equity Shares in the hands of the transferees for the remaining period and compliance with the Takeover Regulations, as applicable.

For such time that the Equity Shares under the promoter's contribution are locked in as per the SEBI ICDR Regulations, the promoter's contribution can be pledged only with a scheduled commercial bank or public financial institution as collateral security for loans granted by such banks or financial institutions, in the event the loan has been granted by such banks or financial institutions for the purpose of financing one or more of the objects of this Offer and pledge of such Equity Shares is one of the terms of sanction of loan.

The Equity Shares held by persons other than our Promoter prior to the Offer, may be transferred to any other person holding Equity Shares which are locked-in along with the Equity Shares proposed to be transferred, 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.

The Equity Shares held by our Promoter which are locked-in for a period of one year from the date of Allotment in the Offer can be pledged with any scheduled commercial bank or public financial institution as collateral security for loans granted by such bank or financial institution, provided that the pledge of the Equity Shares is one of the terms of sanction of the loan.

The Equity Shares which are subject to lock-in shall carry the inscription 'non-transferable' and the non-transferability details shall be informed to the depositories. The details of lock-in shall also be provided to the Stock Exchanges, where the shares are to be listed, before the listing of the Equity Shares.

(f) ***Lock-in of Equity Shares to be issued, if any, to the Anchor Investors***

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

#### 4. DETAILS OF BUILD-UP OF EQUITY SHARE CAPITAL HELD BY THE SELLING SHAREHOLDER

As on the date of this Red Herring Prospectus, the Selling Shareholder holds 8,934,505 Equity Shares constituting 17.47% of the pre-Offer equity share capital of our Company. The table below represents the build-up of the Equity Share capital held of our Company held by the Selling Shareholder.

Date of allotment	Nature of transaction	No. of Equity Shares	Cumulative no. of Equity Shares	Nature of Consideration	Face Value (₹)	Issue / transfer price per Equity Share	Total consideration
December 21, 2012	Transferred from GTI Capital	5,038,401 <sup>(1)</sup>	5,038,401	Cash	2	USD 1.62	USD 8,178,035.72 <sup>(2)</sup>
August 19, 2014	Rights issue	3,896,104	8,934,505	Cash	2	₹77	₹300,000,008
August 8, 2015	Bonus issue in the ratio of 4:1	35,738,020	44,672,525	Other than cash	2	NA	NA
August 8, 2015	Consolidation	-	8,934,505	NA	10	NA	NA
<b>TOTAL</b>							750,495,284 <sup>(2)</sup>

(1) 5,038,401 Equity Shares of face value of ₹2 each, were purchased by GTI Capital (earlier known as Baby Nova Capital Pte Ltd) from the Actis Group, on March 30, 2012, at a price of USD 1.76 per Equity Share.

(2) Rupee equivalent value of transfer price per Equity Share was ₹89.41 the consideration paid was ₹450.50 million at the exchange rate of ₹55.09 per dollar on the date of transfer. (Source: www.rbi.org.in)

## 5. SHAREHOLDING PATTERN OF OUR COMPANY

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

Category code	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 Equity Shares underlying Depository Receipts (VI)	Total nos. Equity Shares held (VII) = (IV) + (V) + (VI)	Shareholding as a % of total no. of Equity Shares (calculated as per SCRR) As a % of (A+B+C2) (VIII)	Number of voting rights held in each class of securities (IX)				No. of Equity Shares underlying outstanding convertible securities (including warrants) (X)	Shareholding, as a percentage assuming full conversion of convertible securities (as a percentage of diluted share capital) (%) (XI) = (VII)+(X) As a percentage of (A+B+C2) (%)	Number of locked in Equity Shares (XII)		Number of Equity Shares pledged or otherwise encumbered (XIII)		Number of shares held in dematerialised form
								No of voting rights			Total as a percentage of total voting rights (%)			No. (a)	As a percent age of total Shares held (b) (%)	No. (a)	As a percenta ge of total Shares held (b) (%)	
								Equity Shares	Preference Shares	Total								
(A)	Promoter and Promoter Group	11	42,220,059	-	-	42,220,059	82.53	42,220,059	-	42,220,059	82.53	-	82.53	-	-	-	-	42,220,059
(B)	Public	1	8,934,505	-	-	8,934,505	17.47	8,934,505	-	8,934,505	17.47	-	17.47	-	-	-	-	8,934,505
(C)	Non-Promoter-Non- Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C1)	Shares Underlying DRs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C2)	Shares held by Employee Trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL</b>		<b>12</b>	<b>51,154,564</b>	<b>-</b>	<b>-</b>	<b>51,154,564</b>	<b>100</b>	<b>51,154,564</b>	<b>-</b>	<b>51,154,564</b>	<b>100</b>	<b>-</b>	<b>100</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>51,154,564</b>

## 6. THE LIST OF TOP 10 SHAREHOLDERS OF OUR COMPANY

The list of top 10 Shareholders of our Company and the number of Equity Shares held by them as on the date of this Red Herring Prospectus, 10 days before the date of filing, and two years prior the date of filing of this Red Herring Prospectus are set forth below:

(a) *The top 10 Shareholders as on the date of filing of this Red Herring Prospectus are as follows:*

Sr. No.	Name of the Shareholder	Number of the Equity Shares held	Percentage (%)
1.	Jayant Davar*	31,306,426	61.20
2.	GTI Capital Beta Pvt Ltd	8,934,505	17.47
3.	Monica Davar	2,622,725	5.13
4.	Sanjeevni Impex Private Limited	1,667,727	3.26
5.	YSG Estates Private Limited	1,662,032	3.25
6.	Neel Jay Davar	1,555,995	3.04
7.	Dharmendar Nath Davar	839,582	1.64
8.	Sandhar Infosystems Limited	793,569	1.55
9.	Santosh Davar	785,950	1.54
10.	Jubin Finance & Investment Limited	573,508	1.12
<b>TOTAL</b>		<b>50,742,019</b>	<b>99.20</b>

\*90,909 Equity Shares are held by Jayant Davar in his capacity as proprietor of Sandhar Enterprises.

(b) *The top 10 Shareholders 10 days prior to the date of this Red Herring Prospectus are as follows:*

Sr. No.	Name of the Shareholder	Number of the Equity Shares held	Percentage (%)
1.	Jayant Davar*	31,306,426	61.20
2.	GTI Capital Beta Pvt Ltd	8,934,505	17.47
3.	Monica Davar	2,622,725	5.13
4.	Sanjeevni Impex Private Limited	1,667,727	3.26
5.	YSG Estates Private Limited	1,662,032	3.25
6.	Neel Jay Davar	1,555,995	3.04
7.	Dharmendar Nath Davar	839,582	1.64
8.	Sandhar Infosystems Limited	793,569	1.55
9.	Santosh Davar	785,950	1.54
10.	Jubin Finance & Investment Limited	573,508	1.12
<b>TOTAL</b>		<b>50,742,019</b>	<b>99.20</b>

\*90,909 Equity Shares are held by Jayant Davar in his capacity as proprietor of Sandhar Enterprises.

(c) *The top 10 Shareholders two years prior to the date of this Red Herring Prospectus are as follows:*

Sr. No.	Name of the Shareholder	Number of the Equity Shares held	Percentage (%)
1.	Jayant Davar*	31,306,426	61.20
2.	GTI Capital Beta Pvt Ltd	8,934,505	17.47
3.	Monica Davar	2,622,725	5.13
4.	Sanjeevni Impex Private Limited	1,667,727	3.26
5.	YSG Estates Private Limited	1,662,032	3.25
6.	Neel Jay Davar	1,555,995	3.04
7.	Dharmendar Nath Davar	839,582	1.64
8.	Sandhar Infosystems Limited	793,569	1.55
9.	Santosh Davar	785,950	1.54
10.	Jubin Finance & Investment Limited	573,508	1.12
<b>TOTAL</b>		<b>50,742,019</b>	<b>99.20</b>

\*90,909 Equity Shares are held by Jayant Davar in his capacity as proprietor of Sandhar Enterprises.

- Our Company, our Directors and the Lead Managers have not entered into any buy-back and / or standby arrangements for purchase of Equity Shares from any person.
- Our Company has not issued any Equity Shares under any employee stock option scheme or employee stock purchase scheme.
- Our Company has not issued any Equity Shares at a price which may be lower than the Offer Price during a period of one year preceding the date of the Draft Red Herring Prospectus.

10. None of our Promoter, Promoter Group or our Directors have sold, purchased or subscribed to any securities of our Company within three years immediately preceding the date of the Draft Red Herring Prospectus, which in aggregate is equal to or greater than 1% of pre-Offer capital of our Company.
11. There are no outstanding warrants, options or rights to convert debentures, loans or other instruments convertible into the Equity Shares.
12. None of the Promoter Group, our Directors and their relatives have purchased or sold any securities of the Subsidiaries during a period of six months preceding the date of the Draft Red Herring Prospectus.
13. Our Promoter has not sold any Equity Shares of our Company or our Subsidiaries.
14. Our Company has not issued any Equity Shares out of revaluation reserves since incorporation.
15. The Lead Managers or their respective associates do not hold any Equity Shares in our Company, as of the date of this Red Herring Prospectus. The Lead Managers and their respective affiliates are engaged, and in the future, may engage in transactions with and perform services for our Company and our Subsidiaries in the ordinary course of business, including lending transactions, commercial banking, and investment banking transactions with our Company and our Subsidiaries, for which they may receive customary consideration.
16. An 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 while finalizing the allotment, subject to minimum allotment being equal to [●] Equity Shares, which is the minimum Bid size in this Offer. Consequently, the actual allotment may go up by a maximum of 10% of the Offer as a result of which the post-Offer paid up capital after the Offer would also increase by the excess amount of allotments so made. In such an event, the Equity Shares held by the Promoter and subject to lock-in shall be suitably increased so as to ensure that 20% of the post-Offer paid up capital is locked-in.
17. All Equity Shares offered through the Offer will be fully paid up at the time of Allotment, failing which no Allotment shall be made.
18. The Promoter Group, our Directors or relatives of our Directors have not financed the purchase by any other person of securities of our Company during the six months preceding the date of the Draft Red Herring Prospectus.
19. 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 submission of the Draft Red Herring Prospectus with SEBI until the Equity Shares have been listed.
20. Our Company presently does not intend or propose to alter the 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 issue of bonus or rights or further public issue of specified securities or qualified institutions placement or otherwise.
21. In terms of Rule 19(2)(b)(ii) of the SCRR, this is an Offer for such percentage of the post-Offer paid-up Equity Share capital of our Company that will be at least ₹4,000 million calculated at the Offer Price. The Offer is being made through the Book Building Process in accordance with Regulation 26(1) of the SEBI ICDR Regulations, wherein not more than 50% of the Offer shall be allocated on a proportionate basis to QIBs. Our Company and the Selling Shareholder may, in consultation with the Lead Managers, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis, 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 Offer shall be available for Allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the 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. 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 a combination of categories at the discretion of the Company and the Selling Shareholder in consultation with the Lead Managers and the Designated Stock Exchange. Such inter-se spill over, if any, would be effected in accordance with applicable laws. Our Company, Selling Shareholder and the Lead Managers may offer a Retail Discount in accordance with the SEBI ICDR Regulations.

22. As of the date of this Red Herring Prospectus, the total number of holders of the Equity Shares is 12.
23. Our Company has not raised any bridge loans against the proceeds from the Fresh Issue.
24. There shall be only one denomination of the Equity Shares, unless otherwise permitted by law. Our Company shall comply with such disclosure and accounting norms as may be specified by SEBI from time to time.
25. Other than as disclosed in this Red Herring Prospectus, our Company has not issued any Equity Shares to members of our Promoter Group.
26. There are no partly paid-up Equity Shares as on date of this Red Herring Prospectus and the Equity Shares to be Allotted pursuant to this Offer shall be fully paid-up.
27. No person connected with the Offer shall offer any incentive, whether directly or indirectly in any manner, whether in cash, kind, services or otherwise to any Bidder.
28. The Promoter and the members of the Promoter Group and Group Entities will not participate in the Offer.
29. Our Company shall ensure that transactions in the Equity Shares by the Promoter and the Promoter Group between the date of registering this Red Herring Prospectus with the RoC and the Bid / Offer Closing Date, if any, shall be reported to the Stock Exchanges within 24 hours of such transaction.



## OBJECTS OF THE OFFER

The Offer comprises of the Fresh Issue and the Offer for Sale.

### OFFER FOR SALE

Our Company will not receive any proceeds from the Offer for Sale. All expenses in relation to the Offer (other than listing fee, auditor's fee, and expenses relating to corporate advertisements of the Company, marketing and advertising expenses in relation to the Offer, which shall be borne by the Company) shall be shared between our Company and the Selling Shareholder in accordance with applicable laws. The Selling Shareholder shall reimburse our Company for all expenses incurred by our Company in relation to its Equity Shares offered in the Offer for Sale.

### REQUIREMENT OF FUNDS

Our Company proposes to utilise the Net Proceeds from the Fresh Issue towards:

- Repayment or prepayment in full, or in part of certain loans availed by our Company; and
- General corporate purposes

(together, the "Objects").

In addition, our Company expects to receive the benefits of listing of the Equity Shares on the Stock Exchanges, enhancement of our Company's brand name, and creation of a public market for our Equity Shares in India.

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

### OFFER PROCEEDS AND NET PROCEEDS

The details of the proceeds of the Fresh Issue are summarised in the table below:

Particulars	Amount (in ₹ million)
Gross Proceeds of the Fresh Issue	3,000
(Less) Fresh Issue related expenses <sup>(1)(2)</sup>	[●]
Net Proceeds	[●]

<sup>(1)</sup> To be finalised upon determination of the Offer Price.

<sup>(2)</sup> The fees and expenses relating to the Offer shall be shared between the Company and the Selling Shareholder in accordance with applicable law.

### REQUIREMENT OF FUNDS AND UTILISATION OF NET PROCEEDS

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

Particulars	Amount (in ₹ million)
Repayment or prepayment in full or in part of certain loans availed by our Company	2,250
General corporate purposes <sup>(1)</sup>	[●]
Net Proceeds	[●]

<sup>(1)</sup> To be finalised upon determination of the Offer Price and updated in the Prospectus prior to filing with the RoC. The amount shall not exceed 25% of the Gross Proceeds of the Fresh Issue.

The fund requirements for the Objects are based on management estimates and financing, and other agreements entered into by our Company and have not been verified by the Lead Managers, appraised by any bank or financial institution, or any other external agency. Since the fund requirements are based on current circumstances of our business and our Company, we may have to revise its estimates from time to time on account of various factors beyond our control, such as market conditions, economic conditions, changing regulatory policies, and competition. In case of a shortfall of Net Proceeds, our management may explore alternate means for shortfall, including utilization of internal accruals or further debt financing. We believe that such alternate arrangements would be available to fund any such shortfalls. Given the dynamic nature of our business, we may have to revise our funding requirements and deployment on account of various factors such as our financial condition, business and strategy, as well as external factors such as market conditions, competitive environment, interest or exchange rate fluctuations, and finance charges, which may not be within the control of our management.

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

## SCHEDULE OF DEPLOYMENT OF NET PROCEEDS

We intend to deploy the Net Proceeds in accordance with the schedule set forth below:

Particulars	Amount to be Funded from the Net Proceeds (in ₹ million)	Estimated Utilisation of Net Proceeds (in ₹ million)
		Fiscal 2019
Repayment or prepayment in full or in part of certain loans availed by our Company	2,250	2,250
General corporate purposes <sup>(1)</sup>	[●]	[●]
<b>TOTAL</b>	[●]	[●]

<sup>(2)</sup> To be finalised upon determination of the Offer Price. The amount shall not exceed 25% of the Gross Proceeds of the Fresh Issue.

As indicated above, our Company proposes to deploy the entire Net Proceeds towards the Objects during Fiscal 2019. In the event that the estimated utilisation of the Net Proceeds in a scheduled financial year is not completely met, the same shall be utilised in the next Fiscal. Further, if the Net Proceeds are not completely utilised for the Objects stated above by Fiscal 2019 due to factors such as (i) economic and business conditions, (ii) timely completion of the Offer on account of market conditions outside the control of our Company, and (iii) other commercial considerations, the same would be utilised (in part or full) in Fiscal 2020, or a subsequent period as may be determined by our Company in accordance with applicable law.

## MEANS OF FINANCE

The fund requirements set out below are proposed to be entirely funded from the Net Proceeds. Accordingly, our Company confirms that there is no requirement to make firm arrangements of finance through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised from the Fresh Issue and existing identifiable internal accruals, as required under the SEBI ICDR Regulations.

## DETAILS OF THE OBJECTS

### Repayment or prepayment in full or in part of certain loans availed by our Company

Our Company has entered into certain financing arrangements with, *inter alia*, various banks / financial institutions. Arrangements entered into by our Company include borrowings in the form of long term and short term, secured and unsecured loans, and working capital facilities. For details on our debt financing arrangements, see “*Financial Statements*” on page 248 and “*Financial Indebtedness*” on page 448.

Our Company proposes to utilise an amount of ₹2,250 million from the Net Proceeds towards repayment / prepayment, in full or in part of certain loans availed by our Company. We believe that such repayment will help reduce our outstanding indebtedness and debt servicing costs, and enable utilisation of our internal accruals for further investment in our growth strategies. In addition, we believe that this would improve our ability to raise further resources in the future to fund potential business developments opportunities.

The selection of borrowings proposed to be repaid or prepaid will be based on various factors, including (i) any conditions attached to the borrowings restricting our ability to prepay / repay the borrowings and time taken to fulfil, or obtain waivers for fulfilment of, such conditions, (ii) receipt of consents or waivers for prepayment from respective lenders, the terms and conditions of such consents and waivers, and the levy of any prepayment penalties and the quantum thereof, (iii) provisions of any laws, rules and regulations governing such borrowings, and (iv) other commercial considerations including, among others, the interest rate on the loan facility, the amount of the loan outstanding and the remaining tenor of the loan.

Given the nature of these borrowings and terms of repayment, the aggregate outstanding amount may vary from time to time. In the event the outstanding amounts under our term loans or working capital facilities as mentioned below were to increase prior to filing this Red Herring Prospectus with the RoC, we may revise our utilisation of the Net Proceeds towards repayment of amounts under the term loans or working capital facilities, subject to compliance with the SEBI ICDR Regulations, Companies Act, and other applicable laws. Further, the amounts outstanding under our working capital facilities are dependent on various factors, and may vary with the business cycle and could include interim repayments. We may repay or refinance some of the existing loans set forth below, prior to Allotment by availing financing from banks / financial institutions. Accordingly, we may utilise the Net Proceeds for repayment or prepayment of any such additional loans. However, the aggregate amount to be utilised from the Net Proceeds towards repayment or prepayment of loans (including refinanced loans availed) would not exceed ₹2,250 million.

The details of the outstanding loans proposed for repayment or prepayment, in full or in part from the Net Proceeds, without any obligation to any particular bank or financial institution are set forth below:

Sr. No.	Name of the Lender and documentation	Nature of loan	Sanctioned amount	Total outstanding amount as on January 31, 2018 (in ₹ million)*	Interest rate/ Fee and commission as on January 31, 2018**	Repayment schedule	Purpose for which the loan was sanctioned	Purpose for which the loans were actually utilised***
1.	Citi Bank NA: (i) Sanction letter dated August 10, 2017; and (ii) Working capital facility agreement dated December 11, 2002	Secured Working capital facility	₹560.50 million (fund based)  <b>Sub-limits:</b>  Cash credit, working capital demand loan, export pre-post shipment finance / bank guarantee: (₹560.50 million) Sight letter of credit, usance letter of credit, and buyers letter of credit: (₹560.50 million)  Standby letter of credit for ST Barcelona: € 3 million	57.72  200.00  157.35	11.00%  7.10%	Repayable on demand  60 days  Repayable on demand	To be used towards financing working capital requirements	Utilised for financing working capital requirements
2.	DBS Bank Limited: (i) Sanction letter dated June 2, 2017; and (ii) Working capital facility agreement dated May 28, 2016	Secured Working capital facility	₹300.00 million (fund based)  <b>Sub-limits:</b>  Letter of credit, buyers credit, working capital demand loan, purchase bill discounting, packing credit financing, and vendor finance facility: (₹300.00 million)	39.25  72.55	10.65%  8.60%	Repayable on demand	To be used towards financing working capital requirements	Utilised for financing working capital requirements
3.	HDFC Bank Limited:  Sanction letter dated March 17, 2017	Secured working capital facilities	₹200.00 million (fund based)  ₹50.00 million (non-	66.76	Cash credit: 10.90%  Sales bill discounting : 8.5%	Repayable on demand	To be used towards financing working capital requirements	Utilised for financing working capital requirements

Sr. No.	Name of the Lender and documentation	Nature of loan	Sanctioned amount	Total outstanding amount as on January 31, 2018 (in ₹ million)*	Interest rate/ Fee and commission as on January 31, 2018**	Repayment schedule	Purpose for which the loan was sanctioned	Purpose for which the loans were actually utilised***
			fund based) Sales bill discounting facility: ₹400.00 million  Commercial paper facility: ₹400.00 million	200.00	Commercial paper facility: 7%			
4.	HDFC Bank Limited:  <b>Term Loan 1:</b>  (i) Sanction letter dated June 30, 2015; and (ii) Term loan agreement dated July 13, 2015  <b>Term Loan 2:</b>  (i) Sanction letter dated November 23, 2016; and (ii) Term loan agreement dated November 21, 2016  <b>Term Loan 3:</b>  (i) Sanction letter dated March 17, 2017; and (ii) Term loan agreement dated March 21, 2017	Secured term loan facility	<b>Term Loan 1:</b> ₹250.00 million (fund based)  <i>Sub-limit:</i>  Capex buyer's credit / Capital expenditure letter of credit (non-fund based): ₹100.00 million  <b>Term Loan 2:</b>  ₹250.00 million (fund based)  <i>Sub-limit:</i>  Capex buyer's credit / Capital expenditure letter of credit (non-fund based): ₹150.00 million  <b>Term Loan 3:</b>  ₹250.00 million (fund based)  Capex buyer's	510.17	<b>Term Loan 1:</b> 10.95%  <b>Term Loan 2:</b> 150 million: 9.9% 100 million: 9.5%  <b>Term Loan 3:</b> 9.15%	<b>Term Loan 1:</b> One-year moratorium plus repayment in the next four years, in equal quarterly instalments  <b>Term Loan 2:</b> One-year moratorium plus repayment in the next four years, in equal quarterly instalments  <b>Term Loan 3:</b> One-year moratorium plus repayment in next five years in 20 equal quarterly instalments of ₹125 million	To be used towards reimbursement of capital expenditure already done	Utilized towards Capital expenditure

Sr. No.	Name of the Lender and documentation	Nature of loan	Sanctioned amount	Total outstanding amount as on January 31, 2018 (in ₹ million)*	Interest rate/ Fee and commission as on January 31, 2018**	Repayment schedule	Purpose for which the loan was sanctioned	Purpose for which the loans were actually utilised***
			credit / Capital expenditure letter of credit (non-fund based): ₹150.00 million					
5.	Hero FinCorp Limited: (i) Sanction letter dated August 7, 2014; (ii) Master services agreement dated September 30, 2014; and (iii) Supplementary agreement dated September 30, 2014	Unsecured corporate loan facility	₹250.00 million (fund based)	137.50	10.50%	Principal to be repaid in 20 quarterly instalments with the tenure being 72 months (including moratorium of 12 months)	To be used towards financing long term working capital requirements	Utilised for financing long term working capital requirements
6.	Hero FinCorp Limited: (i) Sanction letter dated November 11, 2014; (ii) Master services agreement dated November 24, 2014; and (iii) Supplementary agreement dated December 9, 2014	Unsecured term loan facility	₹200.00 million (fund based)	120.00	10.50%	Principal to be repaid in 20 quarterly instalments with the tenure being 72 months (including moratorium of 12 months)	To be used towards financing the purchase of plant and machinery and general corporate purposes	Recoupment of a portion of expenditure incurred towards purchase of plant and machinery and general corporate purposes, i.e., recoupment of a portion of the expense towards acquisition of cabin business of Arkay Fabsteel under a 'slump sale' in Fiscal 2015
7.	Hero FinCorp Limited: (i) Sanction letter dated July 24, 2015; (ii) Master	Unsecured corporate loan facility	₹350.00 million (fund based)	262.50	10.50%	Principal to be repaid in 20 quarterly instalments with the tenure being 72 months (including	Towards meeting business requirements	Utilised for meeting business requirements, i.e., long term working capital

Sr. No.	Name of the Lender and documentation	Nature of loan	Sanctioned amount	Total outstanding amount as on January 31, 2018 (in ₹ million)*	Interest rate/ Fee and commission as on January 31, 2018**	Repayment schedule	Purpose for which the loan was sanctioned	Purpose for which the loans were actually utilised***
	services agreement dated July 24, 2015; and (iii) Supplementary agreement dated July 24, 2015					moratorium of 12 months)		requirements
8.	Citi Corp Finance India Limited:  (i) Sanction letter dated September 28, 2017; (ii) Term loan agreement dated September 28, 2017; and (iii) Supplementary agreement dated July 24, 2015	Secured corporate loan facility	₹500 million (fund based)	500.00	8.15%	The loan is repayable in 18 quarterly instalments after an initial moratorium of 18 months	Toward reimbursement of capital expenditure done between April 2017 and September 2017	Utilised for reimbursement of capital expenditure done between April 2017 and September 2017
9.	ICICI Bank Limited:  (i) Credit arrangement letter dated September 24, 2013; (ii) Term loan agreement dated September 26, 2013; and (iii) Credit arrangement letter dated February 13, 2017, with regard to decrease in cash credit limit	Secured working capital term loan facility and cash credit	<b>Term loan:</b> ₹150.00 million (fund based)  <b>Cash credit:</b> ₹50.00 million (fund based)  (working capital demand loan and letter of credit facility (non fund based) are sub limits of cash credit facility)	<b>Term loan:</b> 65.62  <b>Cash credit:</b> NIL	10.50%  11.15%	<b>Term loan:</b> Principal Amount to be repaid in 16 equal quarterly installments after a moratorium of 24 months from the drawdown date  <b>Working capital demand loan:</b> Repayable on demand	<b>Term loan:</b> To be used towards financing long term working capital requirements  <b>Cash credit:</b> To be used towards financing working capital requirements	<b>Term loan:</b> Utilised for financing long term working capital requirements  <b>Cash credit:</b> Utilised for working capital requirements

Sr. No.	Name of the Lender and documentation	Nature of loan	Sanctioned amount	Total outstanding amount as on January 31, 2018 (in ₹ million)*	Interest rate/ Fee and commission as on January 31, 2018**	Repayment schedule	Purpose for which the loan was sanctioned	Purpose for which the loans were actually utilised***
10.	IndusInd Bank Limited:  (i) Master general terms agreement dated March 29, 2012; and (ii) Working capital facilities renewed by sanction letter dated November 3, 2016, in relation to all previous sanction letters  <b>Term Loan 5:</b>  (i) Sanction letter dated December 23, 2013; and (ii) Agreement dated December 26, 2013  <b>Term Loan 6:</b>  (i) Sanction letter dated September 8, 2014; and (ii) Agreement dated August 19, 2014  <b>Term Loan 7:</b>  (i) Sanction letter dated November 3, 2016; and (ii) Agreement dated March 20, 2017	Secured working capital and term loan facility	<b>Cash credit:</b> ₹100.00 million  <b>Sub-limit:</b>  Working capital demand loan: ₹100.00 million  <b>Letter of credit:</b> ₹100.00 million  <b>Sub-limit:</b>  Bank guarantee: ₹100.00 million  Buyers credit: ₹100.00 million  Full interchangeability between cash credit / working capital demand loan and letter of credit / bank guarantee.  <b>Term loan 5:</b>  ₹80.00 million  <b>Term Loan 6:</b> ₹250.00 million  <b>Term Loan 7:</b> ₹250.00 million	<b>Cash credit:</b> 14.17  <b>Letter of credit:</b> NIL  <b>Term Loan 5:</b> 17.38  <b>Term Loan 6:</b> 52.00  <b>Term Loan 7:</b> 162.80	<b>Cash credit:</b> 10.65%  <b>Letter of credit:</b> NIL  <b>Term Loan 5:</b> 10.10%  <b>Term Loan 6:</b> 10.10%  <b>Term Loan 7:</b> 9.70%	<b>Cash credit:</b> Repayable on demand  <b>Letter of credit:</b> Repayable on demand. The buyer's credit is repayable in 16 equal quarterly instalments starting after 15 months from the date of drawdown  <b>Term Loan 5, Term Loan 6, and Term Loan 7:</b> In 16 equal quarterly instalments starting after 15 months from the date of drawdown	<b>Cash credit:</b> For working capital  <b>Letter of credit:</b> Procurement of raw materials, spares, stores. The bank guarantee can be utilised for bid bond, performance, retention money, customs / excise guarantee  <b>Term Loan 5, Term Loan 6, and Term Loan 7:</b> Towards capital expenditure including purchase of plant and machinery	<b>Cash credit and letter of credit:</b> Utilised for working capital  <b>Term Loan 5 and Term Loan 6:</b> Recoupment of a portion of capital expenditure incurred during Fiscal 2014 and Fiscal 2015, respectively  <b>Term Loan 7:</b> Reimbursement of capital expenditure drawn down towards Fiscal 2017
11.	RBL Bank Limited  (i) Sanction letter dated October 19, 2016; and (ii) Term loan agreement dated October 19,	Secured working capital term loan facility	Term Loan: ₹200.00 million	200	9.75%	The loan is repayable in 54 monthly installments after a moratorium of 18 months	To be used towards financing working capital requirements	Utilised for working capital

Sr. No.	Name of the Lender and documentation	Nature of loan	Sanctioned amount	Total outstanding amount as on January 31, 2018 (in ₹ million)*	Interest rate/ Fee and commission as on January 31, 2018**	Repayment schedule	Purpose for which the loan was sanctioned	Purpose for which the loans were actually utilised***
	2016.							
12.	<p>Tata Capital Financial Services Limited</p> <p><b>Term Loan 2:</b></p> <p>(i) Sanction letter dated December 3, 2013; and</p> <p>(ii) Agreement dated January 10, 2014</p> <p><b>Term Loan 3 and Term Loan 4:</b></p> <p>(i) Sanction letter dated August 22, 2014 (modified by letter dated September 22, 2014); and</p> <p>(ii) Agreements dated August 25, 2014</p> <p><b>Term Loan 5:</b></p> <p>(i) Sanction letter dated August 28, 2015; and</p> <p>(ii) Agreement dated September 4, 2015</p>	Secured Term loan facility	<p><b>Term Loan 2:</b> ₹100.00 million</p> <p><b>Term Loan 3:</b> ₹120.00 million</p> <p><b>Term Loan 4:</b> ₹80.00 million</p> <p><b>Term Loan 5:</b> ₹150.00 million</p>	<p><b>Term Loan 2:</b> 25.00</p> <p><b>Term Loan 3:</b> 52.50</p> <p><b>Term Loan 4:</b> 35.00</p> <p><b>Term Loan 5:</b> 103.12</p>	<b>Term Loan 2, Term Loan 3, Term Loan 4, and Term Loan 5:</b> 10.50%	<p><b>Term Loan 2, Term Loan 3, Term Loan 4, and Term Loan 5:</b> The loans are each repayable in 16 quarterly instalments after an initial moratorium of 12 months</p>	<p><b>Term Loan 2, Term Loan 3, and Term Loan 4:</b> To be used towards reimbursement of capital expenditure</p> <p><b>Term Loan 5:</b> To be used towards financing long term working capital requirements</p>	<p><b>Term Loan 2 and Term Loan 3:</b> Recoupment of a portion of capital expenditure incurred during Fiscal 2014</p> <p><b>Term Loan 4:</b> Out of the total loan amount of ₹80 million:</p> <p>(i) ₹30 million was utilised towards recoupment of a portion of capital expenditure incurred during Fiscal 2014; and</p> <p>(ii) ₹50 million was utilised towards recoupment of a portion of capital expenditure incurred during Fiscal 2015</p> <p><b>Term Loan 5:</b> Financing long term</p>



Sr. No.	Name of the Lender and documentation	Nature of loan	Sanctioned amount	Total outstanding amount as on January 31, 2018 (in ₹ million)*	Interest rate/ Fee and commission as on January 31, 2018**	Repayment schedule	Purpose for which the loan was sanctioned	Purpose for which the loans were actually utilised***
								working capital requirements
13.	Yes Bank Limited  (i) Facility letter dated November 16, 2017; and (ii) Master facility agreement dated November 29, 2016  <b>Term Loan 1:</b>  (i) Sanction letters dated October 23, 2013; and (ii) Agreement dated November 7, 2013  <b>Term Loan 2:</b>  (i) Sanction letter Dated August 24, 2016; and (ii) Agreement dated August 26, 2016  <b>Term Loan 3:</b>  (i) Sanction letter dated August 29, 2017; and (ii) Agreement dated December 28, 2017	Secured working capital facilities and term loan	<b>Term loan 1:</b> ₹235.00 million  <b>Term loan 2:</b> ₹150.00 million  <b>Term loan 3:</b> ₹400.00 million  <b>Sales invoice discounting:</b> ₹200.00 million  <b>Cash credit:</b> ₹200.00 million  (as a sub-limit of sales invoice discounting)  <b>Export packing credit, preshipment in INR, post shipment in foreign currency:</b> ₹50.00 million  (as a sub-limit of sales invoice discounting)  <b>Working capital demand loan:</b> ₹200.00 million  (as a sub-limit of sales invoice discounting)  <b>Letter of</b>	<b>Term loan 1:</b> 65.24  <b>Term loan 2:</b> 142.50  <b>Term loan 3:</b> 200.00  <b>Sales invoice discounting:</b> NIL  <b>Cash credit:</b> 19.99  <b>Export packing credit, preshipment in INR, post shipment in foreign currency:</b> NIL  <b>Working capital demand loan:</b> NIL  <b>Letter of credit (sight/usance):</b> NIL  <b>Buyers credit:</b> NIL  <b>Standby letter of credit – foreign currency:</b> NIL  <b>Letter of</b>	<b>Term loan 1:</b> 10.50%.  <b>Term loan 2:</b> 9.60%  <b>Term loan:</b> 8.60%  <b>Sales invoice discounting:</b> To be decided by the lender at the time of each transaction  <b>Cash credit:</b> 11.00%  <b>Export packing credit, preshipment in INR, post shipment in foreign currency:</b>  To be decided at the time of disbursement  <b>Working capital demand loan:</b> To be decided at the time of disbursement  <b>Letter of credit (sight/usance):</b> To be decided at the time of	<b>Term Loan 1:</b> The loan is repayable in 16 quarterly instalments after moratorium of 12 months from the date of first disbursement  <b>Term Loan 2:</b> The loan is repayable in 20 quarterly instalments after moratorium of 12 months from the date of first disbursement  <b>Term loan 3:</b> The loan is repayable in 20 quarterly instalments after moratorium of 12 months from the date of first disbursement  To be decided at the time of disbursement  <b>Sales invoice discounting:</b> Repayable on demand. Tenor of maximum of three months  <b>Cash credit:</b> Repayable	<b>Term Loan 1:</b> To be used towards financing capital expenditure requirements  <b>Term Loan 2:</b> To be used towards financing long term working capital requirements  <b>Term loan 3:</b> To be used towards financing long term working capital requirements  <b>Sales invoice discounting, cash credit, export packing credit, preshipment in foreign currency, post shipment in Indian rupees, post shipment in foreign currency and working capital demand loan:</b> To be used towards financing working capital requirements  <b>Letter of credit (sight/usance):</b> To be used towards financing purchase of raw materials and capital goods	<b>Term Loan 1:</b> Recoupmen t of a portion of capital expenditure incurred during fiscal 2013.  <b>Term Loan 2:</b> Utilised for working capital  <b>Term loan 3:</b> Utilised for working capital  <b>Sales invoice discounting :</b> Utilised for working capital  <b>Cash credit:</b> Utilised for working capital  <b>Export packing credit, preshipment in foreign currency, post shipment in INR, post shipment in foreign currency:</b> Utilised for working capital  <b>Working capital demand loan:</b> Utilised for working capital  <b>Letter of</b>

Sr. No.	Name of the Lender and documentation	Nature of loan	Sanctioned amount	Total outstanding amount as on January 31, 2018 (in ₹ million)*	Interest rate/ Fee and commission as on January 31, 2018**	Repayment schedule	Purpose for which the loan was sanctioned	Purpose for which the loans were actually utilised***
			<p><b>credit (sight/usance):</b> ₹200.00 million</p> <p>(as a sub-limit of sales invoice discounting)</p> <p><b>Buyers credit:</b> ₹200.00 million</p> <p>(as a sub-limit of sales invoice discounting)</p> <p><b>Standby letter of credit for ST Barcelona:</b> ₹480.00 million</p>		<p>disbursement</p> <p><b>Buyers credit</b> To be decided at the time of disbursement</p> <p><b>Standby letter of credit – foreign currency:</b> To be decided at the time of each transaction</p>	<p>on demand. Tenor of 12 months</p> <p><b>Export packing credit, preshipment in foreign currency, post shipment in INR, post shipment in foreign currency:</b> Repayable on demand. Tenor of 3 months</p> <p><b>Working capital demand loan:</b> Maximum tenor of six months from the date of each drawdown</p> <p><b>Letter of credit (sight/usance):</b> Maximum tenor of six months for raw materials and 12 months for capital expenditure</p> <p><b>Buyers credit</b> Maximum Tenure of 6 months</p> <p><b>Standby letter of credit – foreign currency:</b> Maximum tenor of 13 months</p>	<p><b>Buyers credit</b> To be used towards financing working capital requirements/retire import letter of credits (raw material)/ Capital goods</p> <p><b>Standby letter of credit – foreign currency:</b> To be used towards raising credit limits for business purpose in ST Barcelona and ST Mexico</p>	<p><b>credit (sight/usance):</b> Utilised for purchase of raw materials</p> <p><b>Buyers credit</b> Utilised for working capital requirements</p> <p><b>Standby letter of credit – foreign currency:</b> Used for working capital requirements in ST Barcelona</p>
14.	State Bank of India	Secured working	<b>Cash credit / working</b>	<b>Cash credit / working</b>	<b>Cash credit / working</b>	<b>Cash credit / working</b>	<b>Cash credit / working</b>	<b>Cash credit / working</b>

Sr. No.	Name of the Lender and documentation	Nature of loan	Sanctioned amount	Total outstanding amount as on January 31, 2018 (in ₹ million)*	Interest rate/ Fee and commission as on January 31, 2018**	Repayment schedule	Purpose for which the loan was sanctioned	Purpose for which the loans were actually utilised***
	Sanction letter dated November 15, 2016 and agreement dated April 30, 2011	capital facility	<b>capital demand loan:</b> ₹150 million  <b>Letter of credit:</b> ₹52 million (non fund based)  <b>Credit exposure limit:</b> ₹2 million  <b>Bank guarantee:</b> ₹50 million (sub-limit of letter of credit)  <b>Buyer's credit:</b> ₹50 million (sub-limit of letter of credit)	<b>capital demand loan:</b> 104.54  <b>Letter of credit:</b> NIL  <b>Credit exposure limit:</b> NIL  <b>Bank guarantee:</b> 2.19  <b>Buyer's credit:</b> NIL	<b>capital demand loan:</b> 9.25%  <b>Letter of credit:</b> To be determined at time of drawdown, subject to the bank's base rate  <b>Credit exposure limit :</b> As applicable  <b>Bank guarantee:</b> 1.60% and 2.20%  <b>Buyer's credit:</b> To be determined at time of drawdown, subject to the bank's base rate	<b>capital demand loan:</b> Repayable on demand  <b>Letter of credit:</b> Repayable on demand  <b>Credit exposure limit:</b> Repayable on demand  <b>Bank guarantee:</b> Repayable on demand  <b>Buyer's credit:</b> Repayable on demand	<b>capital demand loan, Letter of credit, Bank guarantee and Buyer's credit:</b> To be used towards financing working capital requirements	<b>capital demand loan, Letter of credit, Credit exposure limit, Bank guarantee and Buyer's credit:</b> Utilised for working capital requirements

\* The amount outstanding is excluding interest accrued and due as on January 31, 2018. The amount outstanding as of January 31, 2018, being ₹3,586.13 million, has been certified by GSA & Associates, chartered accountants (firm registration number: 000257N) vide their certificate dated March 5, 2018. Further, GSA & Associates, chartered accountants have confirmed that our Company has utilized the above borrowings for the purposes for which the loans were sanctioned.

\*\* All the above loans are at a floating rate of interest. The actual rate of interest with respect to the loans vary based on respective bank lending rates / base rates, and the interest rate mentioned is as applicable on January 31, 2018.

# RoI as on September 30, 2017, has been considered.

In due course of business, due to various operational benefits, our Company may explore possibilities of other banks participating in existing loans either in full or in part, including the loans mentioned above. Some of our financing agreements provide for the levy of prepayment penalties. Given the nature of these borrowings and the terms of prepayment, the aggregate outstanding loan amounts may vary from time to time. In the event that there are any prepayment penalties required to be paid under the terms of the relevant financing agreements, the amount of such prepayment penalties shall be paid by our Company out of our internal accruals.

### General corporate purposes

Our Company proposes to deploy the balance Net Proceeds aggregating to ₹[●] million towards general corporate purposes, subject to such utilisation not exceeding 25% of the Gross Proceeds, in compliance with the SEBI ICDR Regulations. In accordance with policies adopted by our Board from time to time, we will have the flexibility in utilising the balance Net Proceeds if any, for general corporate purposes, subject to such utilisation not exceeding 25% of the Gross Proceeds from the Fresh Issue, in accordance with Regulation 4(4) of the SEBI ICDR Regulations. Such general corporate purposes may include strategic initiatives and acquisitions, funding initial stages of equity contribution towards our projects, working capital requirements, purchase of equipment, investments into our subsidiaries, part or full repayment / prepayment of debt of our Company or any of our Subsidiaries, and further strengthening our marketing capabilities. Our Company's management, in accordance with policies adopted by the Board, will have the flexibility in utilising surplus amounts, if any. In case of variation in the actual utilisation of funds designated for the purposes set forth above, increased fund requirements for a particular purpose may be financed by surplus funds, if any, which are not applied to the other purposes, set out above.

### Offer related expenses

The total expenses of the Offer are estimated to be approximately ₹[●] million. The Offer related expenses consist of listing fees, underwriting fees, selling commission and brokerage, fees payable to the Lead Managers, legal counsels, Registrar to the Offer, Bankers to the Offer, including processing fees to the SCSBs for processing ASBA Forms submitted by ASBA Bidders procured by the Syndicate and submitted to the SCSBs, brokerage and selling commission payable to Registered Brokers, RTAs and CDPs, printing and stationery expenses, advertising and marketing expenses, and all other incidental expenses for listing the Equity Shares on the Stock Exchanges. All expenses in relation to the Offer (other than listing fee, auditor's fee, and expenses relating to corporate advertisements of the Company, marketing and advertising expenses in relation to the Offer which shall be borne by our Company), all other expenses shall be shared between our Company and the Selling Shareholder in accordance with applicable laws. The Selling Shareholder shall reimburse our Company for all expenses incurred by our Company in relation to its Equity Shares offered in the Offer for Sale. The break-up for the estimated Offer expenses are as follows:

Activity	Amount <sup>(1)</sup> (in ₹ million)	As a % of the Total Estimated Offer Expenses	As a % of the Offer Size <sup>(1)</sup>
Payment to Lead Managers (including underwriting commission, brokerage, selling commission, and bidding fees) and brokerage and selling commission, processing / uploading charges to Syndicate Members, RTAs, and CDPs <sup>(2)</sup>	[●]	[●]	[●]
Processing / uploading charges for Registered Brokers <sup>(3)</sup> and Commission and processing fees for SCSBs <sup>(2)(4)</sup>	[●]	[●]	[●]
Others: SEBI, BSE, and NSE processing fees, other regulatory expenses and listing fees; Printing and stationery expenses; Advertising and marketing expenses; and Miscellaneous expenses	[●]	[●]	[●]
<b>TOTAL ESTIMATED OFFER EXPENSES</b>	[●]	[●]	[●]

(1) Will be completed after finalisation of the Offer Price

(2) Members of the Syndicate, sub-Syndicate, Registered Brokers, RTAs, CDPs, and SCSBs (for the forms directly procured by them) will be entitled to selling commission as below:

Portion for Retail Individual Bidders: 0.35% of the Amount Allotted\*

Portion for Non-Institutional Bidders: 0.20% of the Amount Allotted\*

(3) Registered Brokers, RTAs, and CDPs will be entitled to a commission of ₹10.00<sup>#</sup> per every valid ASBA Form directly procured by such Registered Broker, RTAs, or CDPs, as the case may be, and uploaded on the electronic bidding system of the Stock Exchanges

(4) SCSBs will be entitled to a processing fee of ₹10.00<sup>#</sup> per ASBA Form for processing the ASBA Forms procured by members of the Syndicate, sub-syndicate / agents, Registered Brokers, RTAs or CDPs, and submitted to the SCSBs

(All of the abovementioned amounts are exclusive of applicable taxes)

\* Amount Allotted is the product of the number of Equity Shares Allotted and the Offer Price. All fees payable is exclusive of applicable taxes.

# For each valid application. All fees payable is exclusive of applicable taxes.

## MONITORING OF UTILISATION OF FUNDS

The Company has appointed YES Bank Limited as the Monitoring Agency in relation to the Offer in accordance with Regulation 16 of the SEBI ICDR Regulations. The Audit Committee and the Monitoring Agency will monitor the utilisation of the Net Proceeds. The Company will disclose the utilisation of the Net Proceeds under a separate head along with details, for all such proceeds of the Fresh Issue that have not been utilised clearly specifying the purpose for which such Net Proceeds have been utilised in the interim. The Company will indicate investments, if any, of unutilised Net Proceeds in the balance sheet of the Company for the relevant financial years subsequent to the listing.

Pursuant to the SEBI Listing Regulations, our Company shall disclose to the Audit Committee the uses and application of the Net Proceeds, on a quarterly basis. The Audit Committee shall make recommendations to our Board for further action, if appropriate. Our Company shall, on an annual basis, prepare a statement of funds utilised for purposes other than those stated in this Red Herring Prospectus, and place it before the Audit Committee. Such disclosure shall be made only till such time that all the Net Proceeds have been utilised in full. The statement shall be certified by the statutory auditors of our Company. Furthermore, in accordance with the SEBI Listing Regulations, our Company shall furnish to the Stock Exchanges, on a quarterly basis, a statement including deviations, if any, in the utilisation of the Net Proceeds of the Offer from the objects of the Offer as stated above. The information will also be published in newspapers simultaneously with the submission of such information to the Stock Exchanges, after placing the same before the Audit Committee.

## INTERIM USE OF NET PROCEEDS

Our Company, in accordance with the policies formulated by our Board from time to time, reserves the flexibility to deploy the Net Proceeds. Pending utilisation of the Net Proceeds for the purposes described above, our Company will temporarily invest the Net Proceeds in deposits in one or more Scheduled Commercial Banks, included in the Second Schedule of the Reserve Bank of India Act, 1934, as may be approved by our Board.

In accordance with Section 27 of the Companies Act, 2013, our Company confirms that it shall not use the Net Proceeds for buying, trading, or otherwise dealing in shares of any other listed company, or for any investment in the equity markets.

## **BRIDGE FINANCING FACILITIES**

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

## **VARIATION IN OBJECTS**

In accordance with Section 13(8) and Section 27 of the Companies Act, 2013, our Company shall not vary the objects of the Fresh Issue, without our Company being authorised to do so by the Shareholders, by way of a special resolution through postal ballot. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution (“**Postal Ballot Notice**”) shall specify the prescribed details as required under the Companies Act, 2013 and the rules prescribed thereunder. The Postal Ballot Notice shall simultaneously be published in the newspapers, one in English and one in Hindi, the vernacular language of the jurisdiction where our Registered Office and Corporate Office is situated. Our Promoter will be required to provide an exit opportunity to such shareholders who do not agree to the above stated proposal, at a price, and in such manner as prescribed in Chapter VI-A of the SEBI ICDR Regulations.

## **OTHER CONFIRMATIONS**

No part of the Net Proceeds will be paid by our Company as consideration to our Promoter, our Board of Directors, our Key Management Personnel or Group Entities. There are no existing or anticipated transactions in relation to utilisation of Net Proceeds with our Promoter, our Board of Directors, our Key Management Personnel, or our Group Entities.

## BASIS FOR OFFER PRICE

The Offer Price will be determined by our Company and the Selling Shareholder, in consultation with the Lead Managers, 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 ₹10 each and the Offer Price is [●] times the Face Value at the lower end of the Price Band and [●] times the Face Value at the higher end of the Price Band. Investors should also refer to “*Our Business*”, “*Risk Factors*” and “*Financial Statements*” on pages 163, 20, and 248, respectively, to have an informed view before making an investment decision.

### QUALITATIVE FACTORS

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

- Long-standing, and growing relationships with major OEMs.
- Diversified product portfolio.
- Production facilities close to our customers based on our philosophy – ‘Be Glocal’.
- Vertical and horizontal integration of our operations from product designing to supply solutions.
- In-house research and development, design capability and technical collaborations.
- Experienced and strong management team backed by good governance standards.

For details, see “*Our Business – Competitive Strengths*” on page 165.

### QUANTITATIVE FACTORS

Some of the information presented below relating to our Company is based on the Restated Unconsolidated Summary Statements and the Restated Consolidated Summary Statements prepared in accordance with Indian GAAP, and the Companies Act, 2013 and restated in accordance with the SEBI ICDR Regulations. For details, see “*Financial Statements*” on page 248.

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:

Financial Year ended	Basic and Diluted EPS (₹)	Weight
March 31, 2017	7.16	3
March 31, 2016	6.31	2
March 31, 2015	6.84	1
<b>Weighted Average</b>	<b>6.82</b>	

For the six months period ended September 30, 2017, the Basic and Diluted EPS (not annualized) was ₹6.77, on a standalone basis.

On a consolidated basis:

	Basic and Diluted EPS (₹)	Weight
March 31, 2017	7.66	3
March 31, 2016	6.54	2
March 31, 2015	7.52	1
<b>Weighted Average</b>	<b>7.26</b>	

For the six months period ended September 30, 2017, the Basic and Diluted EPS (not annualized) was ₹6.69, on a consolidated basis.

Note:

1. *Earning-per share (EPS) calculation is in accordance with Accounting Standard 20 "Earnings per share" prescribed by the Companies (Accounting Standards) Rules, 2006.*
2. *The ratios have been computed as below:*

a. *Basic Earnings per share (₹):*

*Net Profit after tax as restated attributable to equity shareholder*  
*Weighted average number of equity shares outstanding during the period/ year*

b. Diluted Earnings per share (₹):  $\frac{\text{Net Profit after tax as restated}}{\text{Weighted average number of diluted equity shares outstanding during the period/year}}$

(b) Price / Earning (“P / E”) ratio in relation to Price Band of ₹[•] to ₹[•] per Equity Share:

Particulars	P / E at the lower end of the Price Band (no. of times)	P / E at the higher end of the Price Band (no. of times)
Based on the Standalone Basic and Diluted EPS for the year ended March 31, 2017	[•]	[•]
Based on the Consolidated Basic and Diluted EPS for the year ended March 31, 2017	[•]	[•]

(c) Industry Peer Group P / E ratio

Particulars	P/E ratio	Name of the company	Face value of equity shares (₹)
Highest	55.34	Minda Industries Limited	2
Lowest	26.24	JBM Auto Limited	5
<b>Average</b>	<b>35.63</b>		

(d) Return on Net Worth (“RoNW”)

As per Restated Unconsolidated Summary Statements:

Financial Year ended	RoNW (%)	Weight
March 31, 2017	12.71	3
March 31, 2016	12.37	2
March 31, 2015	13.93	1
<b>Weighted Average</b>	<b>12.80</b>	
Six months period ended September 30, 2017	10.93	

As per Restated Consolidated Summary Statements:

Financial Year ended	RoNW (%)	Weight
March 31, 2017	13.01	3
March 31, 2016	12.23	2
March 31, 2015	14.77	1
<b>Weighted Average</b>	<b>13.04</b>	
Six months period ended September 30, 2017	10.35	

Note:

- Return on net worth (%) = Net profit / (loss) after tax as restated / net worth as at the end of year
- Net worth for ratios mentioned above = Equity share capital + Reserves and surplus (including Securities premium, General Reserve, Capital Reserve, Capital Redemption Reserve, Foreign Currency Translation Reserve and Surplus in the statement of profit and loss).

(e) Minimum Return on Increased Net Worth after Offer needed to maintain Pre-Offer EPS for the year ended March 31, 2017

Particulars	Floor Price	Cap Price
To maintain pre-Offer Standalone Basic and Diluted EPS		
To maintain pre-Offer Consolidated Basic and Diluted EPS		

(f) Net Asset Value (“NAV”) per Equity Share of face value of ₹10 each

Financial year ended	Unconsolidated (₹)	Consolidated (₹)
As on September 30, 2017	61.93	64.65
Offer Price	[•]	[•]
After the Offer	[•]	[•]

Note:

- Net asset value = Net Worth at the end of the period / Total number of equity shares outstanding at the end of the period

2. Offer Price per Equity Share will be determined on conclusion of the Book Building Process.

**(g) Comparison with Listed Industry Peers**

Name of the company	Standalone / Consolidated	Face value (₹ per share)	Closing price on March 6, 2018 (₹)	Total Revenue for Fiscal 2017 (in ₹ million)	EPS (₹)		NAV <sup>(2)</sup> (₹ per share)	P/E <sup>(3)</sup>	RoNW <sup>(4)</sup> (%)
					Basic	Diluted <sup>(1)</sup>			
Company*	Consolidated	10	-	16,335.30	<b>7.66</b>	<b>7.66</b>	58.91	-	13.01
<b>PEER GROUP</b>									
Minda Corporation	Consolidated	2	185.20	30,083.12	4.59	4.53	31.09	40.88	14.76
Suprajit Engineering	Consolidated	1	281.65	12,377.95	8.77	8.77	39.20	32.12	23.82
Gabriel India	Standalone	1	154.10	15,345.37	5.68	5.68	31.36	27.13	18.12
JBM Auto	Consolidated	5	417.50	18,007.75	15.91	15.91	102.84	26.24	15.70
Minda Industries	Consolidated	2	1,166.55	35,189.00	21.17	21.08	91.69	55.34	23.11
Fiem Industries	Consolidated	10	842.95	10,235.42	26.30	26.30	321.92	32.05	7.82

\*Note: Based on Restated Financial Statements as at March 31, 2017.

- (1) Diluted EPS refers to the Diluted EPS sourced from the annual reports of the respective company for the year ended March 31, 2017
- (2) NAV is computed as the closing net worth divided by the closing outstanding number of equity shares, sourced from the annual reports of the respective company for the year ended March 31, 2017
- (3) P/E Ratio has been computed based on the closing market price of equity shares (Source: NSE) on March 6, 2018, divided by the Diluted EPS provided under Note (1)
- (4) RoNW is computed as net profit after tax divided by closing net worth. Net worth has been computed as sum of share capital, reserves (including capital reserve and excluding debenture redemption reserve, if any), minority interest, deferred government subsidy, and compulsorily convertible preference shares, sourced from the annual reports of the respective company for the year ended March 31, 2017

**(h) The Offer Price will be [●] times of the face value of the Equity Shares**

The Offer Price of ₹[●] has been determined by our Company and the Selling Shareholder in consultation with the BRLMs on the basis of assessment 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 20, 163, 417, and 248, respectively, to have a more informed view.



## STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS

To,  
The Board of Directors,  
Sandhar Technologies Limited,  
Plot No. 13, Sector 44,  
Gurugram, Haryana - 122002

Date: 1 March 2018

Dear Sirs,

**Subject: Certification on Statement of possible special tax benefits (“the Statement”) available to Sandhar Technologies Limited (“the Company”) and its Shareholders in connection with Initial Public Offering by the Company of its equity shares under Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2009, as amended (“the Regulations”)**

We, **B S R & Co. LLP**, Chartered Accountants, the Statutory auditors of the Company have been requested by the Management of the Company to certify the Statement of possible special tax benefits to the Company and its Shareholders under the provisions of the Income Tax Act, 1961 (‘the Act’) and Income tax Rules, 1962 including amendments made by the Finance Act 2017 (together ‘the Tax Laws’), presently in force in India as of date in connection with the Initial Public Offering of its equity shares by the Company.

We hereby report that the enclosed Statement prepared by the Company, initialled by us and the Company for identification purpose, states the possible special tax benefits available to the Company and to its shareholders under the Tax Laws, presently in force in India as on the date of the signing. 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 special benefits discussed in the enclosed Statement cover the possible special tax benefits available to the Company and its shareholders. Further, the preparation of the enclosed Statement 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 “Proposed Offer”) 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 this 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 law and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes. We shall not be liable 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 Red Herring Prospectus and Prospectus in connection with the Proposed Offer, and is not to be used, referred to or distributed for any other purpose without our prior written consent.

**For B S R & Co. LLP**

*Chartered Accountants*

ICAI Firm Registration Number: 101248W/W-100022

**Shashank Agarwal**

*Partner*

Membership No.: 095109

Place: Gurugram

Date: 1 March 2018

**Annexure to the Statement of Possible Special Tax Benefits available to the Company and its Shareholder under the Income Tax Act, 1961 ('the Act') and other Direct Tax Laws presently in force in India:**

Outlined below are the Possible Special Tax Benefits available to the Company and its shareholders under the direct tax laws in force in India (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 relevant tax laws. 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.

**I. Possible Special Tax Benefits available to the Company**

- A. The Company is availing deduction under Section 80IC of the Act for having unit in the state of Uttarakhand. As per the provisions of the Act, the Company is entitled to the deductions of 100% of Profits and Gains of Haridwar unit for 5 years commencing with initial Assessment year and 30% for next 5 Assessment years. The Company is still entitled to avail the benefit for another 2 Assessment years.
- B. The Company is availing the deduction of expenditure (on capital as well as revenue account) so incurred during the financial year ended 31 March 2018 under Section 35(2AB) of the Act for setting up the Research and Development Center. The Research and Development Center has been registered and approved by the Department of Scientific and Industrial Research, Ministry of Science and Technology, New Delhi. Currently the said deduction is available as follows –

**As per Amendment of Finance Act, 2016**

Up to Assessment year 2017-18 is 200% of actual expenditure

For Assessment Year 2018-19 to 2020-21 is 150% of actual expenditure

For Assessment Year 2021-22 onwards is 100% of actual expenditure

- C. The Company is availing the benefit of additional deduction @ 15% of the actual cost of investment in Plant and Machinery acquired or installed if it exceeds Rs. 25 Crores under Section 32AC (1A) of the Act during the financial year. **This deduction will not be available after Assessment year 2017-18.**
- D. The Company is availing the deduction of expenditure incurred for the purpose of amalgamation and merger of another company by way of amortization under Section 35DD of the Act, over a period of five successive years, beginning with the year in which such amalgamation and merger takes place. **The Company is entitled to get the benefit till the Assessment year 2017-18.**
- E. The Company will be entitled to amortize preliminary expenses being the expenditure incurred on public issue of shares under Section 35D (2)(c)(iv) of the Act, subject to the limit specified in Section 35D(3) and fulfillment of requirements under Section 35(1) (ii).
- F. **As per the amendment of Finance Act, 2016**, the Company can avail deduction under section 80JJAA of Act in respect of **Employment of New Employee @ 30% of additional employee cost** incurred in the course of such business in the previous year, for three assessment years including the assessment year relevant to the previous year in which such employment is provided.

**Provided-**

- a) there is an increase in the number of employee from the total number of employees employed as on the last day of the preceding year.
- b) Emoluments are paid only through Banking channel i.e. No benefit will be given on cash payment.
- c) Total emoluments to such employees are not more than 25,000 rupees per month.
- d) an employee is employed for a period of more than 240 days i.e. for claiming the benefit of this section the company should employ such employee up to July each year.
- e) an employee **must** participate in the recognized provident fund

**II. Possible Special Tax Benefits available to the Shareholders**

There are no Possible Special Tax Benefits available to the shareholders for investing in the shares of the Company.

**Notes:**

- The above Statement of Possible Special Tax Benefits sets out the provisions of law in a summary manner only

and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of equity shares;

- The above Statement of Possible Special Tax Benefits sets out the Possible Special Tax Benefits available to the Company and its shareholders under the current tax laws presently in force in India;
- This Statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences, the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the issue;
- In respect of non-residents, the tax rates and the consequent taxation mentioned above shall be further subject to any benefits available under the Double Taxation Avoidance Agreement, if any, between India and the country in which the non-resident has fiscal domicile; and

The above stated Possible Special Tax Benefits will be available only to the sole/first named holder in case the shares are held by joint share-holders.

**For B S R & Co. LLP**

*Chartered Accountants*

ICAI Firm Registration Number: 101248W/W-100022

**Shashank Agarwal**

*Partner*

Membership No. 095109

Place: Gurugram

Date: 1 March 2018

## SECTION IV: ABOUT OUR COMPANY

### INDUSTRY OVERVIEW

*Investors should note that this is only a summary description of the industry in which we operate and does not contain all information that should be considered before investing in the Equity Shares. Before deciding to invest in the Equity Shares, prospective investors should read this entire Red Herring Prospectus, including the information in the sections “Risk Factors” on page 20. An investment in the Equity Shares involves a high degree of risk.*

*The information set out below has been disclaimed by CRISIL Research, a division of CRISIL Limited. A copy of the disclaimer provided by CRISIL Research, a division of CRISIL Limited, has been reproduced below:*

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### ECONOMIC SCENARIO

#### ***Global Economy***

In its October edition of the World Economic Outlook, the International Monetary Fund (IMF) upgraded its global growth forecast by 10 basis points (bps) to 3.6% for 2017 and 3.7% in 2018, compared with 3.2% in 2016. The IMF cited a broad-based cyclical upswing in Europe, China, Japan, the United States (US), and emerging Asian countries for the revision. Even then, caution abounded, as the IMF flagged the rapid tightening of financial conditions, protectionism, and geopolitical strife, as risks. The IMF also stated the recovery was incomplete as growth remained low, especially in Latin America, Middle East, and Sub-Saharan Africa. Moreover, weak productivity growth, low inflation, and an ageing population posed as a long-term threat to the recovery of many economies.

#### ***Indian Economy***

Consumption and investment are the major drivers of any economy. In recent years, India has grown primarily on the engine of consumption. The other engine – of investment – has been decelerating. GDP (at constant 2011-12 prices) grew at a compounded annual growth rate (CAGR) of 6.9% between 2011-12 and 2016-17. It slowed between 2011-12 and 2013-14, mainly because of sluggish income growth, high interest rates, and persistently rising inflation. Slowdown in industrial output too, was a factor. Post 2013-14, improving industrial activity, lower crude oil prices, and supportive policies led to a recovery. However, demonetisation put the brakes on GDP growth once again in 2016-17, on top of dwindling private investment and slower global growth. The Indian economy can only grind its way up in an environment of subdued global growth and weak domestic investments.

CRISIL Research believes the disruption related to the Goods and Services Tax (GST) - the radical overhaul of the taxation regime in India implemented from July 2017 - would limit the growth upside for a few more quarters. That is, given there are uncertainties around the possibility of changes to the tax structure, and businesses take time to adjust to the new regime. At the same time, the benefit of extremely low commodity prices last year may not be available to corporates this year, and hence, bottom lines may remain under pressure.

On the external front, factors such as falling trade intensity of growth, appreciation of rupee, geopolitical risks, and uncertainties surrounding the pace of normalisation of monetary policy in advanced nations would mean contribution of exports to domestic economic growth would be limited. Manufacturing growth could, therefore, slow down to 7.6% in 2017-18 from 7.9% in the previous fiscal. The services sector may perform a little better this year, as CRISIL Research expects some improvement in areas such as trade, hotels and transportation, and financial services and professional services. On the whole, CRISIL Research estimates services sector growth at 8.1% in 2017-18 compared with 7.7% in the previous fiscal.

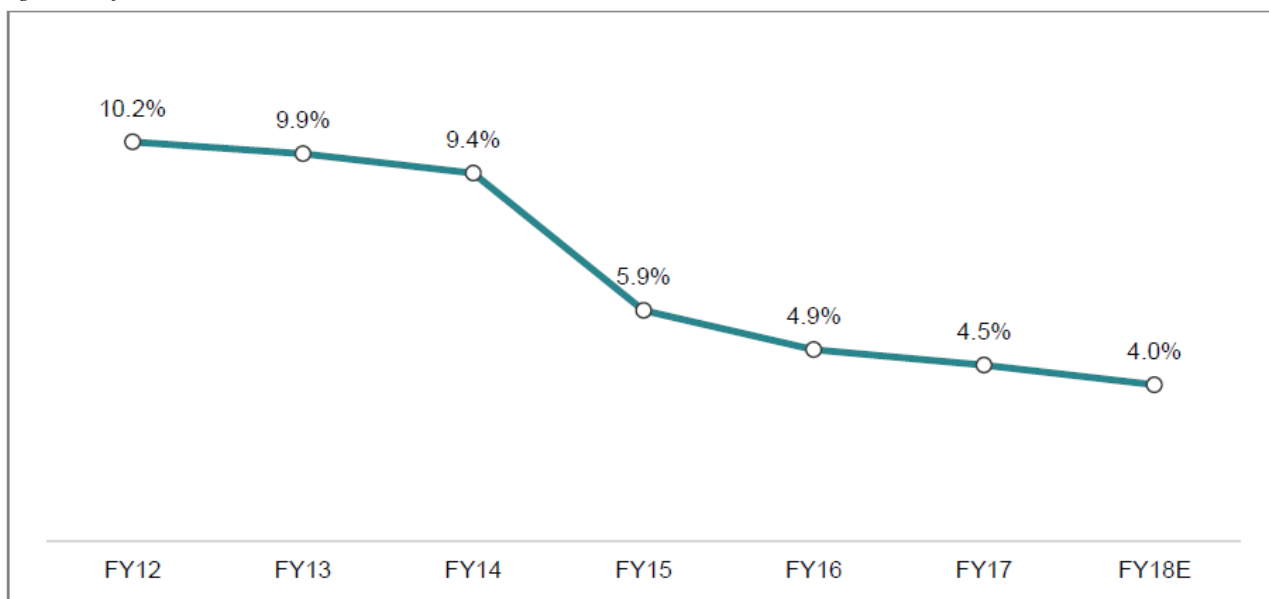
Given this scenario, GDP growth in 2017-18 is estimated at 7%, compared with 7.1% in the previous fiscal, with downside risks in the form of greater-than-anticipated GST-related disruptions.

*CPI inflation to remain muted*

Over the past three years, Consumer Price Index (CPI)-based inflation has softened and stayed within the target range of the Reserve Bank of India (RBI). The government’s initiatives to improve food supply management and lower minimum support price hikes, together with good luck on oil and commodities prices, have helped rein in inflation. The RBI has set its medium-term inflation target at 4%, with a glide path that takes CPI-inflation to an average of 5% in the second half of 2017-18, and 4.6% in the fourth quarter of 2018-19.

CRISIL expects CPI based inflation to average 4% in 2017-18 (down from 4.5% in 2016-17). Going ahead, if the risks to growth rise, and inflation undershoots the Monetary Policy Committee’s forecast, then there is a possibility of a rate cut. Second quarter GDP data will be a key deciding factor here. If growth declines further, it can potentially bring down core inflation, too. A dip in core can provide a faster downside to overall inflation.

Figure 1: Inflation trend



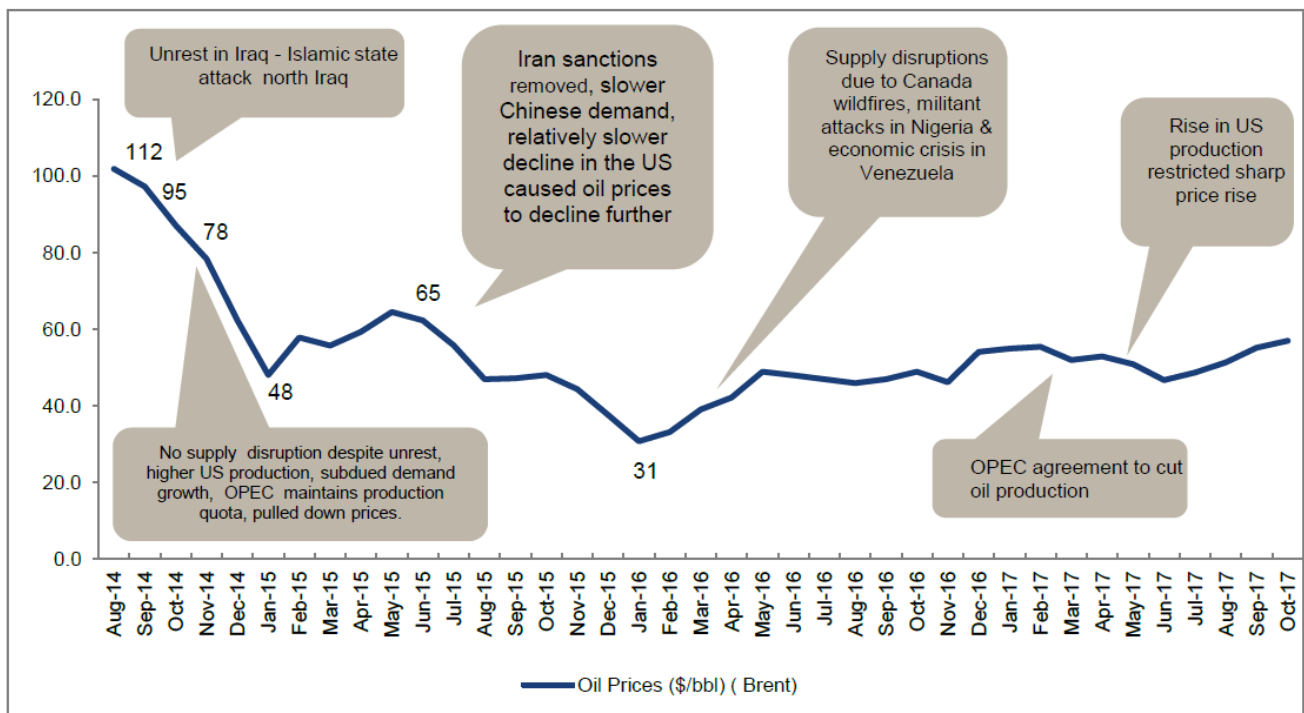
Source: CRISIL Research

**OTHER FACTORS WITH A DIRECT BEARING ON AUTO DEMAND**

**1. Crude oil prices to stay range-bound in 2017; long-term prices sighted at ~\$50 per barrel**

Crude oil prices fell 16% in 2016 to \$44/barrel, mainly owing to a sharp drop in the first quarter of 2016. Despite low crude prices, production by the Organization of Petroleum Exporting Countries (OPEC) was at a record high. This was a sharp divergence from the past, when the OPEC cut its supplies to provide support during phases of lower crude oil prices. This remained the case until November 2016; oversupply continued as OPEC members were unable to agree on quotas. However, in November 2016, an agreement was hammered out regarding the cutback, after which prices started rising. For the first time in eight years, the OPEC nations agreed to lower production by 1.2 million barrels per day (mbpd), to firm up prices and ease the supply glut. The chart below gives a timeline of recent events influencing crude oil prices.

Figure 2: Crude Oil prices trend



Source: Industry, CRISIL Research

Average crude oil prices rose ~58% year-on-year in the first quarter of 2017. In the first ten months, the price hike dropped to 23% y-o-y to reach \$53 per barrel levels. For the complete year, CRISIL Research expects the prices to be in \$51-56 per barrel range.

Crude oil prices are expected to remain subdued between 2016 and 2021. OPEC is expected to add ~3 mbpd of output in this period, with most of it coming from Libya, Nigeria, Iran, and Iraq. Output cuts may not continue beyond 2018, as any increase in price will bring back shale production, thus negating the impact of such cuts. As a result, production from OPEC members is expected to increase in the long term. However, growth from unconventional sources is expected to be lower compared with the previous five years, as subdued oil prices will not support production from these high-cost sources. This, coupled with rising service costs, will lead to a slowdown in production. Incremental US shale production is projected at 1 mbpd versus 4.5 mbpd in the past five years. Overall, supply is expected to rise to 96-97 mbpd (including crude oil, shale oil, oil sands, and natural gas liquids - the liquid content of natural gas) by 2021 vis-à-vis 92 mbpd in 2016.

## 2. Agriculture related support weakened in past five years

The government announces food grain procurement prices, also known as minimum support prices (MSP), to protect farmers from price fluctuations in the market and ensure steady income. It 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 2006-07 to 2013-14, compared with 1-5% CAGR between 2001-02 and 2006-07.

The steady increase in MSP reduced volatility in farm income over the past few years, even if agricultural production fluctuated due to rainfall deviation. However, from 2014-15, the marginal hike in MSP has put stress on farm incomes. Coupled with drought in 2014-15 and 2015-16, it has had a damaging impact on the financial standing of farmers. The revival of farm incomes last year led to a marked improvement in the finances of the farm sector; however, with the focus on reining in food inflation, the government's modest hike in prices is expected to continue, and emphasis would remain more on improving crop productivity.

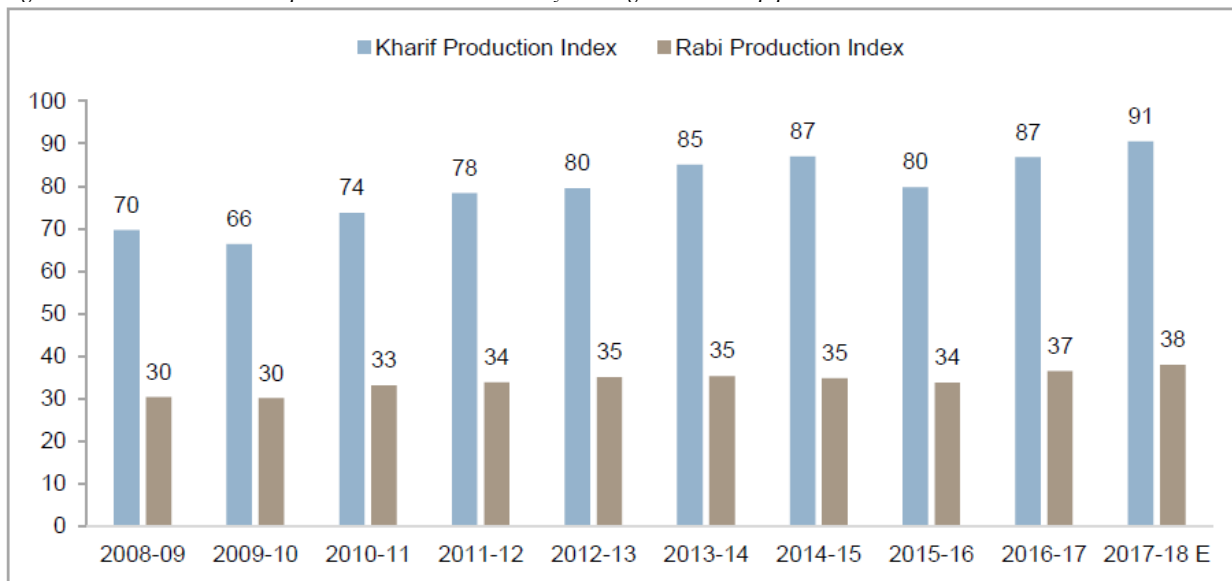
## 3. Growth in crop output to drive farm income

As a result of a normal rainfall in 2016, major crop-growing states in the country received sufficient rains, leading to healthy growth in the kharif harvest year-on-year. While demonetisation announcement affected farm incomes, with prices of key crops declining, and farmers resorting to delayed sowing of rabi crops, quick recovery from the note ban and usage of cashless means for transactions meant things returned to normal by February-March 2017. Sufficient reservoir levels also raised hopes of a positive rabi season, with crop production increasing to 135 million tonnes, or a jump of 7% year-on-year.

Overall, growth in farm income during Kharif 2017 season is expected to be driven mainly from the positive movement in prices, supported by favourable crop output. While uneven monsoon has led to decline in food-grain output according to first government production estimates, improvement in cotton and sugarcane performance should improve Kharif production this

year. Growth in farm income during Rabi 2017-18 is also expected to be positive, with sufficient water levels to support healthy crop sowing. Measures announced in the Union Budget 2017-18 to improve farmers' livelihoods, such as increasing crop insurance cover from 30% in 2016-17 to 40% in 2017-18, and expanding e-NAM (National Agriculture Market) from 250 to 585 markets, should also help providing indirect support to farm incomes.

Figure 3: Farm incomes to improve in 2017 -18 backed by 3-5% growth in crop production



Note: 1) Base of 100 for Index (kharif + rabi) taken for 2008-09. All subsequent year values are relative this year  
 2) The index constitutes ~65% of all major crops' production in the country

Source: CRISIL Research

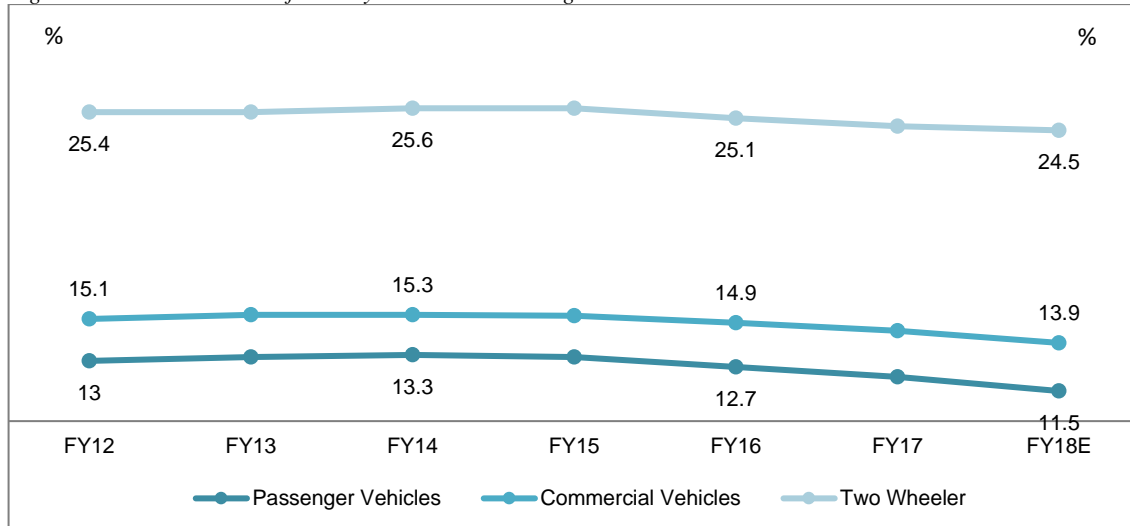
#### 4. Auto finance yields on a downward trend

Overall yields in the auto finance segment are declining since 2-3 years led by softening of retail inflation and reduction in G-sec yields. Also, with the implementation of marginal cost of funds based lending rate (MCLR) regime from April 1, 2016, auto finance rates have dropped significantly, as banks are forced to pass on interest rate benefits to end consumers. This has helped to bring the yields down.

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

Rates are expected to decline further in future. However, the drop is not expected to be significant, as financiers are reluctant to pass on the entire benefit of the lower cost of funds to borrowers, on account of deteriorating asset quality and continuing concerns over weak rural income growth.

Figure 4: Movement in Auto finance yields across auto segments



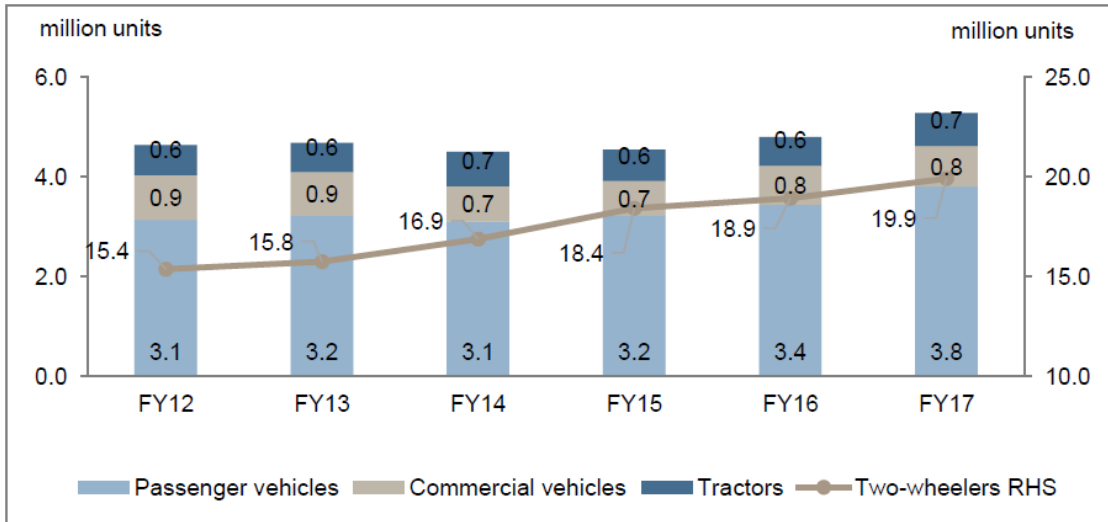
Source: CRISIL Research



## REVIEW AND OUTLOOK OF THE INDIAN AUTOMOBILE SECTOR

The two wheelers segment dominates the Indian auto industry (~80% by volumes) and primarily dictates its tone. A robust 5.3% CAGR (during FY12-FY17 period) in total two wheeler sales accelerated auto industry growth, along with a 4% growth in the passenger vehicles segment. On the other hand, a 2% drop in commercial vehicles sales and subdued growth in tractors by 1.7% added to the pressure.

Figure 5: Segmental share (by volume) of auto industry in 2016-17



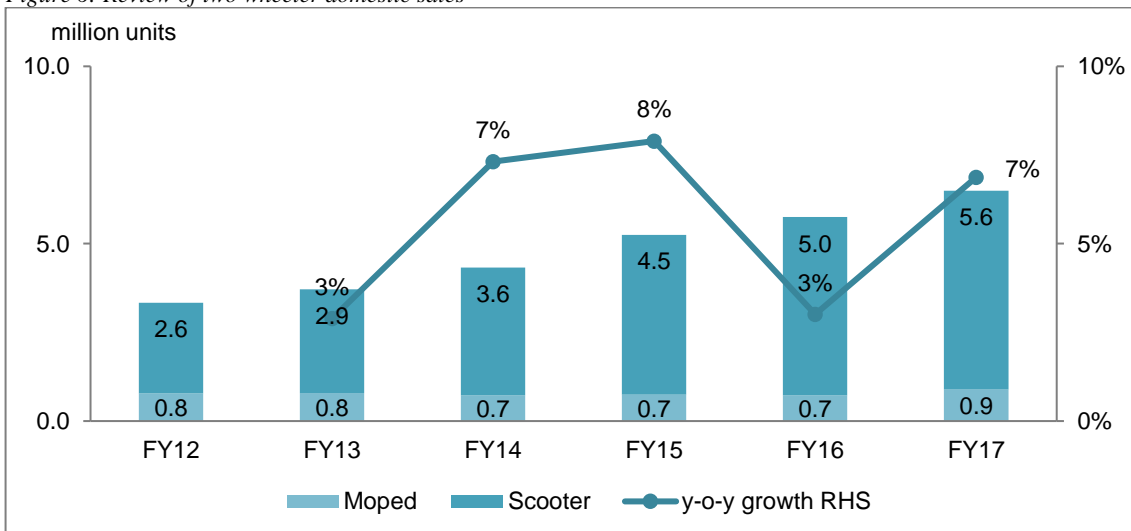
Source: Society of Indian Automobile Manufacturers (SIAM), CRISIL Research

### 7. Two wheelers

- Domestic market

Domestic two-wheeler sales recorded 5.3% CAGR between 2011-12 and 2016-17, reaching 19.9 million units. While motorcycle and moped sales recorded 2% CAGR, scooter sales grew 14%. Sharp growth in scooters over a low base aided overall growth. Motorcycles accounted for 63% share in 2016-17, while the share of scooters rose to 32% from merely 19% in 2011-12.

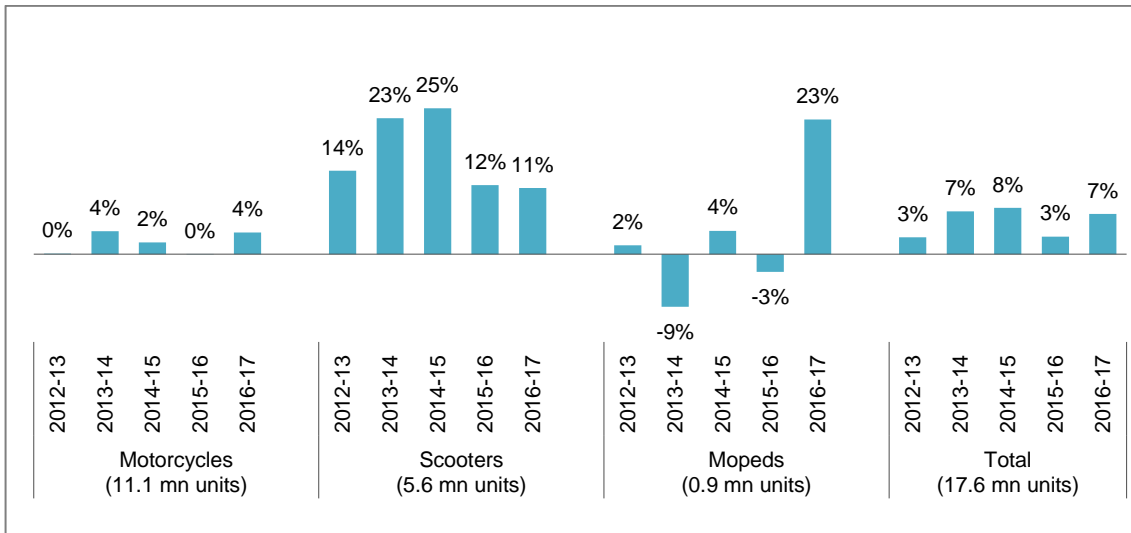
Figure 6: Review of two wheeler domestic sales



Source: Society of Indian Automobile Manufacturers, CRISIL Research

The two wheeler industry grew 7% in 2016-17 on average - after showing a sharp 17.5% rise in the first half, sales dropped 300 basis points in the second half. This drop was primarily due to the impact of demonetisation, owing to its higher dependence on rural sales, lower finance penetration, and, in turn, higher share of cash transactions. The BS-III vehicle ban had no sizeable impact on the industry.

Figure 7: Two wheelers domestic sales segmental y-o-y growth



Note: Numbers in the bracket represent FY17 domestic sales while data labels above the bar chart indicate growth rate for the year  
 Source: Society of Indian Automobile Manufacturers, CRISIL Research

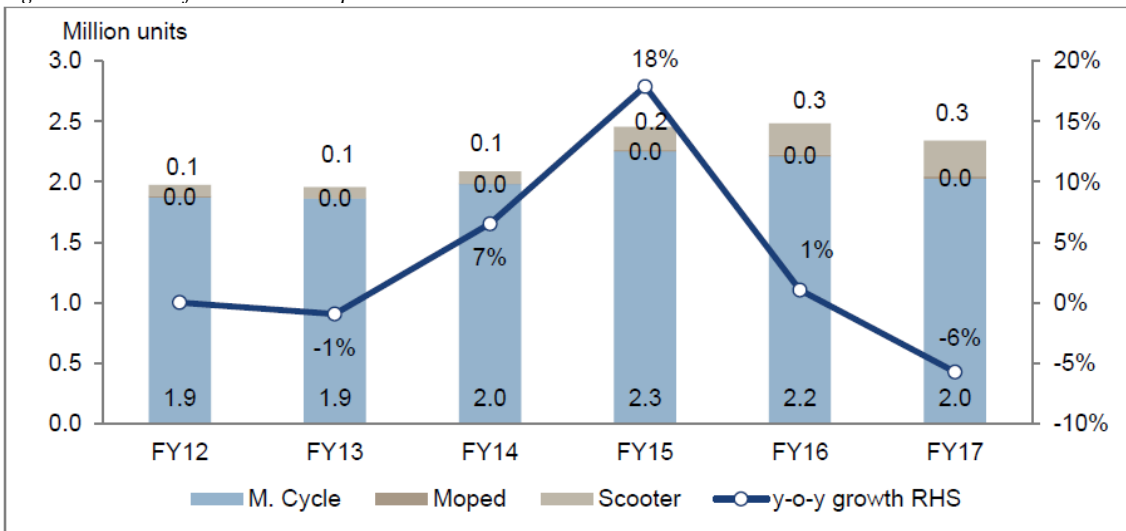
In 2016-17, the motorcycle segment revived from the low base of 2015-16, led by improved rural incomes and product launches, while the scooter segment continued its healthy growth on the back of improved affordability as well as a push from changes in structural factors. However, demonetisation also impacted scooter growth; from a strong 27% growth in the first half sales dropped to 2.9% during the second half.

Mopeds, on the other hand, registered tremendous growth during the fiscal, from the low base of 2015-16 on the back of the launch of XL100, a four-stroke superior vehicle at a marginal price hike. This helped the moped segment clock a strong 23% growth on-year.

• Exports market

The two wheeler exports market has grown at 3.4% CAGR between 2011-12 and 2016-17. A 6% drop in exports in 2016-17 narrowed the overall growth rate from 6% up to 2015-16, to 3.4% for the five year period. This slide was mainly due to the drop in oil prices and currency availability issues which wreaked havoc on India's exports.

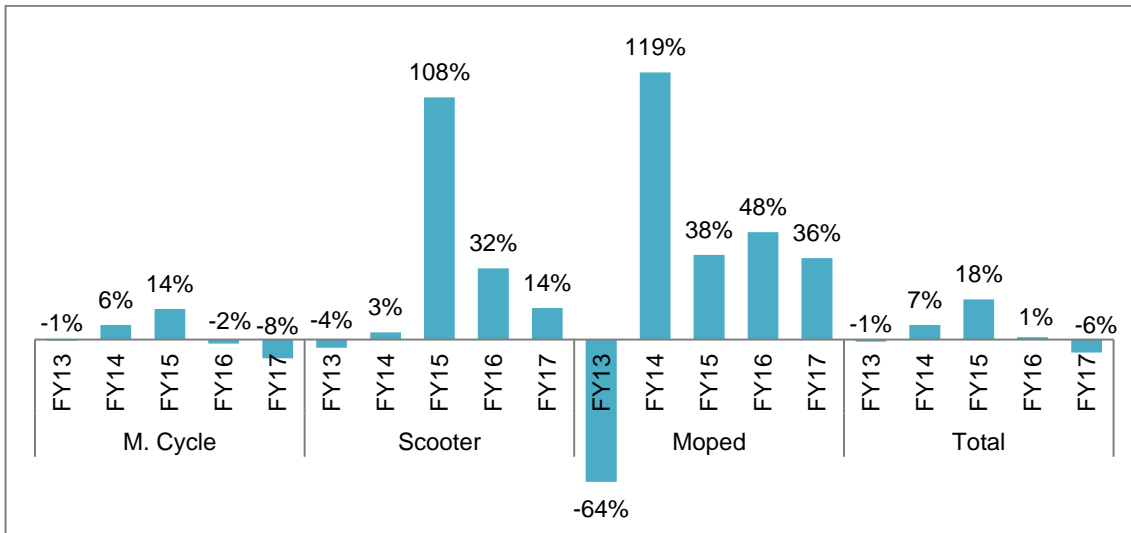
Figure 8: Review of two wheeler exports



Source: Society of Indian Automobile Manufacturers, CRISIL Research

The drop in exports was partially offset by the rise in scooter exports. In 2016-17, while the motorcycle sales dropped 8%, scooter sales rose 14%. Scooter exports rose 14%, spearheaded by Honda Motorcycle and Scooter India. Honda's increased Gujarat capacity also aided scooter exports.

Figure 9: Two wheeler exports segmental y-o-y growth



Source: Society of Indian Automobile Manufacturers, CRISIL Research

- **Two wheelers outlook**

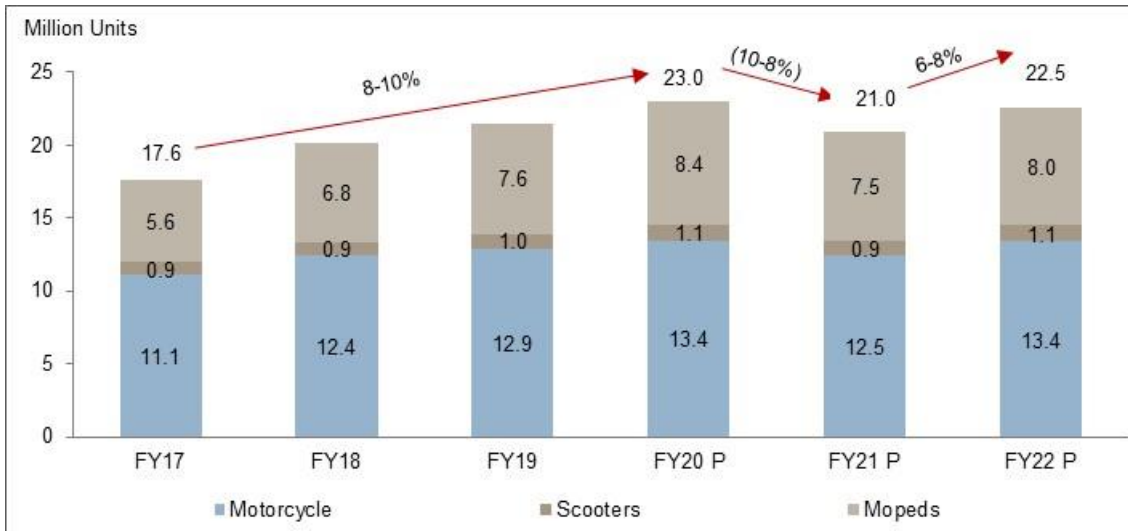
CRISIL Research projects the two-wheeler industry to grow at a faster pace of 14-16% in 2017-18, compared with 7% in 2016-17. Over the longer horizon, CRISIL Research estimates demand to grow at a robust CAGR of 8-10% till 2019-20, to ~23 million units.

Following are the key growth drivers for two wheelers:

- Growth in affordability, or higher disposable incomes supported by higher GDP growth and lower inflation. According to the CRISIL Research it is expected that affordability will improve, especially in rural areas, on the back of better crop output owing to a good monsoon. Muted interest rates are likely to aid demand further. Disbursement of farm loan waivers, which can push demand, remains a key monitorable, too.
- Urban two wheelers growth is expected to be driven by the rising income, greater women workforce and higher urbanisation due to migration.
- Improved finance penetration with the rise in captive financing (schemes provided by automotive OEM affiliates to customers) by automotive OEMs and deeper reach in tier-III and tier-IV cities (which is expected to drive finance penetration), boosting two-wheeler demand.
- On the exports front, a revival is expected in FY18 from the low base of FY17 with rise in crude oil prices and in turn improving economic indicators of primary markets as well as from the support of expanding geographical presence and increasing export portfolio of Indian two wheeler manufacturers.
- Government investments in developing rural roadways are expected to increase demand for two wheelers. A previous study by CRISIL Research has shown that each kilometre of road constructed results in additional 20-25 two wheeler vehicle demand.

CRISIL Research expects motorcycle sales to expand at 6-8% CAGR on the back of rural demand and premium launches. Scooter sales is likely to grow at 13-15% CAGR, led by positive structural factors such as convenience, perceived higher utility in intra-city transport, and growth in demand from urban and semi-urban areas.

Figure 10: Two-wheeler domestic sales outlook FY 2017- FY 2022



Source: Society of Indian Automobile Manufacturers, CRISIL Research

- **Emission norms compliance to result in vehicle price rise**

The Indian government has been taking stern steps to align Indian emission standards with global levels. It finalised the BS-IV norms in July 2014. It decided to skip the BS-V norms in February 2016 and directly mandated the BS-VI norms. These upgraded vehicles are expected to significantly cut down emission levels.

However, compliance will necessitate upgrading some components in use, and developing newer technologies, which will result in higher vehicle costs.

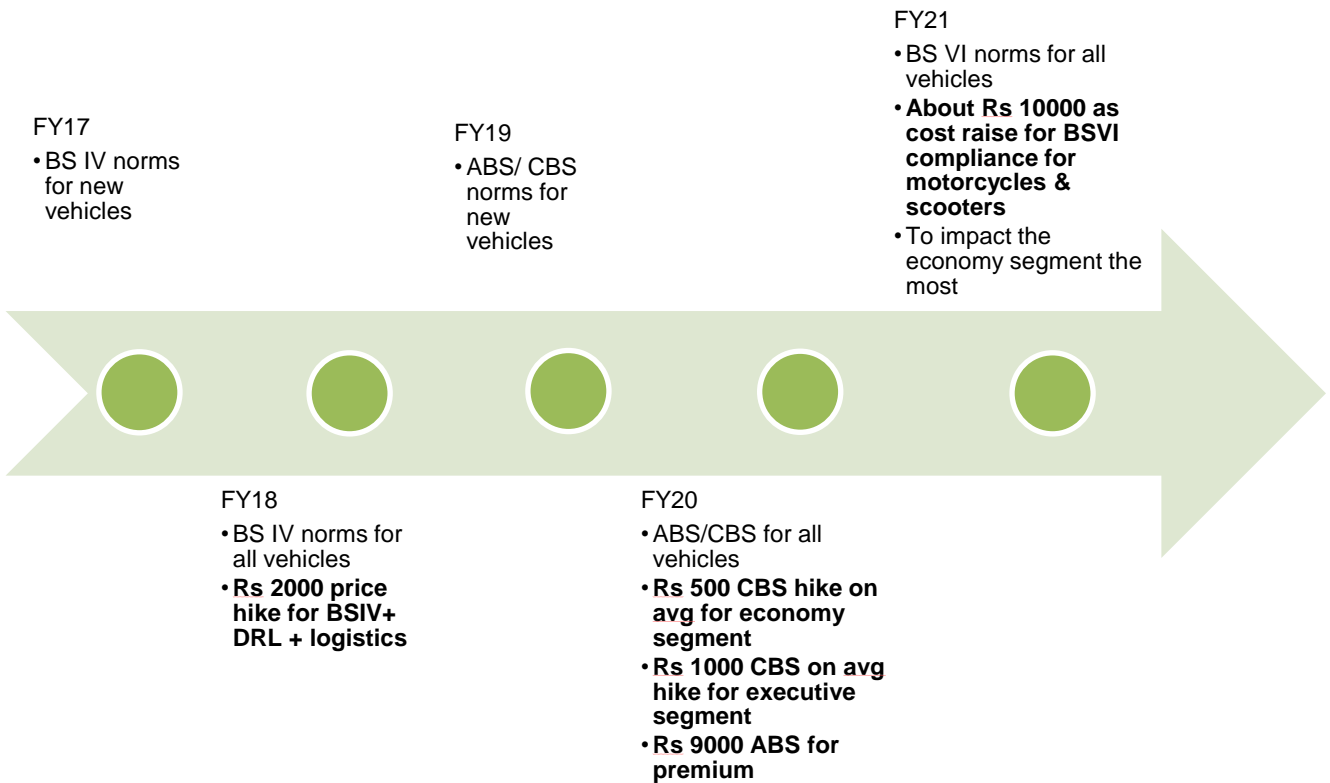
On average, prices are likely to rise ~Rs 1,000 in 2017-18. A hike of Rs 500 for economy, Rs 1,000 for executive, and Rs 9,000 for the premium segment, will impact motorcycle demand in 2019-20. Combined braking system, which will be mandatory for vehicles < 125 cc, will add Rs 500-1000 to vehicle prices, while anti-lock braking system will add Rs 9000.

A sharp across-the-board price increase of Rs 10,000 will take place in 2020-21, on account of BS-VI compliance, affecting sales that year. Sales will drop 8-10%, with economy segment and mopeds taking most of the hit on account of relatively higher percentage price hike required to comply with BS VI norms. Motorcycle sales are estimated to decline 6-8%, moped sales by 14-16%, and scooter sales by 9-11%.

CRISIL Research expects some improvement in the demand scenario in 2021-22, from the low base of the previous fiscal.

*Note: Economy segment includes motorcycles with <100 cc engine capacity, Executive segment includes motorcycles with 100-150 cc engine capacity, Premium segment includes motorcycles with >150 cc engine capacity*

Figure 11: Regulatory timeline and its impact on prices



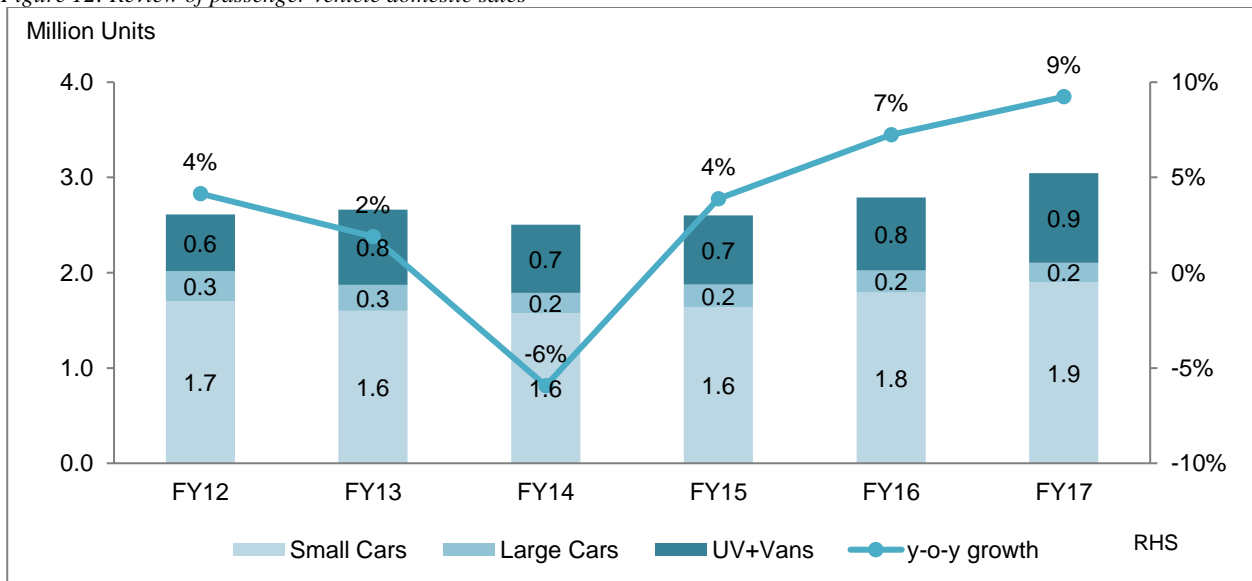
Source: CRISIL Research

On the whole, CRISIL Research expects the industry to expand at 4-6% CAGR between 2016-17 and 2021-22, with 3-5% growth in motorcycles and 4-6% in mopeds. Scooters are expected to continue to outperform the industry at 6-8% CAGR.

### 8. Passenger vehicles

Indian market was on a growth phase during FY07 to FY12 period and the domestic PV industry grew at a sharp pace of 14% CAGR during FY07- FY12. In the next five years, growth pace tapered from this high base to 3% CAGR, primarily due to the dismal sales in 2012-13 and 2013-14 owing to slowdown in the economy, and deregulation of petrol and diesel prices, which saw a sharp hike in fuel prices.

Figure 12: Review of passenger vehicle domestic sales



Source: Society of Indian Automobile Manufacturers, CRISIL Research

In 2016-17, industry sales grew 9.2% backed by improved monsoon, better economic indicators, lower fuel cost, interest rate

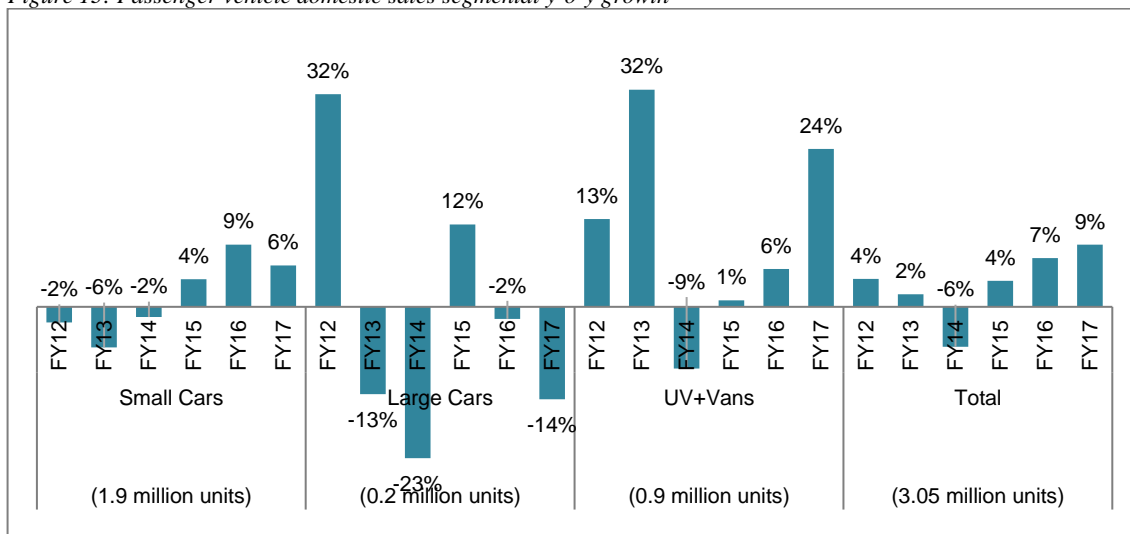
cuts and launch of new models. Seventh Pay Commission pay-outs during the latter part of 2016-17 provided additional support. However, demonetisation restricted the industry's growth.

However, the government's increased tax burden in union budget put a spanner on further increase in the cost of ownership in 2016-17:

- 1% tax imposed on all cars
- 2.5% infrastructure tax imposed on petrol, compressed natural gas and liquid petroleum gas subcompacts up to 4-m long with engine of 1500 cc or less
- A luxury tax or 1% tax deducted at source imposed on cars costing over Rs 1 million
- 4% levy imposed on luxury cars and SUVs (Sports Utility Vehicles)

Consequently, automobile manufacturers raised prices across models in April 2016, exerting pressure on the cost of ownership. Companies also declared a 3-5% hike in prices from January 2017.

Figure 13: Passenger vehicle domestic sales segmental y-o-y growth



Source: CRISIL Research

Due to the launch of a few successful vehicles at competitive prices in the utility vehicles (UV) segment, UV segment sales shot up in 2016-17. The sharp growth was primarily due to shift in demand from large cars and small cars to the UV segment. Hence, sales of small cars and large cars were under pressure during the year.

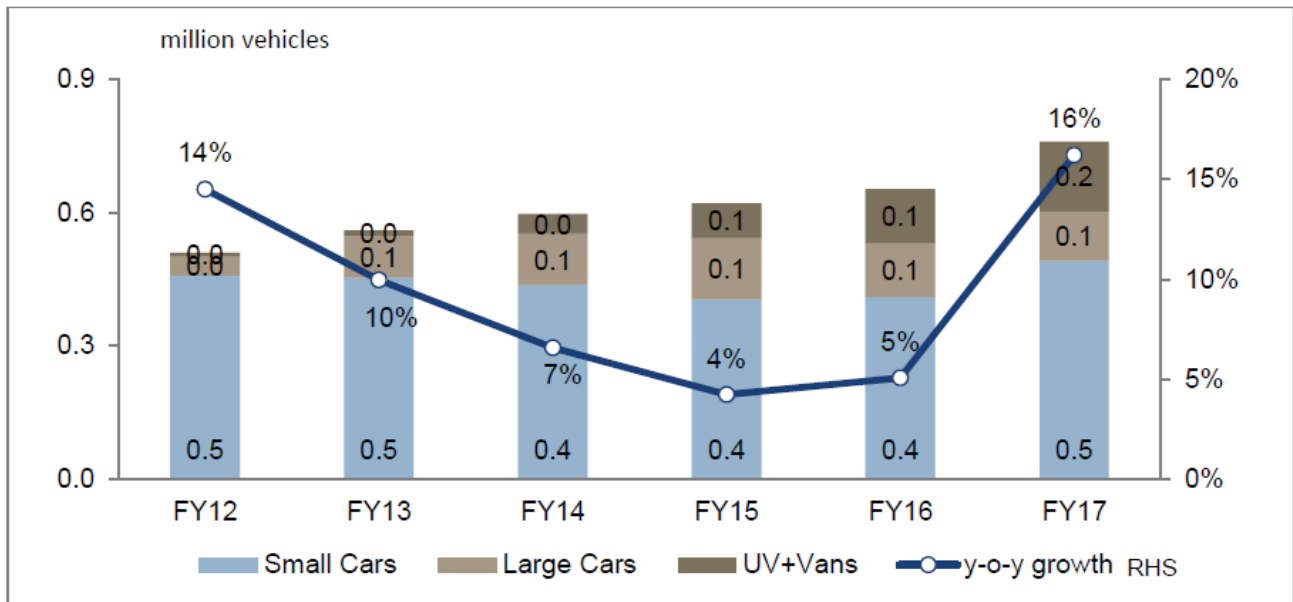
• **India developing as an export hub for global car manufacturers**

PV exports from India have grown at a healthy 8.3% CAGR in the last five years supported by gradual recovery in the global auto industry, increasing penetration of Indian players, expanding exports portfolio as well as efforts of global manufacturers to develop India as an export hub. Global players Ford, Volkswagen, and General Motors (GM) are spearheading PV exports growth from India. In fact, Ford has already dethroned Maruti as the second largest exporter, with Ford *EcoSport* being the top exported model in 2016-17.

During 2016-17, exports shot up 16% on-year with GM, Ford, and Volkswagen growing at 89%, 43% and 14%, respectively. Additionally, Renault's exports grew at a stupendous 7,290% on a negligible base. Besides expanding their exports portfolio, these companies are also servicing more markets from India, leading to their rapid rise in exports share. In fact, GM is scaling down operations from Thailand, Australia, and South Korea (20% of GM's global output).

However, traditionally exporting companies such as Hyundai Motor India and Maruti Suzuki are battling capacity constraints and are focusing more on the domestic market.

Figure 14: Review of passenger vehicle exports



Note: Small car segment includes Mini, Micro, Compact segment of passenger vehicles, Large car segment includes Super Compact, Mid-size, Executive, Premium of passenger vehicles

Source: Society of Indian Automobile Manufacturers, CRISIL Research

#### • PV industry outlook

Going ahead, the domestic PV industry is expected to grow at 10-12% in 2017-18 over the high base of 2016-17. Improved GDP (7% in 2017-18) and crop output (normal monsoon) will support demand growth. Pay commission arrears, improving rural sentiments and continued traction for popular models are expected to give a push in 2017-18. Maruti's additional capacity, which became operational in February 2017, will also provide thrust to volume growth.

However, in 2017-18, the cost of ownership is expected to rise slightly due to vehicle price hikes. Vehicle prices are estimated to rise 4-6% with the 3-5% hike already announced by most of the original equipment manufacturers (OEMs) from January 2017. Petrol and diesel prices are expected to remain stable.

Figure 15: GST rates and benefits across segments

Segment	Market Share FY 17	Pre- GST	Post- GST	Change in Duty
Small Cars Petrol	61%	30.20%	29%	1.20%
Small Cars Diesel		32.10%	31%	1.10%
Super Compact	2%	30.20%	29%	1.20%
Mid Size Cars	5%	47.30%	45%	2.30%
Large Cars	1%	48.70%	48%	0.70%
Compact Uvs	17%	48.70%	48%	0.70%
SUVS	14%	55.30%	50%	5.30%

Source: CRISIL Research

Small cars sales volume is projected to grow 8-10% on-year in 2017-18, as new offerings, low cost of ownership and increase in disposable incomes induce first-time buyers, who account for the highest proportion in small car sales.

Improvement in rural incomes along with marginally lower cost of ownership due to lower tax rates (1-2%) post GST rollout and stable fuel prices, will aid rural sales. Feature-laden and competitively priced new offerings such as Maruti Suzuki's *Baleno*, Renault's *Kwid* and Tata's *Tiago*, are expected to provide an additional springboard. A shift in consumer preference from large cars to premium small cars will also support growth.

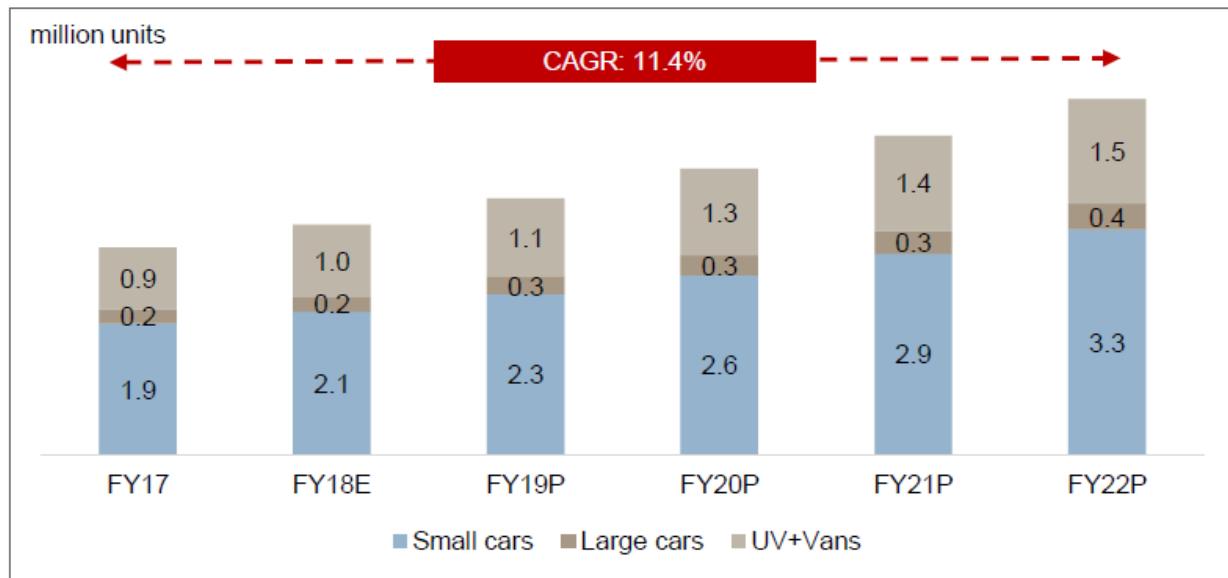
CRISIL Research expects growth in UVs to stabilise in 2017-18 to 14-16% from the very high base of 2016-17. Lack of superior launches, which was one of the primary factors that led to high growth in 2016-17, will also limit the segment's growth potential. However, continued demand for successful models like *Brezza*, *Creta*, and *Ecosport* will support segmental growth.

Large car sales are expected to bounce back and normalise from the low base of 2016-17, supported by slightly lower tax rates and higher disposable income. Continued traction for popular models like *Ciaz* and *Verna* as well as additional sales due to launches like *Honda City Facelift*, *Civic Revamp*, *Vento Facelift*, and *Renault Laguna* will provide support.

Key growth drivers for passenger vehicle demand over long term:

- PV demand will be led primarily by income growth and lower cost of capital.
- In next five years, CRISIL Research expects affordability to improve with economic growth. Cost of ownership is expected to remain subdued with no estimated sharp rise in crude oil prices.
- Greater affordability is expected to raise the number of addressable households to 94 million in 2021-22 from 73 million currently. Consequently, vehicle penetration in India is expected to rise from the current estimated levels of 20 vehicles per 1,000 population to 25-27 vehicles in the next five years.
- However, compliance with emission norms as well as various mandatory safety features (under consideration) is expected to push vehicle prices north. A major price rise is expected in 2020-21, when BS VI implementation becomes mandatory --3-4% price hike in petrol vehicles and 10-12% in diesel vehicles.

Figure 16: Passenger vehicles domestic sales outlook FY 2017- FY 2022



P: Projected

Source: Society of Indian Automobile Manufacturers, CRISIL Research

• **Safety and emission norms to hike vehicle prices**

In February 2016, the government decided to skip the BS V emission standards and move directly to BS-VI norms by April 2020. These emission standards are expected to push vehicle prices higher with diesel segment likely to witness higher cost rise due to significant upgradation of engines as well as exhaust systems. Additional components like lean NOx trap and diesel particulate filters will lead to a significant hike in diesel vehicle cost, and CRISIL Research expects OEMs to pass on this extra cost to the end consumers.

According to our estimates, implementation of the BS VI norms will result in 4-6% cost hike for petrol vehicles and 10-12% for their diesel counterparts. This will be in excess of the normal price hike by OEMs, thereby making diesel vehicles unattractive and resulting in a long-term negative outlook on them. However, the overall impact on demand would be neutralised by the shift to petrol vehicles.

Additionally, the government has proposed some mandatory safety features such as airbags, anti-lock braking systems, speed-warning system and vehicle reverse-gear sensor technology, which are expected to make cars costlier. The features are proposed to be made mandatory from October 2018, though it is still under consideration. CRISIL Research also expects more such features to be made mandatory in future, which will push up prices.

However, the PV segment is not as price sensitive as other auto segments like two-wheelers; hence, CRISIL Research does not anticipate a sizeable impact of the price increase on demand in 2020-21 and 2021-22.

• **Exports growth to moderate over high base in 2017-18, growth to continue at a healthy pace in the long term**

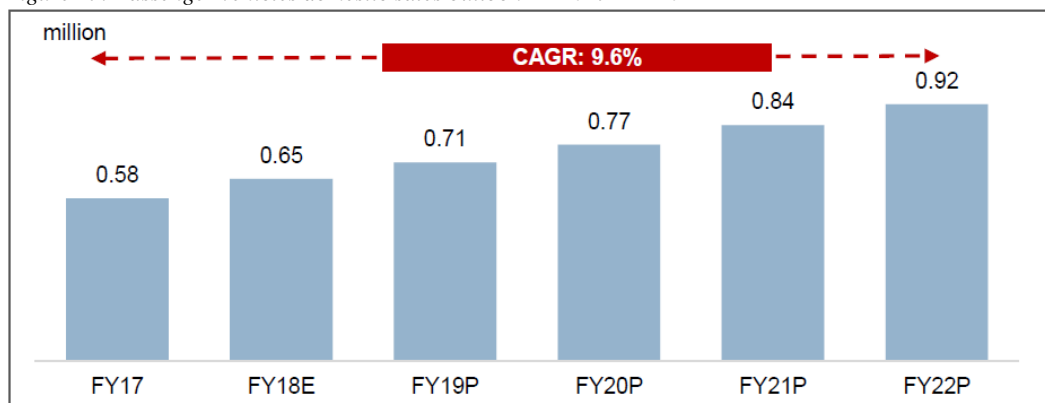
CRISIL Research forecasts India's cars and UV exports will grow at a moderate 5-7% this fiscal, over a high base, owing to gradual recovery in the global auto industry. Inclusion of new models and penetration into new markets are likely to aid exports. However, capacity constraints of industry behemoths Maruti and Hyundai are likely to act as a check on export growth. Last fiscal saw exceptionally high growth due to the export-focused strategies of OEMs such as Ford, Nissan, and GM, which led them to explore newer territories.



In 2017-18, CRISIL Research expects export growth to continue as global players expand the export basket, supported by enhanced exports from Indian players. However, growth will be slower on a very high base of 16% growth in 2016-17.

The long-term outlook remains bright, as efforts to penetrate newer markets bear fruit and global demand recovers. CRISIL Research forecasts exports to expand at 9-11% CAGR between 2017-18 and 2021-22. Rising competition in Europe amid sluggish demand growth, though, will prevent further increase. Moreover, penetration of electric and hybrid vehicles will remain a key monitorable.

Figure 17: Passenger vehicles domestic sales outlook FY 2017- FY 2022



P: Projected

Source: Society of Indian Automobile Manufacturers, CRISIL Research

## 9. Commercial vehicles

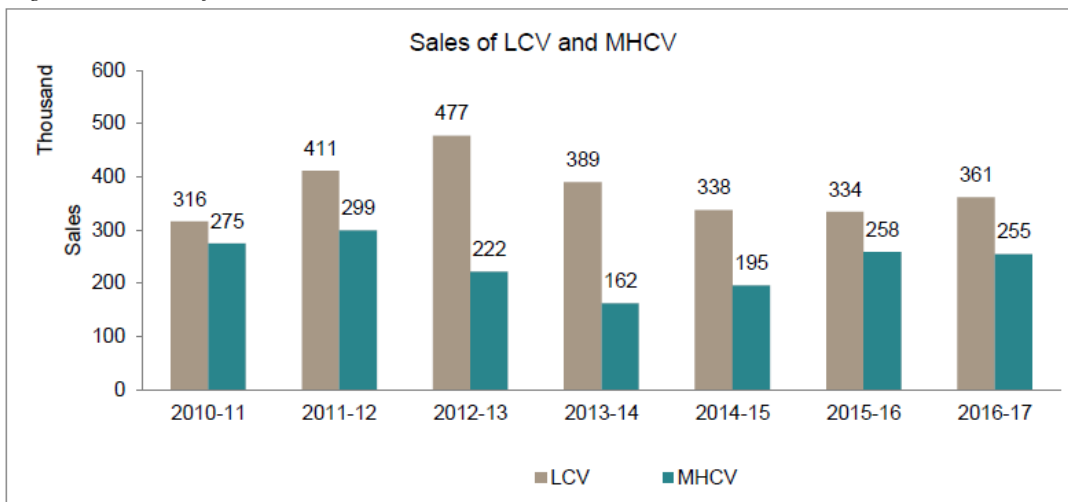
### • Domestic industry

Between 2011-12 and 2016-17, domestic CV sales fell by 2.5% CAGR, wherein goods carrying medium and heavy CV (MHCV) sales contracted 3.1% CAGR, while goods carrying light commercial vehicle (LCV) sales decreased by 2.6% CAGR. Buses sales, too, failed to show any growth in the past five years.

Sales volume of MHCVs in the past has been volatile due to the cumulative effect of factors such as government policies, industrial production, agricultural output, share of roads in freight transportation, and transporters' cost of operations and profitability. This is reflected in the volume dips during economic slowdowns of 2008-09 and 2013-14. Post 2013-14, the industry started recovering slowly, in line with economic growth. Goods carrying LCV goods showed peak volumes in 2012-13 led by push from financiers. With rising delinquencies, financiers became risk averse in the later years leading to a drop in LCV sales from 2013-14 to 2015-16.

In 2016-17, CV sales saw an upward trend from April to October growing at 7% on-year. However, post demonetisation, cash crunch in the economy negatively impacted industrial output and brought down sales growth. In fact, between November and January, CV sales fell by 5% on-year. Sales in February and March was aided by advanced purchases especially in MHCVs as transporters tried to avoid higher prices in new vehicle purchase after enforcement of BS-IV norm.

Figure 18: Review of commercial vehicles domestic sales

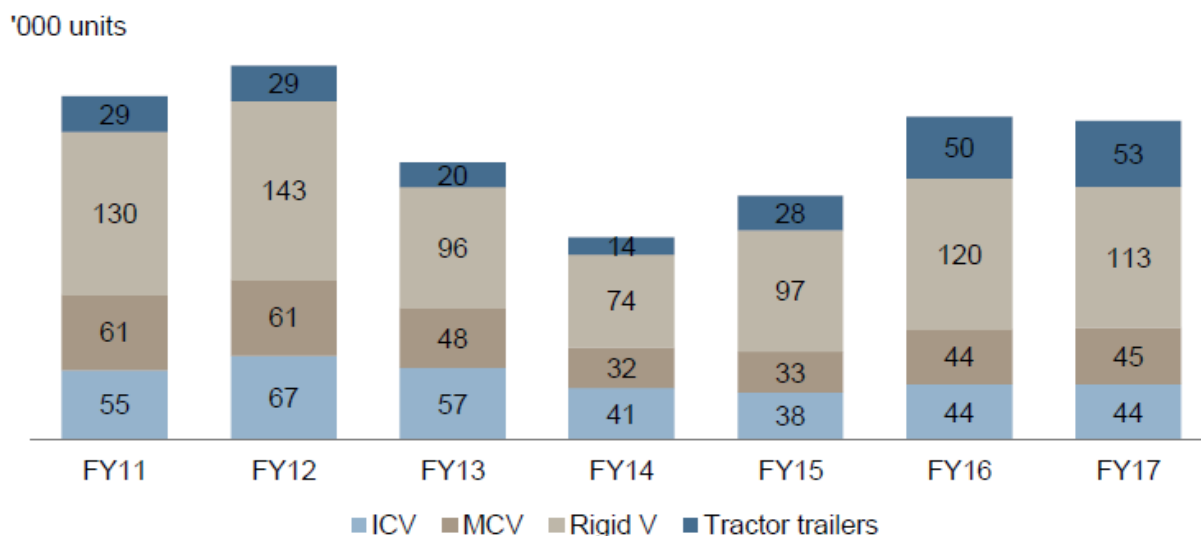


Source: Society of Indian Automobile Manufacturers, CRISIL Research

In MHCVs, transporters had delayed purchases, especially in Q1FY18, as they were not able to pass on the higher cost of BS-IV vehicles. This is because they were unable to raise freight rates due to competition from the existing BS-III population, amid flat fleet utilisation levels. Uncertainty related to BS IV vehicle performance resulted in postponement of sales of Q1FY18 to Q2FY18 as transporters delayed purchases in wait of Selective catalytic reduction (SCR) and Exhaust Gas Recirculation (EGR) performance reviews. Original equipment manufacturers' (OEMs) inability to supply vehicles at peak levels in the first quarter of 2017-18, as production was transitioning from BS-III to BS-IV also hindered growth in Q1FY18. All in all, MHCV sales fell by 33% in Q1FY18. With supply constraint easing in Q2FY18 along with clarity on performance of BS-IV vehicles and aided by a low base, MHCV sales rose by 31%.

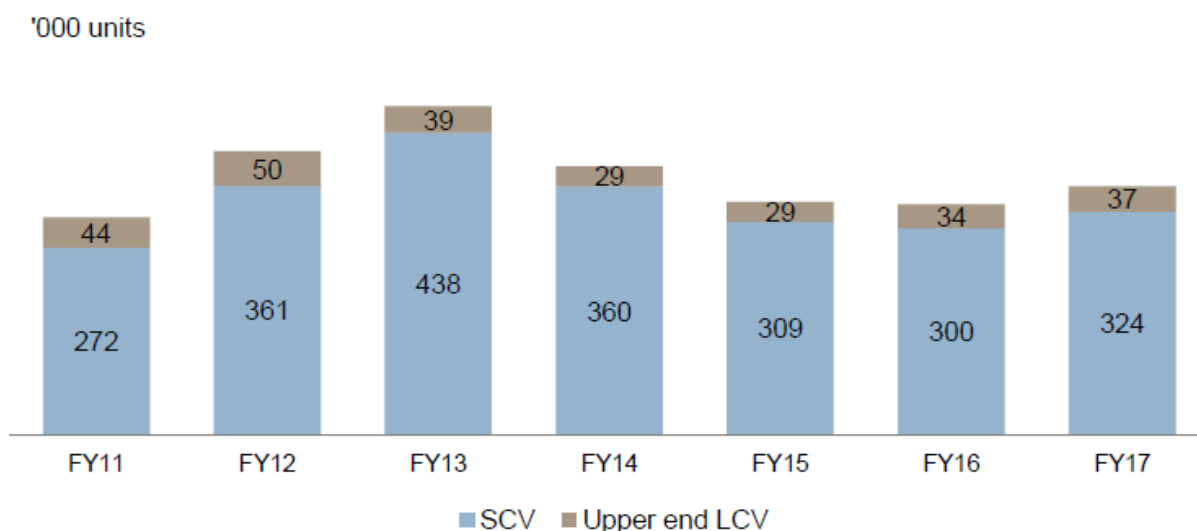
LCV sales grew by 19% in H1FY18 led by improved private consumption, better monsoon and improved finance availability. Bus sales fell by 20% in H1FY18 due to weak demand from schools, private stage carriage, tourism and State Transport Undertakings (STUs).

Figure 19: Segment wise sales of MHCV



Source: Society of Indian Automobile Manufacturers, CRISIL Research

Figure 20: Segment wise sales of LCVs



Source: Society of Indian Automobile Manufacturers, CRISIL Research

• **CV outlook**

**CRISIL Research projects the CV segment to continue its moderate growth in 2017-18.**

Sales of CVs are expected to rise 4-6% in 2017-18. This is primarily on the back of 12-14% estimated rise in LCV sales. LCV sales are expected to grow supported by better demand from consumption-driven sectors (Private Final Consumption Expenditure to rise 8.4% in 2017-18 versus 7.2% in 2016-17).

On the other hand, MHCV sales are expected to drop 0-2% because of low replacement demand, advancement of purchases in 2016-17 from 2017-18 due to implementation of BS IV, rising cost of ownership of BS-IV vehicles and lower freight demand.

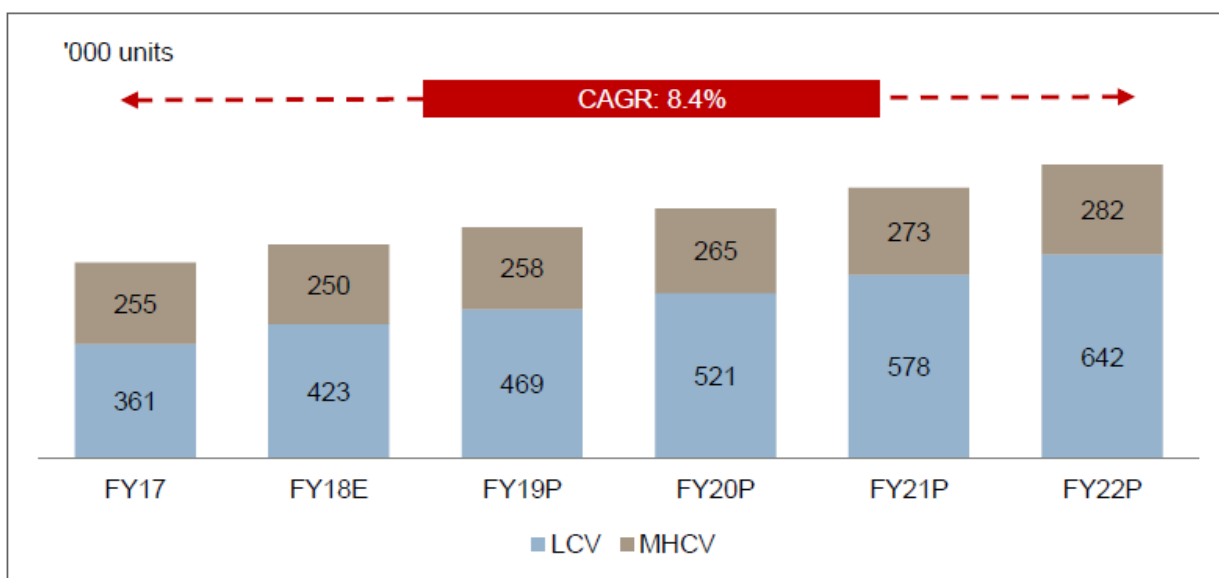
Bus sales to fall 7-9% in 2017-18 due to lower demand from STUs, schools, private stage carriage, staff segment. Growth trajectory in demand from intercity segment is expected to come down in 2017-18 after a stellar growth in 2016-17.

***In the long run also, CVs will show moderate growth.***

MHCV sales are likely to grow at a moderate 2-4% CAGR during 2017-18 to 2021-22 (five-year CAGR), outpacing the previous corresponding period's growth. Driving factors would be improving industrial activity, steady agricultural output, and the government's focus on infrastructure. However, full recovery will be limited due to efficiencies achieved from the GST and better road infrastructure along with the commissioning of the dedicated freight corridor.

LCV demand is expected to expand at 9-12% CAGR during 2017-18 to 2021-22 due to higher consumption expenditure and continued replacement of large three-wheelers. Within LCVs, the shift towards pick-ups (which carry higher loads) from sub-1-tonne vehicles will curb sharper growth in sales volume, as lower number of trucks would be required to transport the same quantity of material. Demand for upper-end LCVs will be moderate over the long term, as small CVs (SCVs) and intermediate CVs (ICVs) cannibalise sales. Moreover, upper-end vehicles offer the transporter lower returns compared with SCVs and ICVs and are most suited for captive use.

Figure 21: Commercial vehicles domestic sales outlook FY 2017- FY 2022



P: Projected

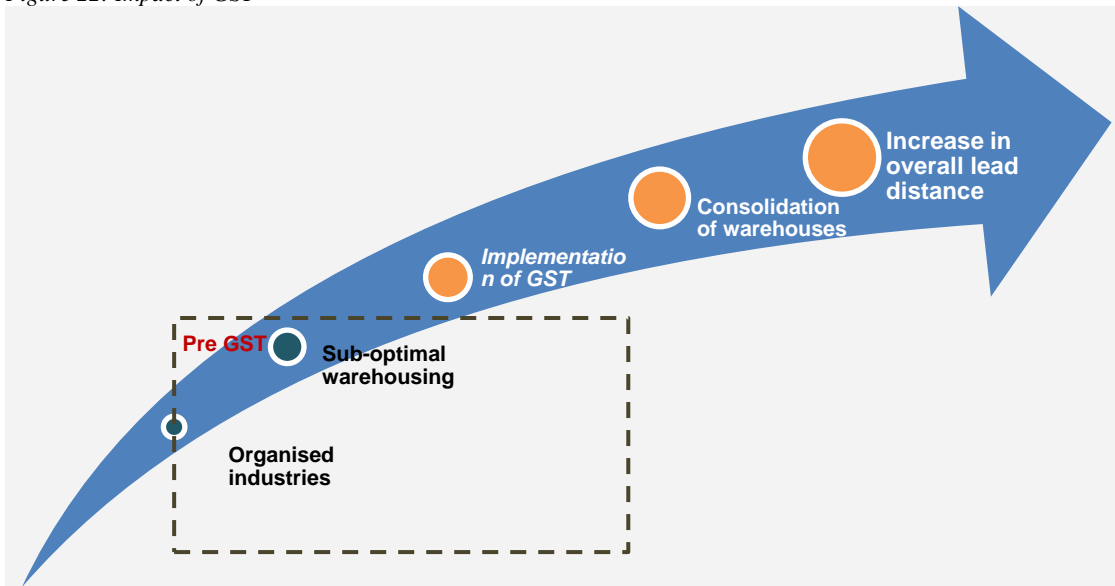
Source: Society of Indian Automobile Manufacturers, CRISIL Research

***Emission norms***

BS IV norms became effective nationwide from April 1, 2017. Implementation of BS IV norms led to advancement of purchases of both LCVs and MHCVs in 2016-17, further lowering sales in 2017-18. Also, discounts were reduced in Q1 2017-18, due to constraints in the supply of BS IV vehicles.

The government has proposed to skip the BS V norms altogether and enforce the BS VI norms in April 2020. This would increase vehicle prices once the norms are enforced. As a result, CRISIL Research expects advancement of purchases in 2019-20, leading to lower sales in 2020-21.

Figure 22: Impact of GST



#### MHCV

GST is expected to lead to realignment of distribution networks and supply chains pan India. The hub-and-spoke model will gain prominence, with more concentrated hubs and longer spokes (distance between hub and consumption). Companies are further expected to consolidate state warehouses into larger regional warehouses, which will increase the average load size from manufacturing plants to the larger regional warehouses. Thus, the scope to use higher tonnage vehicles would broaden.

On the other hand, the spokes will now be catered to by ICVs, aiding overall MHCV sales over the long run. Medium commercial vehicles (MCVs) are expected to lose out in the bargain. ICVs offer higher freight per tonne-km, more trips, and better fuel efficiency, thereby boosting operator profitability. Higher payload capacity in recent ICV models has also encouraged rapid substitution of MCVs.

Moreover, with the reduction in check posts, the daily running of truck will increase ~5%. Warehouse consolidation will also result in lesser turnaround time on account of reduced load gathering time.

#### LCV

Larger pick-ups can transport goods over longer distances, given their higher tonnage and power (>2.5 tonne gross vehicle weight or GVW, 70-80 bhp) versus smaller pick-ups (2.0-2.5 tonne GVW, 60-70 bhp). Thus, CRISIL Research expects demand for the former to increase with the implementation GST as there will be consolidation among warehouses over 2-3 years. Long-term implications would be clear only after supply chains realign.

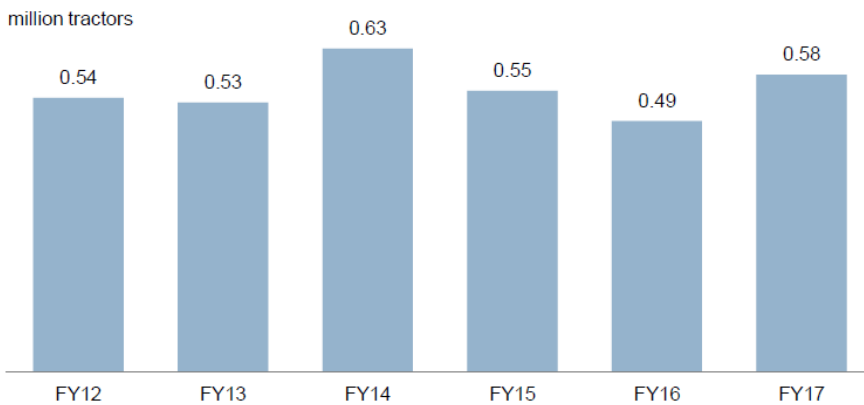
### 10. Tractors

Tractor sales are highly dependent on agriculture incomes, which are dependent on the monsoons. Hence, fluctuation in sales is higher than other automobile segments. During 2011-12 to 2016-17, domestic tractor sales grew at a modest 1.7% CAGR. While adequate rainfall in 2013-14 saw tractor sales rise a sharp 19% on-year, consecutive years of weak monsoon thereafter restricted demand in 2014-15 and 2015-16.

Tractor sales revived in 2016-17, rising 18% on-year, on the back of a normal monsoon (97% of the long period average) with spatial and temporal distribution, resulting in *kharif* and *rabi* production increasing 10% and 7% on-year, respectively, as per the third advance estimates. The impact of demonetisation on tractor sales was short-lived, as there was a shift to cashless transactions, with adequate support from financiers.

In fact, the loan-to-value of tractor loans during note ban went up as high as 100% of the asset value in some states, compared with the typical 70-75%. As a result, despite industry growth being impacted for a brief period, overall positive sentiment on the back of normal rainfall and timely government intervention during the demonetisation period (relaxing cash withdrawal rules and extending interest payment period by 60 days) meant the year ended with double-digit growth.

Figure 23: Review of tractor domestic sales



P: Projected

Source: CRISIL Research

Tractor exports between 2011-12 and 2016-17 were sluggish as well, rising 2% CAGR, mainly because of low off-take in key African economies, and a drop in demand in neighbouring countries (Nepal and Bangladesh) because of turbulent political and economic climate during 2011-12 to 2013-14. Despite a pick-up over 2013-14 to 2015-16, owing mainly to increasing mechanisation in Africa and pent-up local demand, supported by the Indian government’s line of credit extension, a change of emission norms in key North American markets restricted further growth in exports.

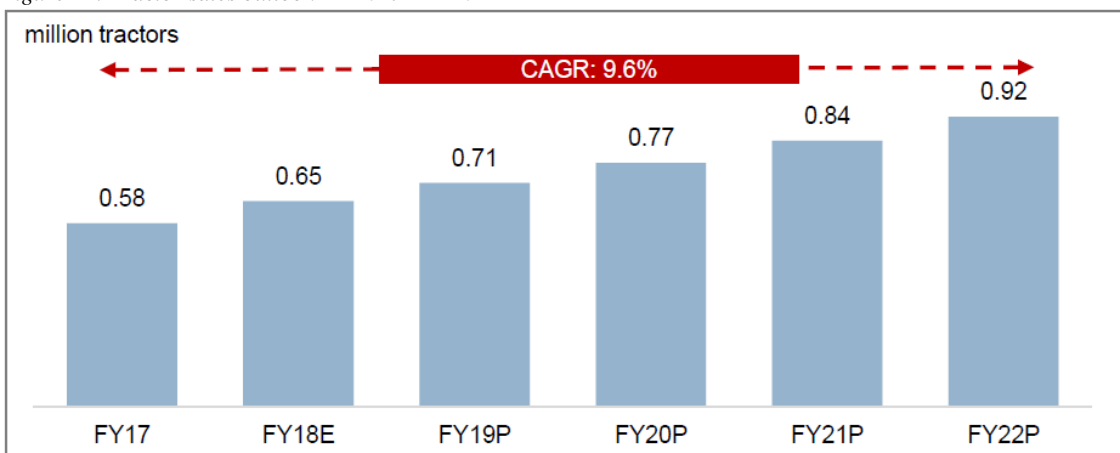
In 2016-17, tractor exports were muted, ending the fiscal with a marginal 1% on-year growth vis-à-vis a rise of 3% on-year in 2015-16. In 2016-17, demand growth in Africa moderated, with government-backed bulk demand not materialising as expected - these bulk orders could get transferred to 2017-18. Exports to Asia also slumped, with subdued demand from the three largest markets of Bangladesh, Nepal and Sri Lanka. Growth also remained modest in Europe and the US.

### Tractor industry outlook

The tractor industry is expected to fare better in 2017-18, supported by near-normal monsoon (5% below long period average, as on August 20<sup>th</sup>) and the government's focus on rural development. According to the CRISIL Research, it is expected that the tractor sales volume will grow 11-13% on-year during the year. This forecast includes an upside of 3-5% due to the announcement of farm loan waivers in Karnataka, Maharashtra, Punjab and Uttar Pradesh. Furthermore, favourable government initiatives announced in the union budget would help improve the industry scenario by enhancing credit availability and increasing non-farm demand for tractors. Some of the major announcements include increase in farm credit (agricultural credit target for 2017-18 is fixed at a record Rs 10 trillion, an increase of 11% over 2016-17) and rural infrastructure development initiatives such as allocation of Rs 270 billion towards Pradhan Mantri Gram Sadak Yojana.

Over the longer term, i.e. between 2016-17 and 2021-22, tractor exports are expected to grow at 8-10% CAGR, with Africa and Asia expected to remain the focal regions. Furthermore, based on interactions with leading exporters, CRISIL Research expects North Africa and Southeast Asia to remain high growth regions, whereas Europe, North America and South America are forecast to see sustained low single-digit growth. India is also emerging as an export hub of relatively small tractors - 30-75 horsepower (hp) - with major global tractor players setting up manufacturing units in the country.

Figure 24: Tractor sales outlook FY 2017- FY 2022



P: Projected

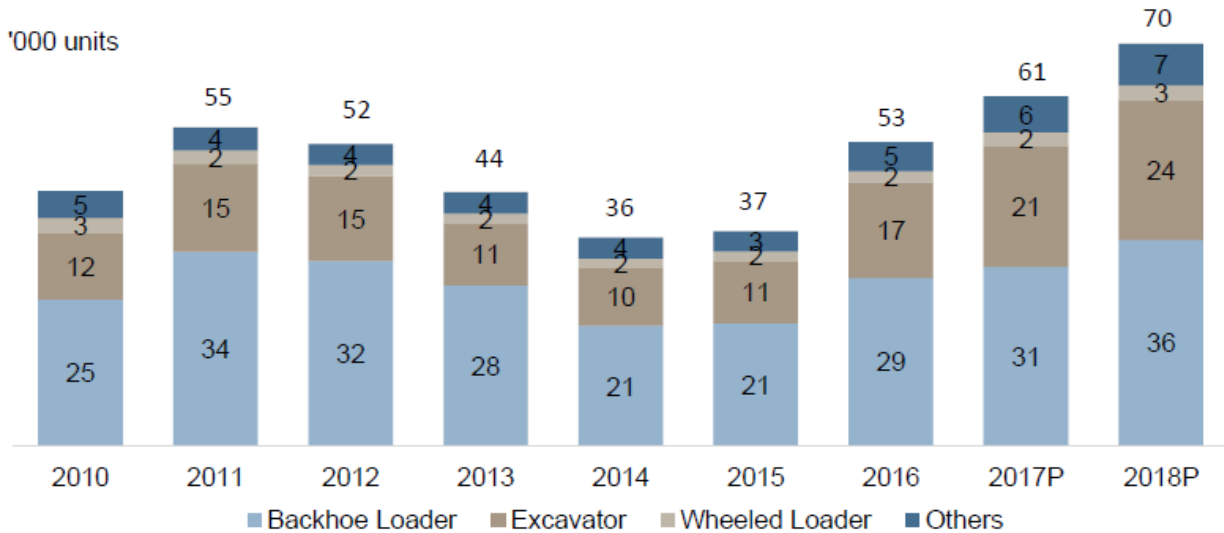
Source: CRISIL Research

## 11. Earthmoving equipments

Volume sales of the earthmoving equipment (EME) industry surged over 42% on-year in 2016 (January to December) to ~52,500 units, as demand for road construction equipment accelerated. The sudden upturn came after a tepid revival in 2015, when sales grew 3-5% on-year after declining for three consecutive years.

Backhoe loaders, though, are yet to reach their peak of 33,595 units in 2011. However, earth excavators crossed their earlier peak of 15,155 units achieved in 2011 to reach 16,517 units in 2016. Over the next two years, growth of the excavator segment is expected to be ~21% CAGR.

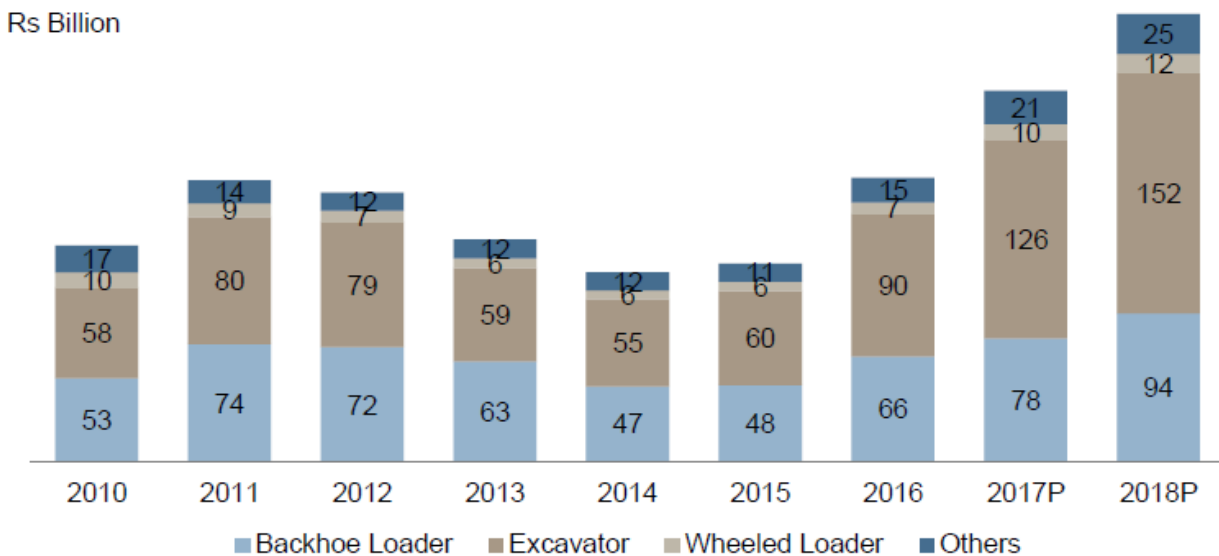
Figure 25: EME sales show significant growth in 2016



P: Projected

Source: CRISIL Research

Figure 26: EME sales recovering, excavators grab a larger share



P: Projected

Source: CRISIL Research

With improvement in the economy, there is expected to be a shift in the type of machinery used. In the past, the share of backhoe loaders was the highest in the EME segment, on account of its usability across segments. However, there has been a gradual shift towards excavators, which are technologically advanced. Thus, the growth in excavators in next few years is expected to be outpace backhoe loaders.

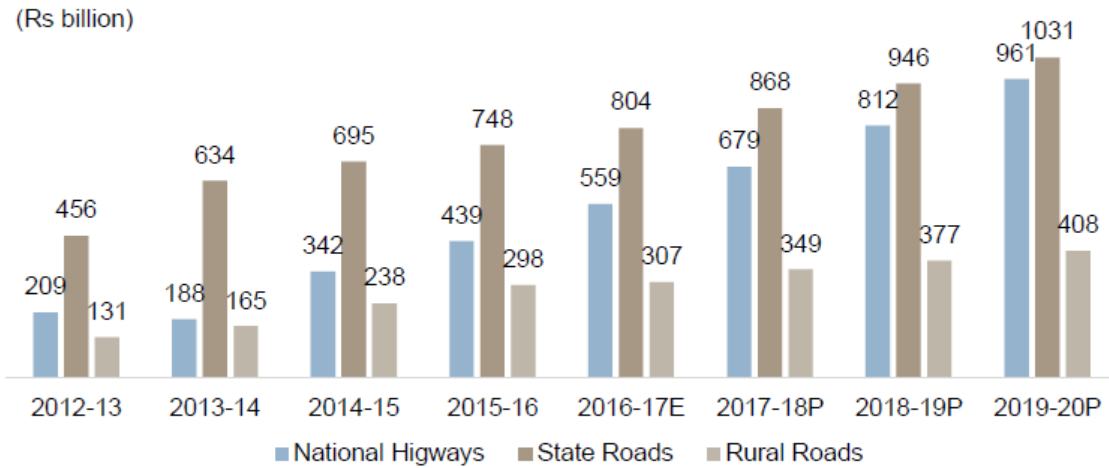
### Increasing road and mining investment to spur medium-term growth

The industry saw a sharp downturn between 2012 and 2014 as infrastructure investments slowed on account of policy logjam, delays in project approval, ban on mining in some states, limited access to long-term finance and high interest rates. However,

investment in end-user industry have picked up since 2015-16.

Supporting the investment cycle is a projected 2.8 times increase in investments in national highways over 2017-18 to 2021-22, compared with the previous five years. State governments have also allocated a significant portion of their budgets for developing roads. In fact, investment in state roads is expected to increase 1.5 times vis-à-vis the previous five years. The government has allocated Rs 190 billion in Union Budget 2017-18 towards the Pradhan Mantri Gram Sadak Yojana as well. Also, considerable construction activity in IT parks, airports and smart cities, and increasing demand for urban infrastructure will aid demand for EME.

Figure 27: Investment trend in national highways, state roads and rural roads



P: Projected

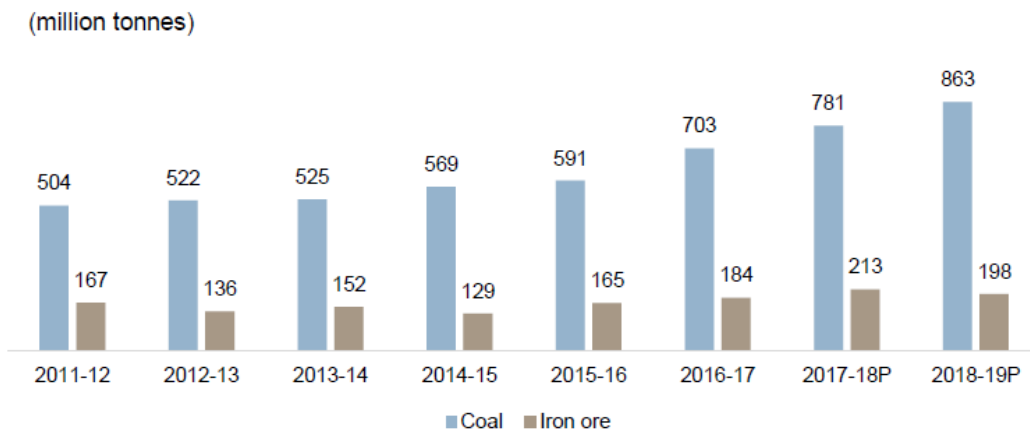
Source: CRISIL Research

Given the government's initiative to improve coal production, mining activity is expected to pick up as well, thereby providing additional thrust to EME demand. The government is taking various initiatives to increase domestic coal production, and has successfully auctioned 31 coal mines and allotted 52 coal blocks to central/state government companies as of February 2017.

Further, in March 2015, the government amended the Mines and Minerals (Development and Regulation) Act, 1957, which directs state governments to renew licences of captive and merchant mines till March 2030 and March 2020, respectively. CRISIL Research expects miners to, therefore, increase mining activities before expiration of the licences.

Consequently, investments in mining is expected to grow at a faster pace over the next three years vis-a-vis the last three years, and provide a significant fillip to EME demand.

Figure 28: Coal and iron ore mining trend



P: Projected

Source: CRISIL Research

### Factors impacting sales in 2017

#### GST

The earlier tax rate on EME in most states was ~18%. However, with the implementation of GST, EME, including backhoe loaders, wheeled loaders and excavators, are under the 28% bracket. This has led to increase in the price of the machines in

most states, thus affecting sales. It is estimated that the sales numbers were 18-20% lower than anticipated between July and August 2017. GST is expected to impact the after-sales service market as well. This market was dominated by the unorganised sector.

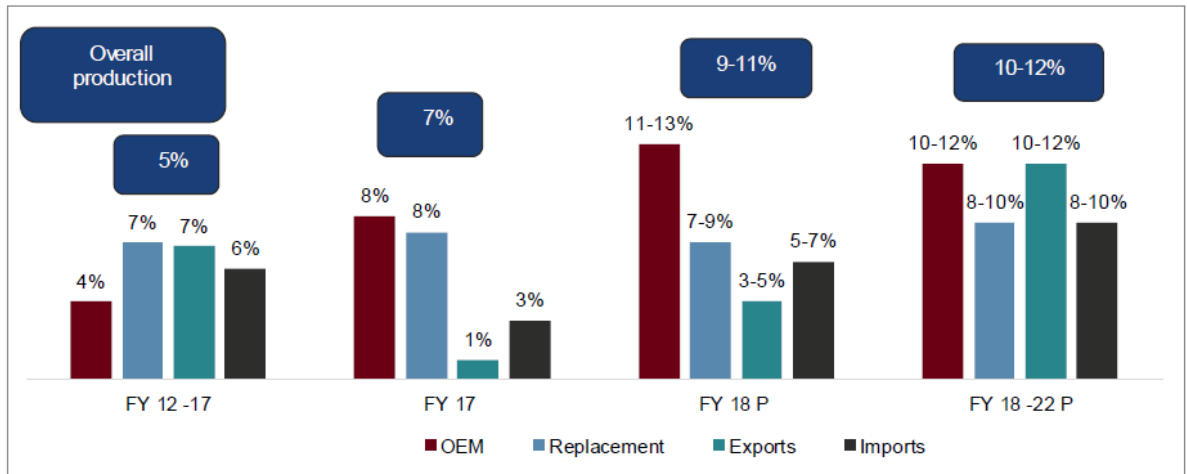
However, as the sector gets formalised, service infrastructure will play greater role in purchasing decisions than the current price-driven decision-making. Thus, the market share of industry leaders is expected to improve until new entrants develop their own service infrastructure.

**BS-III to BS-IV for automobile sector**

The Supreme Court ordered that no new BS-III vehicle will be registered from April 1, 2017. Even though EME is not under the purview of this rule, RTOs had halted registration of new EME vehicles during the transition phase. Thus, EME sales declined in March and April.

**12. Automotive Components**

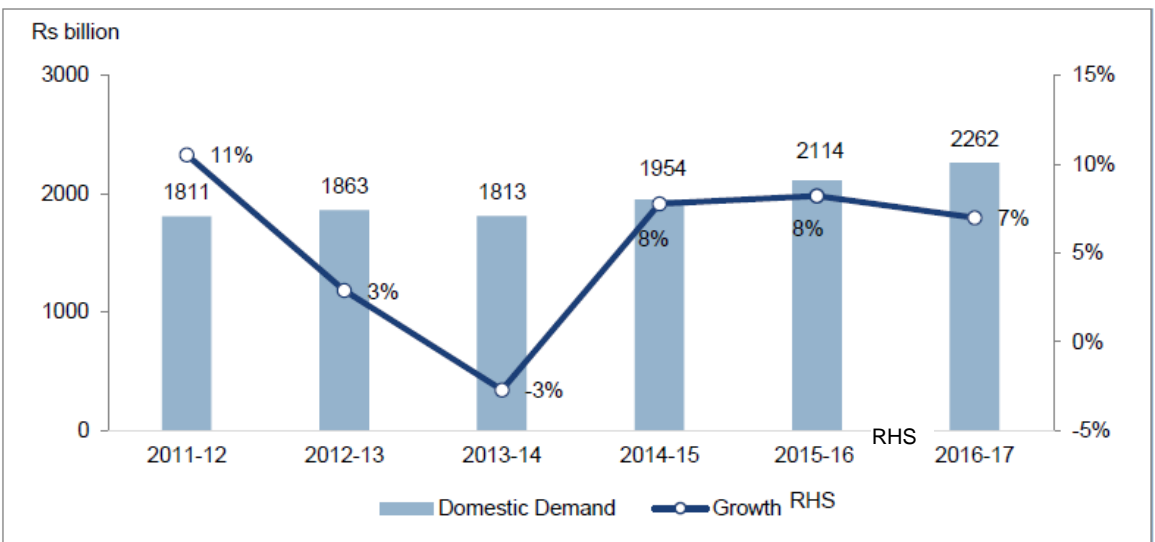
Figure 29: Growth trajectory of auto component sector



P: Projected  
Source: CRISIL Research

**Domestic market**

Figure 30: Automotive component demand trajectory



Source: CRISIL Research

Domestic demand is primarily from OEMs and the replacement market. Due to an economic downturn in 2013-14, the auto component industry saw the sharpest decline.

In 2016-17, domestic auto-component production is estimated to have grown 6.9% on-year, on the back of a 7-9% on-year rise of OEMs and a marginal 1% on-year increase in exports. Demonetisation, though, impacted the rural-dependent segments



in the second half of the fiscal.

In 2017-18, CRISIL Research projects domestic auto-component production to grow 9-11% on-year, aided by 11-13% on-year growth in the OEM segment and 7-9% on-year increase in the replacement market.

- Cars and utility vehicle (UV) segment is expected to rise 9-11% on-year over a high base because of the lower effective tax rate post GST despite the price hike due to increase in raw material prices
- Tractors segment is expected to rise 11-13% on-year over a high base owing to a normal monsoon
- Commercial vehicle segment is projected to expand a moderate 3-5% on-year, with medium and heavy commercial vehicle segment declining 1-3% on-year and light commercial vehicle segment growing 7-9% on-year
- Replacement demand will grow 7-9% on-year amid stable fleet utilisation rates (will spur replacement of components by transporters) and robust replacement in the two-wheeler segment

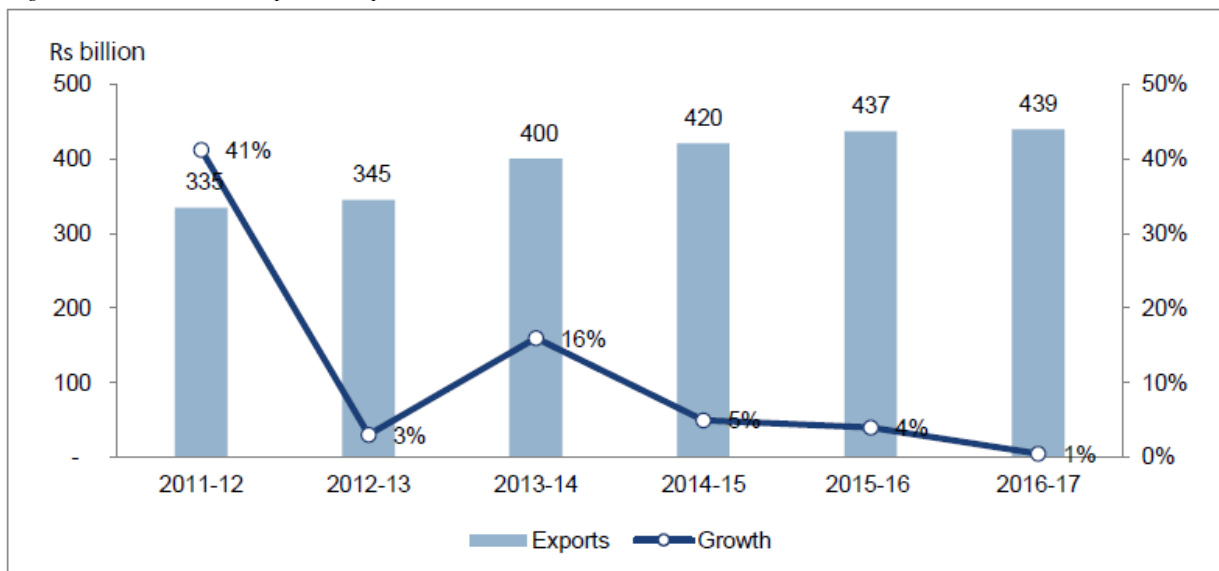
Over the long term, i.e. between 2016-17 and 2021-22, CRISIL Research expects domestic auto component production to grow at 10-12% CAGR to ~Rs 4,565 billion, with OEM and exports growing at 10-12% CAGR.

- The proportion of manufacturing activity outsourced to auto-component makers is the highest for cars and utility vehicles, explaining the segment's prominence. While outsourcing in the commercial vehicle segment is currently lower, this is expected to increase in the future, owing to rising technological spends by auto-component players. CRISIL Research expects localisation by certain OEMs to increase further, supporting growth in domestic OEM off-take
- The replacement market is projected to grow at 8-10% CAGR during 2016-17 and 2021-22, as higher production in the past five years (compared with the 2004-2009 period) will lead to greater replacement demand in the next five years. Demand in the replacement market will rise due to increase in utilisation rate of commercial vehicles and due to the expansion in cab aggregator services
- OEM demand is expected to grow to ~Rs 3,062 billion, led by robust vehicle production
- Growth will be seen across vehicle segments. Demand will primarily come from cars and utility vehicles growing at 10-12% CAGR, and commercial vehicles and tractors rising 8-10% CAGR
- Two-wheelers are projected to grow at a slower 4-6% CAGR over the next five years. In 2020-21, prices are expected to rise sharply, owing to compliance with BS-VI norms, thereby affecting sales during the year.

Between 2016-17 and 2021-22, CRISIL Research expects the industry to expand at 4-6% CAGR, with 3-5% CAGR in motorcycles and 4-6% CAGR in mopeds. Scooters are expected to outperform the industry at 6-8% CAGR.

### Exports

Figure 31: Automotive Component Export's trend



Source: CRISIL Research

Exports have a high correlation with the global economic scenario. Major exports are to North America and the EU. Their share in the pie is almost half.

Penetration of Indian automotive components in major markets is minuscule -- India's exports stand at less than 1% of global

exports.

In the last five years, the CAGR of exports was only ~5%, mainly because India exports comprise low value products, viz, chassis, because of lower technology. However, this scenario is changing as on improving technological availability because of collaboration with foreign partners.

In 2017-18, CRISIL Research expects exports to pick up slightly (3-5%), aided by a 10-12% on-year growth in US CV sales and passenger vehicles sales in European countries – passenger car sales in Germany is projected to grow a steady 5% in 2017-18 whereas in the UK it is expected to decline.

Owing to changing regulatory norms, domestic companies will begin to produce components at global standards with the help of joint ventures and technical collaborations. This, accompanied by the structural advantage of India as a low-cost country, is expected to lead to higher penetration, resulting in robust export growth, going forward.

Figure 32: Key regulations across vehicle segments driving up realisation

Upcoming technologies	Segment	Affected vehicle segments	Date of Implementation	Action
BS IV	2 wheeler	All variants	Apr-17	All models (new as well as existing) to be BS IV compliant
	3 wheeler			All models sold from April 2017
	Cars & Uvs			
	Commercial Vehicles			
ABS	2 wheeler	>125 cc	Apr-17	Mandatory for all new model launches from April 2017
			Apr-18	All models (new as well as existing) to have ABS from April 2018
	Commercial Vehicles	PV > 5 tonnes GV > 12 tonnes LCVs carrying LPG cylinders	Apr-16	All models sold from April 2017
			Apr-16	
			Apr-16	
CBS	2 wheeler	< 125 cc	Apr-17	Mandatory for all new model launches from April 2017
			Apr-18	All models (new as well as existing) to have ABS from April 2018

**DETAILED COVERAGE OF CERTAIN KEY AUTO-COMPONENTS:**

**10. Locking systems**

Locking systems in a two-wheeler consists a kit of 2-5 locks for steering, ignition, fuel tank cap, seat, tool box or helmet, depending on the two wheeler segment and individual model configuration. A locking system in a passenger vehicle consists of a kit of 3-4 locks, including steering-cum-ignition lock, two door locks and a boot lock, depending on the model configuration.’

**a) Two wheeler locking systems market in India**

• ***A review of the two wheeler locking systems market in India***

CRISIL Research estimates the two wheeler locking systems market catering to the OEM demand to be around Rs. 6.3-7.0 billion in FY 2017. The average realisation from a lock kit ranges from Rs. 200 to Rs. 450, primarily depending on the quality of the ignition-steering lock and fuel tank cap lock. Ignition steering is available as a mechanical lock, mechanical lock with magnetic shutter, immobiliser lock or smart lock. A lock kit with an immobiliser commands higher realisation in the range of Rs. 900-1,000. Smart locks are still in the nascent or development stages.

• ***Competition structure***

The two wheeler locking systems market has 2-3 large players catering to OEM demand. Sandhar Technologies is the leader

in two wheeler locking systems. Other key players include Minda Corporation and Jay Ushin.

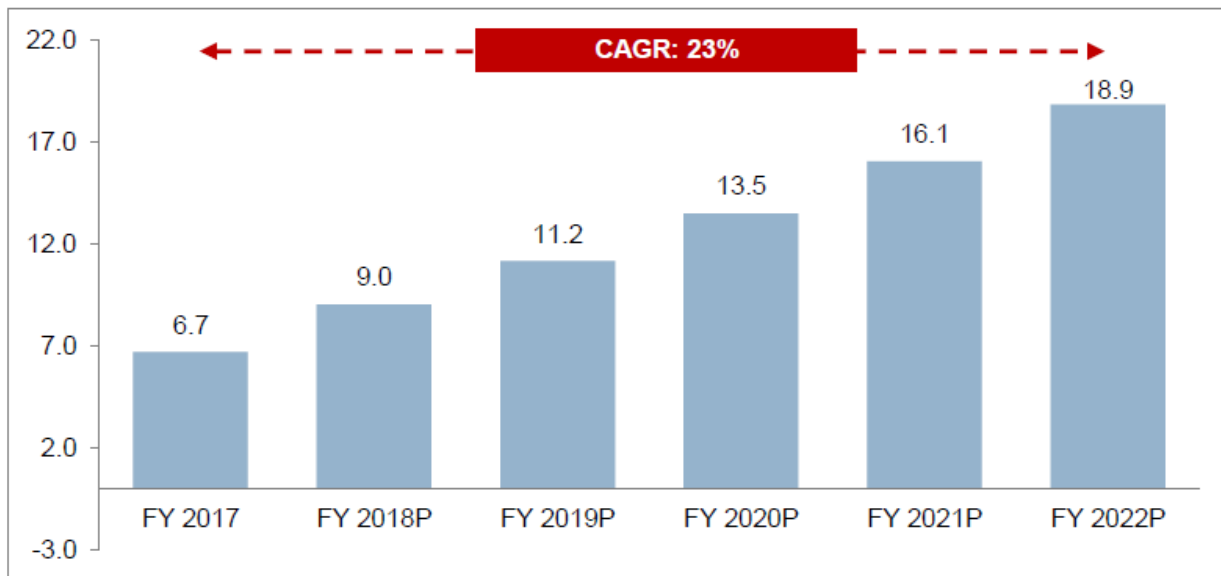
- **Two wheeler locking systems market outlook**

Demand for two wheeler locking systems is expected to be in line with two wheeler demand, which will be supported by the improvement in affordability because of lower commodity and fuel prices, higher rural income, better road connectivity, rising urban income and greater women participation in the workforce.

In addition deeper finance penetration along with increasing reach of OEMs in tier-III and tier-IV cities will boost two wheeler demand. CRISIL Research expects metal prices to remain subdued, due to weak global demand. However, manpower, power and fuel, other manufacturing expenses, consumables and other overhead costs are expected to exert pressure on prices.

CRISIL Research estimates the two wheeler locking systems market to grow at a CAGR of 22-24% to Rs. 17.9-19.8 billion by FY2022.

Figure 33: Two wheeler locking systems market outlook in value, FY 2017 to FY 2022 (Rs. billion)



P: Projected

Source: CRISIL Research

### b) Passenger vehicle locking systems market in India

- **Review of passenger vehicle locking systems market in India**

CRISIL Research estimates the passenger vehicle locking systems market catering to OEM demand to be around Rs. 4.9-5.5 billion in FY 2017. The average realisation for a lock kit for a passenger vehicle ranges from Rs. 500 to Rs. 2,500 depending on the quality of locking technology of ignition-steering lock and door locks. Various locking technologies available in the ascending level of their technical complexity include central locking, central locking with electronic keyfobs, central locking with immobilisers and smart lock.

- **Competition structure**

The passenger vehicle locking market is dominated by Jay Ushin and Minda VAST Access system. Given the technologically intensive nature of the industry, local players have formed a joint venture with global companies.

- **Passenger vehicle locking systems market outlook**

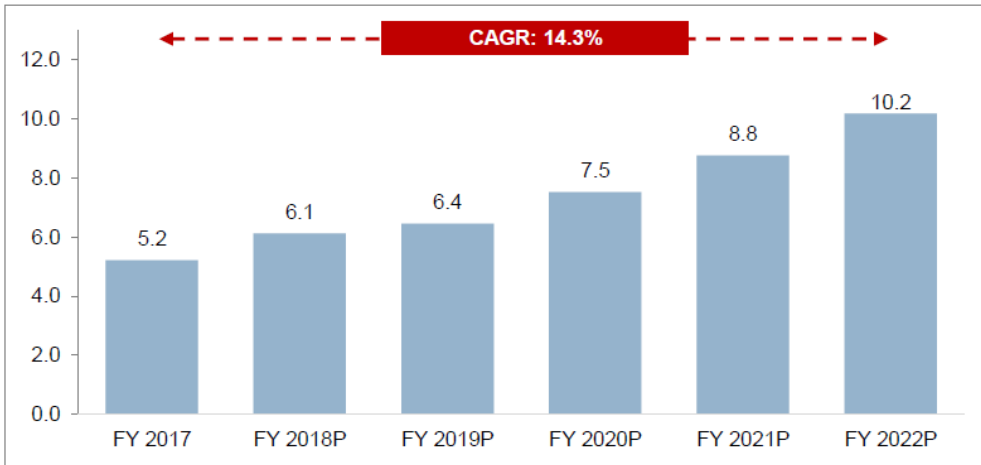
The Ministry of Roads Transport and Highways has made it mandatory to fit the central locking systems with manual override feature in all passenger vehicles manufactured after 2019. Currently, the manual override feature is not available in the central locking systems provided by OEMs. Regulatory push should result in a 100% penetration of central locking systems by July 2019. The average realisation per vehicle is expected to jump significantly in mini and micro car segments.

Additionally, growing customer preference for safety and convenience features should result in higher demand for smart locks by FY 2022.

Though the inclusion of manual override will result in higher cost, higher volumes in central locking and smart locks are also expected to bring in economies of scale, resulting in lower cost of locking systems. CRISIL Research expects metal prices to remain subdued due to weak global demand. However, manpower, power and fuel, other manufacturing expenses, consumables and other overhead costs are expected to exert pressure on prices.

CRISIL Research estimates the passenger vehicle locking systems market to grow at a CAGR of 13-15% to Rs. 9.7-10.7 billion by FY 2022.

Figure 34: Passenger vehicle locking systems market outlook in value, FY 2017 to FY 2022 (Rs. billion)



P: Projected

Source: CRISIL Research

### c) Commercial vehicle locking systems market in India

- Review of commercial vehicle locking systems market in India**

Commercial vehicle locking systems include set of 4-5 locks including door lock, ignition cum steering lock, glove box lock and fuel filler cap lock. CRISIL Research estimates the commercial vehicles locking systems market catering to OEM demand at around Rs 0.3 billion in FY 2017. Average realisation for a locking set ranges from Rs 400 to Rs 650 depending upon the type of lock. Costing for lock is higher where door lock is integrated with the door handle.

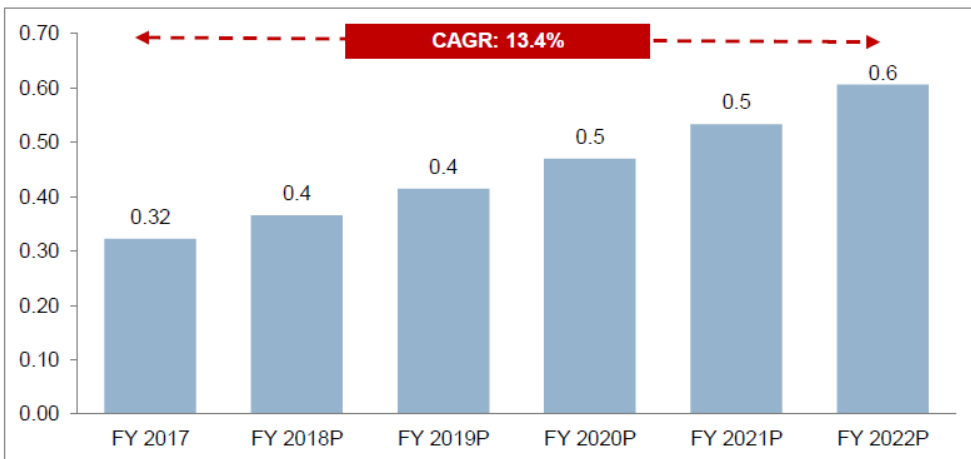
- Competition structure**

The commercial vehicle locking systems market is dominated by Minda Corporation. Other major player catering to this segment is Sandhar technologies.

- Commercial vehicle locking systems market outlook**

CRISIL Research estimates commercial vehicle locking systems market to grow at 13-14% CAGR reaching size of around Rs 0.6 billion by FY2022, driven largely by pickup in light commercial vehicle demand till FY 2022. Premium segment within commercial vehicles is expected to shift to electronic locking system by FY 2022 where average realisation will be in Rs. 2000-2500 range. However proportion such vehicles is expected to be less than 5%.

Figure 35: Commercial vehicle locking systems market outlook in value FY 2017- FY 2022 (Rs billion)



P: Projected

Source: CRISIL Research

### 11. Vision systems

A vision system in a two-wheeler (2W) consists a pair of rear view mirrors. In the case of passenger vehicles, vision system comprises a pair of outside rear view mirrors (ORVMs), inside rear view mirrors (IRVMs), a set of parking sensors and a rear

view camera.

#### d) Two wheeler vision systems market in India

##### Rear view mirrors (RVMs)

- Review of two wheeler RVMs market in India

CRISIL Research estimates the two wheeler rear view mirror market catering to original equipment manufacturer (OEM) demand at around Rs. 3.8 billion in FY 2017. Average realisation for a pair of mirrors ranges from Rs 100 to Rs. 400, depending upon the quality of plastic and glass material. As compared to simple plastic body mirrors, body painted and chrome plated mirrors have higher realisations. Economy range of motorcycles and mopeds typically have lower realisations compared to executive and premium motorcycle segment.

- Competition structure

The two wheeler rear view market is dominated by two large players catering to OEM demand. Sandhar technologies, Fiem industries are the leaders in two wheeler rear view mirror manufacturers in India

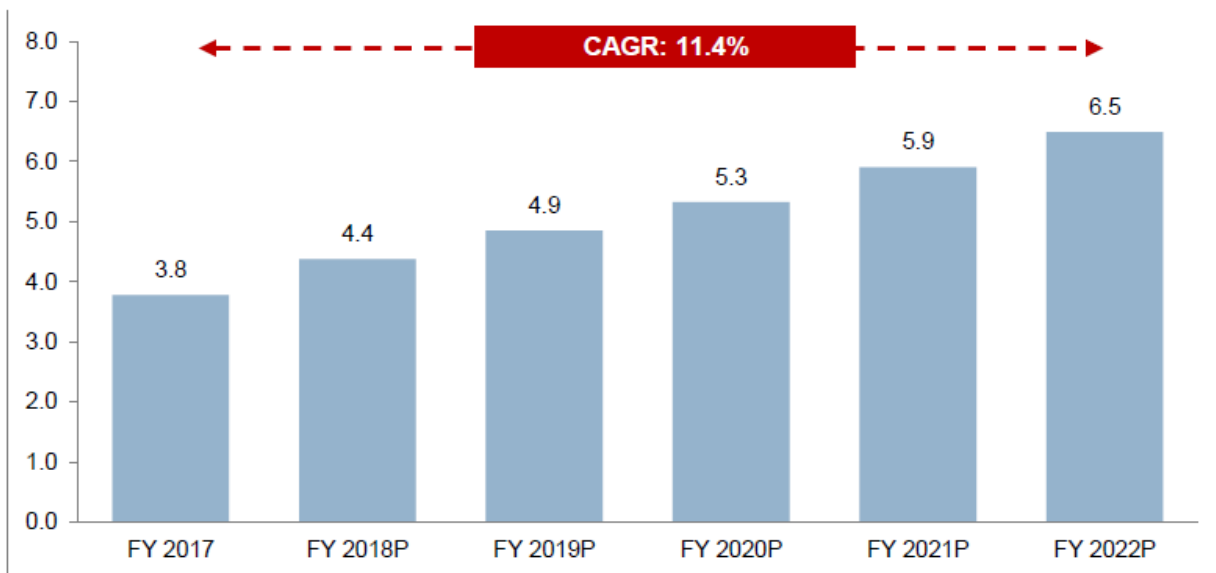
- Two wheeler rear view mirror market outlook

Two wheeler rear view mirror demand to be in line with two wheeler demand. Two wheeler demand in turn will be supported by the improvement in affordability because of lower commodity and fuel prices, higher rural income, better road connectivity, rising urban income and greater women participation in the workforce. In addition deeper finance penetration along with increasing reach of OEMs in tier-III and tier-IV cities will boost two wheeler demand.

CRISIL Research expects petrochemical prices to rise in 3-4% range, supported by range bound feedstock prices. Manpower, power and fuel, other manufacturing expenses, consumables and other overhead costs are expected to exert pressure on prices. The average realisation mirrors is expected to increase by 3-4% CAGR over the forecast.

CRISIL Research estimates that the two wheeler rear view mirror market will grow at a compound annual growth rate (CAGR) of 11-12%, reaching a size of Rs 6.2-6.8 billion by FY2022, largely driven by pickup in two wheeler demand.

Figure 36: Two wheeler rear view mirror market outlook in value, FY 2017-FY 2022 (Rs billion)



P: Projected

Source: CRISIL Research

#### e) Passenger cars vision systems market in India

##### Outside rear view mirrors (ORVMs)

- Review of passenger vehicle (PV) ORVMs market in India

Four major technologies in ORVMs are available in the Indian market, namely:

- Type I- Ball joint type mirror (manually operated mirror)
- Type II- Manually foldable mirror with side turn indicators
- Type III- Manually foldable, electrically actuated mirror with side turn indicators
- Type IV- Electrically foldable and actuated mirror with side turn indicators

Technological complexity increases from type I to type IV mirrors. The Indian ORVM market has traditionally been a ball joint type of market. However, a majority of PV OEMs have already moved to higher technology mirrors, even in the micro and mini car segments.

CRISIL Research estimates the passenger vehicle rear view mirror market catering to OEM demand at around Rs 8.9 billion in FY 2017. Average realisation for a pair of mirror ranges from Rs 600 to Rs 5000, depending upon the mirror technology, quality of plastic and glass material. Body painted mirrors and chrome plated mirrors have higher realisations when compared to simple plastic body mirror. Top end variants passenger car models typically offer electrically foldable and actuated mirrors with side turn indicators. Mid-end variants typically offer manually foldable, electrically actuated mirror with side turn indicators.

Top variants of newer models offer mirrors with projector lamps which typically enhance safety for riders, while enhancing the aesthetic appeal of the vehicle. The premium car segment additionally provide mirrors with electro-chromic glass and blind spot detection features.

- *Competition structure*

The passenger vehicle outside rear view market is dominated by three large players catering to OEM demand. Krishna Ishizaki, SMR Automotive and Tata Ficosa are top 3 manufacturers of passenger vehicle rear view mirrors in India. Given the technologically intensive nature of the product, all three players have technological arrangements with global players.

- *Passenger vehicle outside rear view mirror (ORVM) market outlook*

Growing customer preference for vehicle aesthetics and high tech features to result in growth in average realisation from ORVMs.

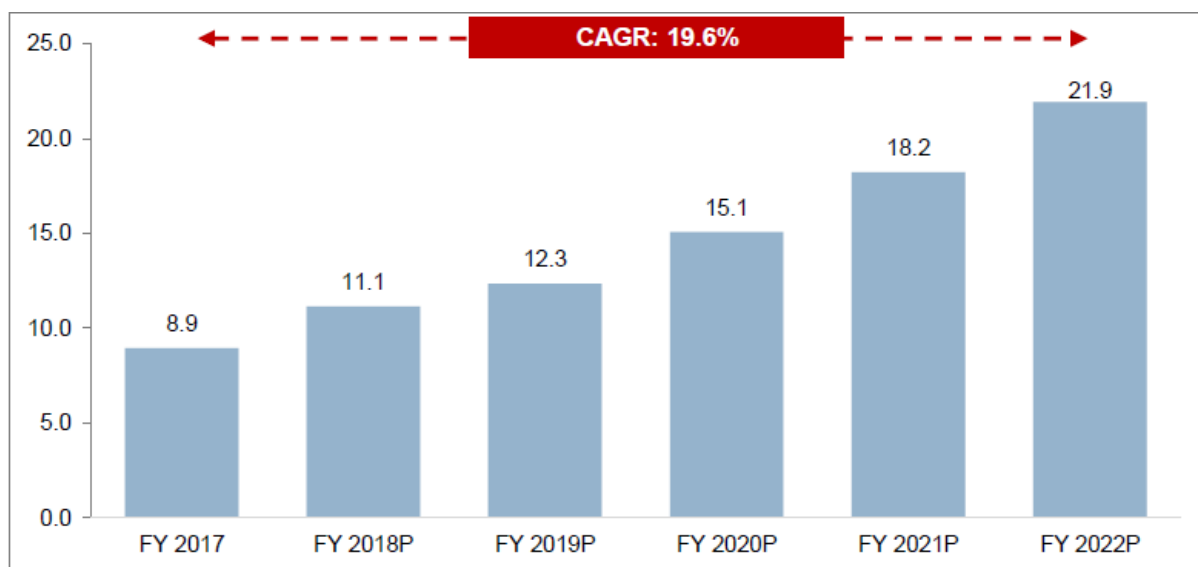
Mini, micro and van segments are estimated to graduate to manually foldable mirror with side turn indicators. Penetration of electrically foldable and actuated mirrors with side turn indicators and projector lamps to increase further in top variants across segments. Executive and premium car segment to see introduction of electrochromic mirrors.

Demand for ORVMs will be supported by strong domestic demand and increase in OEM export focus. Improvement in rural and urban incomes along with marginally lower cost of ownership on account of stable fuel prices, will aid domestic sales. Increase in volume for advanced technology products to also bring in economies of scale resulting in lowering of cost for rear view mirrors.

CRISIL Research expects petrochemical prices to rise in 3-4% range, supported by range bound feedstock prices. Manpower, power and fuel, other manufacturing expenses, consumables and other overhead costs are expected to exert pressure on prices. The average realisation of mirrors is expected to increase by 3-4% CAGR over the forecast.

CRISIL Research estimates passenger vehicle outside rear view mirror (ORVM) market to grow at a CAGR of 19-20%, reaching size of Rs 20.8-23.0 billion by FY2022, driven by pickup in passenger vehicle demand and improvement in average realisation.

*Figure 37: Passenger vehicle outside rear view mirror (ORVM) market outlook in value FY 2017-FY 2022 (Rs billion)*



P: Projected

Source: CRISIL Research

### Inside rear view mirrors (IRVMs)

- Review of passenger vehicle IRVMs market in India

Three major technologies in inside rear view mirrors available in Indian market are as follows:

- Non-prismatic mirror (day mirror)
- Prismatic mirror (Day/ night mirror)
- Electrochromic mirror (auto dimming)

Technological complexity increases from non-prismatic to electrochromic mirrors. Majority of PV OEMs have already moved to prismatic mirrors in models beyond the compact segment.

Some of the top variants also integrate reverse parking assist system in IRVMs with either distance indicators or camera display features.

CRISIL Research estimates the passenger vehicles inside rear view mirror market catering to OEM demand at around Rs 1.6 billion in FY 2017. Average realisation for a pair of mirrors ranges from Rs 50 to Rs 3000, depending upon the mirror technology. Electrochromic mirrors command higher realisations compared to prismatic and non-prismatic mirrors. Top end variants of premium and executive and UV models typically offer electrochromic mirrors.

- Competition structure

The passenger vehicle outside rear view market is dominated by three large players catering to OEM demand. Krishna Ishizaki, SMR Automotive are top 2 manufacturers of inside rear view mirror in India. Tata Ficosa is other major player catering to this market.

- Passenger vehicle outside rear view mirror (IRVM) market outlook

Growing customer preference for safety aspects and high tech features to result in growth in average realisation from IRVMs. Mini, micro and van segments are expected to completely migrate to prismatic mirrors. Share of electro-chromic mirrors is also expected to increase exponentially.

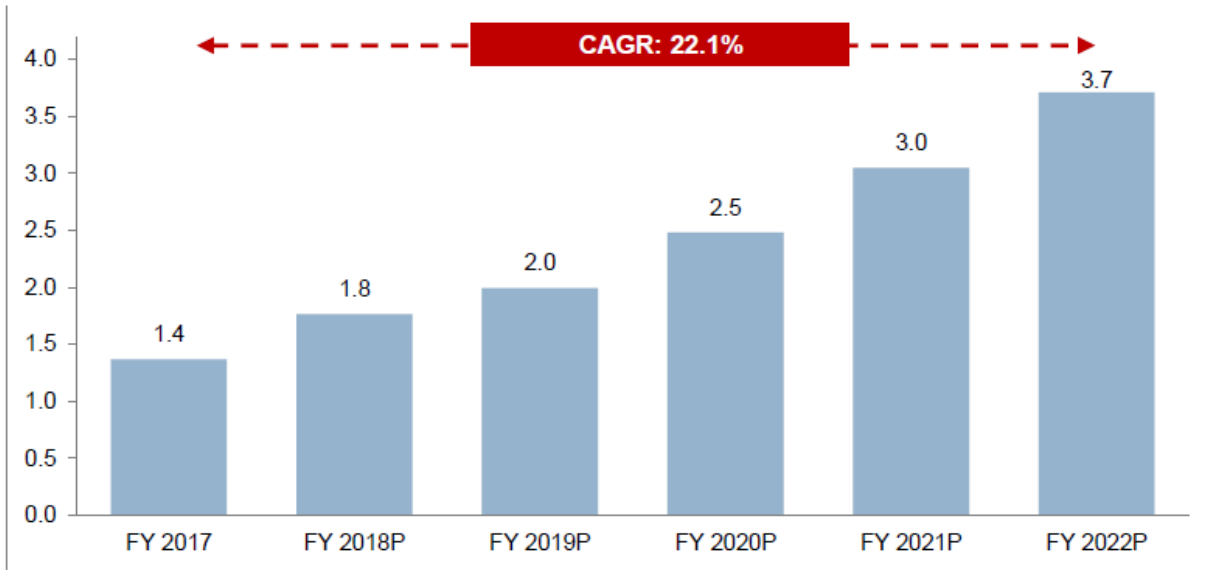
Demand for IRVM will be supported by strong domestic demand and increase in OEM export focus. Improvement in rural and urban incomes along with marginally lower cost of ownership on account of stable fuel prices, will aid domestic sales. Increase in volume for electro-chromic mirrors to bring in economies of scale resulting in lowering of cost for rear view mirrors.

CRISIL Research expects petrochemical prices to rise in 3-4% range, supported by range bound feedstock prices. Manpower, power and fuel, other manufacturing expenses, consumables and other overhead costs are expected to exert pressure on prices. The average realisation mirrors is expected to increase by 3-4% CAGR over the forecast.

CRISIL Research estimates passenger vehicle inside rear view mirror (IRVM) market to grow at 21-23% CAGR reaching

size of Rs 3.5 to 3.9 billion by FY2022, driven by pickup in passenger vehicle demand and improvement in average realisation.

Figure 38: Passenger vehicle inside rear view mirror (IRVM) market outlook in value FY 2017- FY 2022 (Rs billion)



P: Projected

Source: CRISIL Research

### Reverse parking sensors

- Review of passenger vehicle reverse parking sensors market in India

Reverse parking assist system (RPAS) helps in gauging the distance between the vehicle and obstacle. The sensors emit ultrasonic sound waves and then receives the reflected waves. The system helps in detecting the nearest obstacle and calculating the distance of the vehicle from the nearest obstacle.

RPAS consists set of four parking sensors installed in the rear bumper of the vehicle which assist the vehicle driver in parking the vehicle. These four parking sensors with separate distance indicator cost between Rs 1100-1300. Reverse parking assist sensors with indicator system in IRVM are available in higher end vehicles.

CRISIL Research estimates the parking sensors market at around Rs 1.6 billion in FY 2017.

- Competition structure

Reverse parking sensors market is served by organised players like Minda Stoneridge, Mapletech Corp, Autocop Services and Bajaj Autotronix.

- Reverse parking sensors market outlook

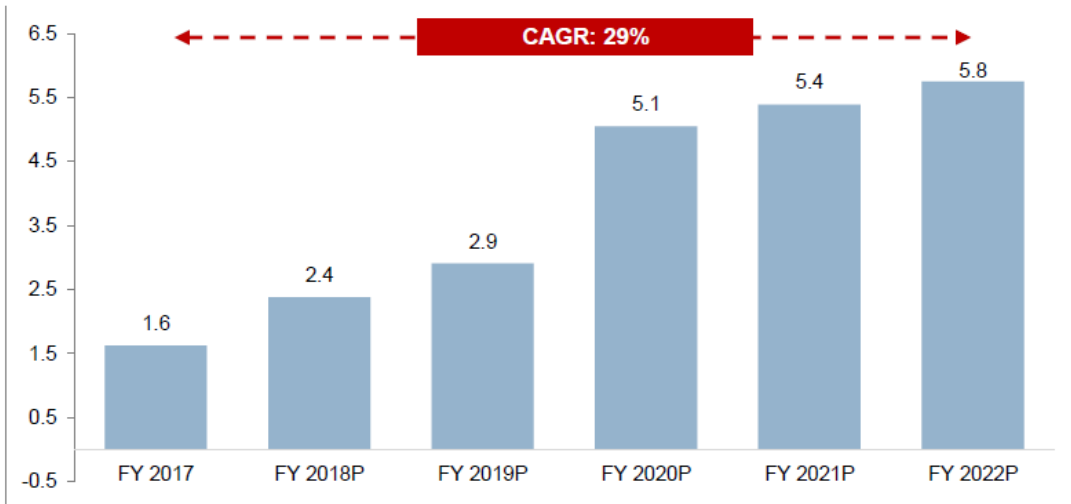
Customer demand for high tech features, and growing preference for safety features in the vehicle to result in growth in penetration of reverse parking assist system.

Additionally Ministry of Roads Transport and Highways has made it mandatory to fit parking sensors to all passenger vehicles manufactured after 2019. Regulatory push to result in 100% penetration of reverse parking sensors by July 2019.

Improved volumes are expected to set in economies of scale bringing down average costing of parking assist system. CRISIL Research estimates parking assist market to grow at 28-30% CAGR reaching size of Rs 5.5-6.0 billion by FY2022, driven by increased penetration of parking sensors across all passenger vehicle segments.

Figure 39: Reverse parking sensors market outlook in value FY 2017-FY 2022 (Rs billion)





P: Projected  
 Source: CRISIL Research

**Reverse parking camera**

- Review of passenger vehicle reverse parking camera market in India

Reverse parking camera is most commonly fitted into rear bumper of vehicle to help capture a visual display of blind spots at the rear of the vehicle. Display is either integrated with infotainment system, separate LCD screen or on the IRVM.

Reverse parking cameras are night vision camera that differ in terms of their resolution quality, accordingly cameras with VGA and megapixel resolution are available. VGA camera is available costs around Rs. 1200 whereas megapixel camera cost around Rs. 3000. CRISIL Research estimates parking camera market at around Rs 1.4 billion in FY 2017.

- Competition structure

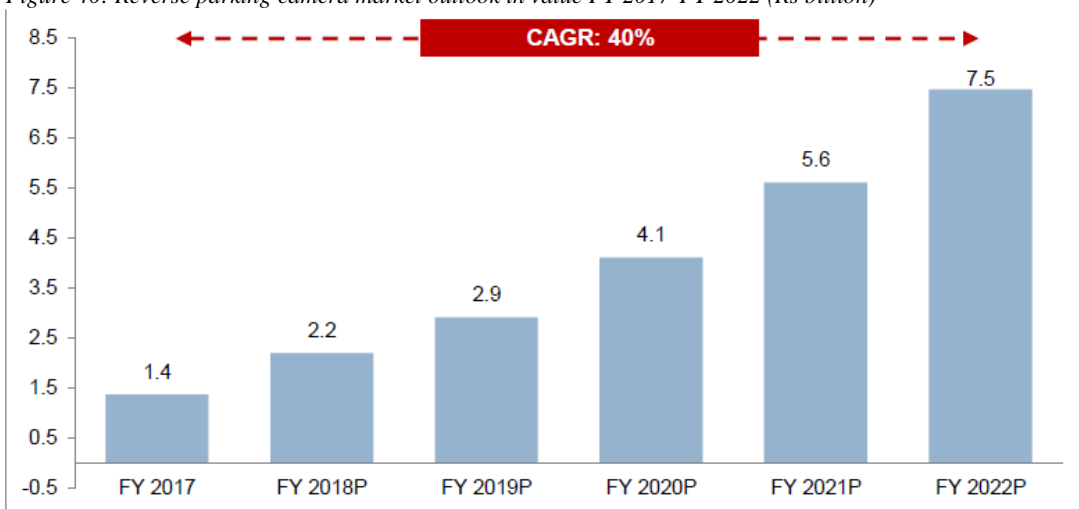
Reverse parking camera market is served by organised players like Mapletex corp, Autocop services and Bajaj autotronic.

- Reverse parking camera market outlook

Customer demand for high tech features, and growing preference for safety features in the vehicle to result in growth in penetration of reverse parking camera.

Improved volumes are expected to set in economies of scale bringing down average costing of parking cameras. CRISIL Research estimates parking camera market to grow at 39-41% CAGR reaching size of Rs 7.1-7.8 billion by FY2022 driven by increased penetration of parking cameras across all passenger vehicle segments.

Figure 40: Reverse parking camera market outlook in value FY 2017-FY 2022 (Rs billion)



P: Projected  
 Source: CRISIL Research

**f) Commercial vehicle vision systems market in India**

- *Review of commercial vehicle rear view mirror market in India*

Commercial vehicle rear view mirrors include inside rear view mirrors and outside rear view mirror. Inside rear view mirrors are primarily used in small commercial vehicle, light commercial passenger vehicles. Outside rear view mirror includes main mirror, wide angle mirror, close proximity mirror and front view mirror.

CRISIL Research estimates the commercial vehicles rear view mirror market catering to OEM demand at around Rs 0.9 billion in FY 2017. Average realisation for a pair of outside mirror ranges from Rs 900 to Rs 2500, depending upon the type of the mirror. Whereas average realisation for inside rear view mirror is around Rs. 100.

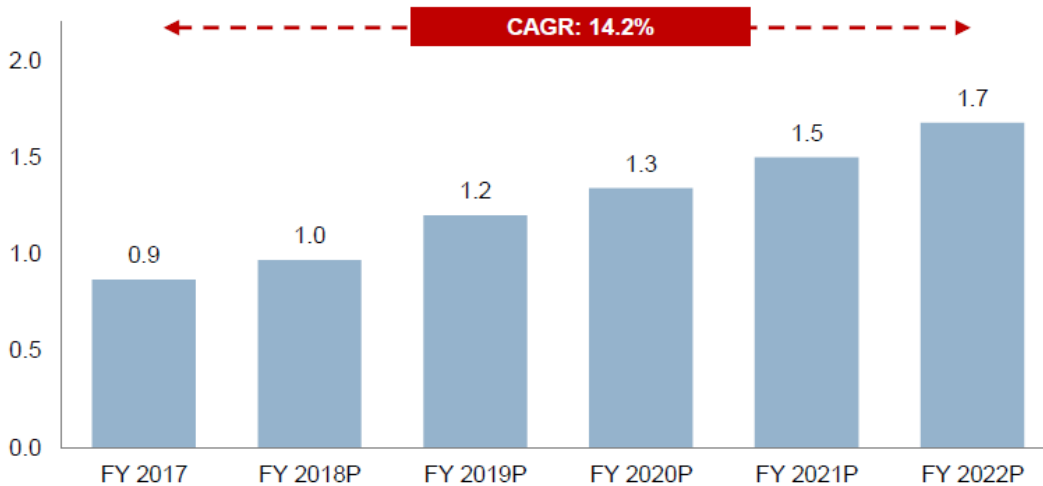
- *Competition structure*

The commercial vehicle rear view market is dominated by Sandhar technologies. Other player catering to this segment is Manas automotive systems.

- *Commercial vehicle rear view mirror market outlook*

Revision in Central Motor Vehicles Rules with regards to outside rear view mirror specifications is expected to result in increase in average realisation of mirrors in 2018 to Rs. 2000-2500 range. Accordingly, CRISIL Research estimates commercial vehicle rear view mirror market to grow at 14-15% CAGR reaching size of Rs 1.6 to 1.8 billion by FY2022, driven by pickup in light commercial vehicle demand and increase in average realisation till FY 2022.

Figure 41: Commercial vehicle rear view mirror market outlook in value FY 2017- FY 2022 (Rs billion)



P: Projected

Source: CRISIL Research

## 12. Outer door handles

- *Review of passenger vehicle door handles market in India*

CRISIL Research estimates passenger vehicle door handles market to be around Rs 3.4-3.7 billion in FY 2017. Average realisation for a set of four door handles ranges from Rs 200 to Rs 1200 depending upon the design (simple, body painted, chrome plated) and technology (mechatronics).

- *Competition structure*

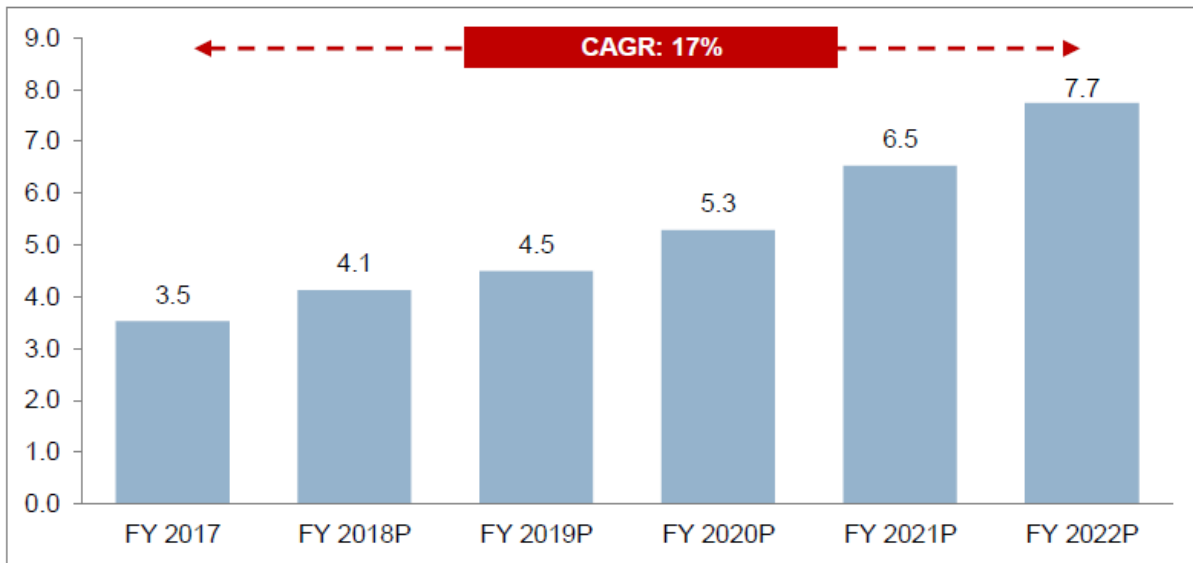
Minda Corporation, Minda Vast Access System, Sandhar Technologies, and SMR Automotive are key players in automotive door handles.

- *Passenger vehicle door handles market outlook*

Growing customer preference for electronic locking systems will result in advancement in the door handle technology leading to increased penetration of mechatronic door handles. Advancement in technology will drive higher average realisation from door handles.

CRISIL Research estimates door handles market to grow at 16-18% CAGR to reach Rs 7.4-8.1 billion by FY 2022.

Figure 42: Passenger vehicle door handles market outlook in value, FY 2017 to FY 2022 (Rs billion)



P: Projected

Source: CRISIL Research

### 13. Aluminium die castings

The automotive castings industry includes auto components manufactured through the process of metal casting. Casting sizes range from a few grams to several kilograms, depending on their functional applications. The desired dimensional accuracy and surface finish of castings can be achieved by the choice of process, its control and subsequent machining. Castings can be ferrous and aluminium.

Auto casting industry has 1:1 correlation with the automotive component industry. The amount of value addition done in ferrous casting is less, due to which the average realisation of the players is less. Indian foundries meet most of their raw material requirements indigenously, while importing specific grades required for automotive castings.

Aluminium die casted products are most prominently used in engine parts, transmission systems, suspension, wheels and steering systems. Realisation from aluminium castings is 3-4 times higher than from ferrous castings, given the difference in the quality of inputs used and the level of value addition.

- *Review of aluminium castings market in India*

The current market size for aluminium castings in India is around Rs 115 billion in FY 2017. Two wheelers accounted for 71% of aluminium die casting market, followed by passenger vehicle with 25% share and commercial vehicle with 4% share in value terms. Demand for aluminium die casted product stood at 0.43 million MT in FY 2017.

The realisation of automotive casting manufacturers is largely linked to the price movement of raw materials.

- *Competition structure*

Aluminium diecasting industry has presence large number of players. Key players include Rockman Industries, Sunbeam Auto Private, Alicon Castalloy, Sundaram Clayton, Endurance Technologies etc.

- *Structural changes to brighten future prospects*

In the recent years, two-wheeler and car manufacturers have switched from ferrous to aluminium castings (for key parts such as engine heads, blocks and gearbox housings), which reduces the vehicle weight by 25-30% and improves fuel efficiency. Such a switch may, however, be not possible in the case of higher-tonnage vehicles, due to strength, weight-carrying capacity and criticality of the parts. Higher cost is another key consideration, even as benefits from a lower vehicle weight are higher.

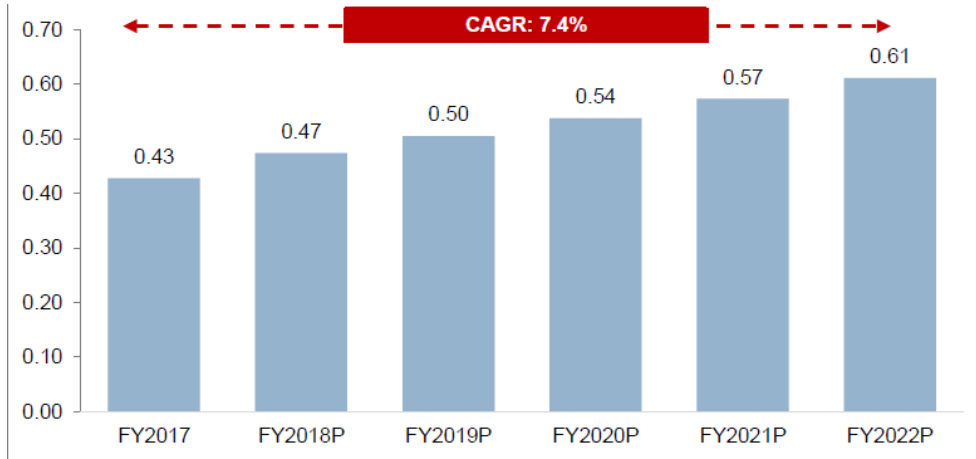
Given these considerations, MHCV and tractor manufacturers are unlikely to start using non-ferrous castings, at least in the near term, due to higher vehicle usage, need for longer economic life, requirement for higher load-carrying capacity, and overloading. The global shift towards aluminium for some transmission parts of MHCVs, may induce a change in India over the next decade, boosting the prospects for non-ferrous castings domestically. Magnesium castings are also emerging as an alternative, but these currently have a minimal share in the industry's output, catering to niche applications. CRISIL Research

believes it that will be some time before players shift to magnesium castings, given the cost and technical challenges involved in integrating these castings in a vehicle.

- Aluminium castings market outlook

Automotive aluminium castings sales volume (in tonnage terms) is projected to grow 6-7% to reach Rs 0.58-0.64 million MT by FY 2022.

Figure 43: Aluminium die casting market outlook in volume, FY 2017 to FY 2022 (million MT)



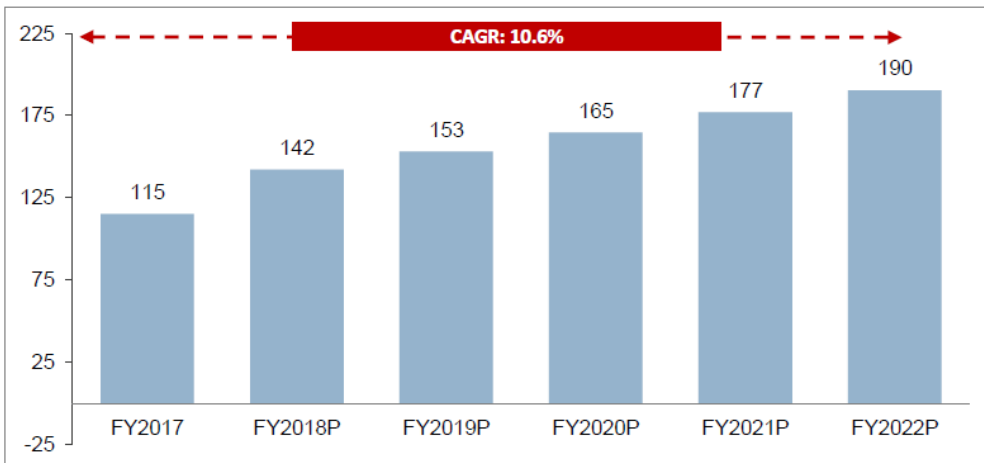
P: Projected

Source: CRISIL Research

CRISIL Research expects raw material prices to remain subdued due to weak global demand for steel. However, manpower, power and fuel, other manufacturing expenses, consumables and other overhead costs are expected to exert pressure on prices. Average realisation per steel and alloy wheel is expected to grow at 2-4% CAGR over forecasted period.

Automotive aluminium castings market is expected to grow at 10-11% CAGR during FY 2017 to FY 2022 period in value terms to reach Rs. 190 billion by FY 2022

Figure 44: Aluminium die casting market outlook in value, FY 2017 to FY 2022 (Rs billion)



P: Projected

Source: CRISIL Research

#### 14. Operator cabins and fabrications

Construction equipment and agricultural equipment OEMs outsource operator cabin fabrication and fabrication of components, such as buckets, shovels and arms, to third-party suppliers. Operator cabin fabrication involves assembly of several components, such as steel cabins, wiring harnesses, glass, locks and plastic parts. Operator cabin fabrication is a capital-intensive business and requires technical knowhow to fabricate protective structures. Proximity to construction equipment OEM is considered to be critical.

- A review of the operator cabin and fabrications market in India

CRISIL Research estimates the operator cabin and fabrication market to be around Rs. 5.1-5.6 billion in FY 2017. The average realisation for an operator cabin is Rs. 60,000 to 80,000, depending on the type of construction equipment and cabin specification. The average realization per cabin can be as high as Rs. 200,000 based on specifications. The fabrication intensity generally ranges between Rs. 20,000 and Rs. 40,000, based on the type of equipment.

- *Competition*

SKH SIAC and Sandhar Technologies are the largest players in operator cabins market. However Sandhar Technologies dominates the excavator cabins market.

- *Operator cabin and fabrications market outlook*

Industrial investments in India are expected to remain muted over FY 2018 to FY 2022; however, infrastructure spending is expected to pick up traction following the government’s initiatives, such as:

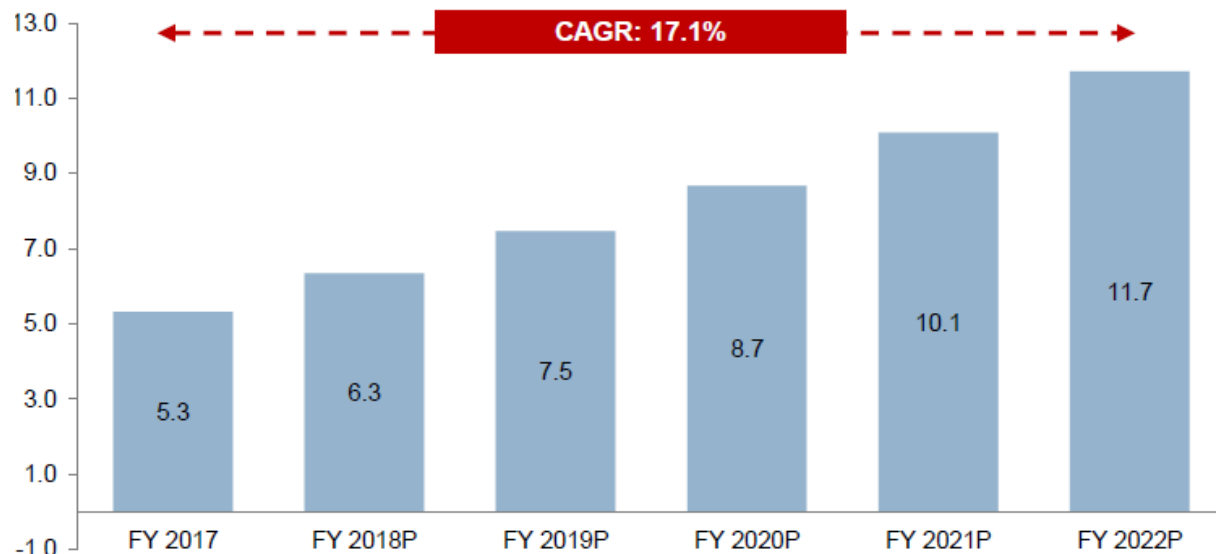
- Introduction of new schemes, such as Smart Cities Mission, Pradhan Mantri Gramin Awaas Yojana (PMAY) and Swacch Bharat
- Streamlining of existing schemes, such as Atal Mission for Rejuvenation and Urban Transformation (AMRUT), clubbing four major irrigation schemes under Pradhan Mantri Krishi Sinchai Yojana (PMKSY)
- Awarding national highway projects only after 80-90% of the required land is in the government’s possession
- Launching of schemes, such as rescheduling premiums in road projects and permitting developers to offload stake in the build-operate-transfer projects, to help developers improve cash flows and repay debt

CRISIL Research expects the construction industry to grow at a 12-13% CAGR over FY 2018 to FY 2022. CRISIL Research forecasts the construction equipment market to grow in line with the construction industry.

Metal prices should remain subdued due to weak global demand. However, manpower, power and fuel, other manufacturing expenses, consumables and other overhead costs are expected to exert pressure on prices.

CRISIL Research estimates the operator cabin and fabrications market to grow at a CAGR of 16-18% to Rs. 11-12.3 billion by FY 2022.

Figure 45: Operator cabin and fabrications market outlook in value, FY 2017 to FY 2022 (Rs. billion)



P: Projected  
Source: CRISIL Research

## 15. Wheels

### c) Two wheelers wheels market in India

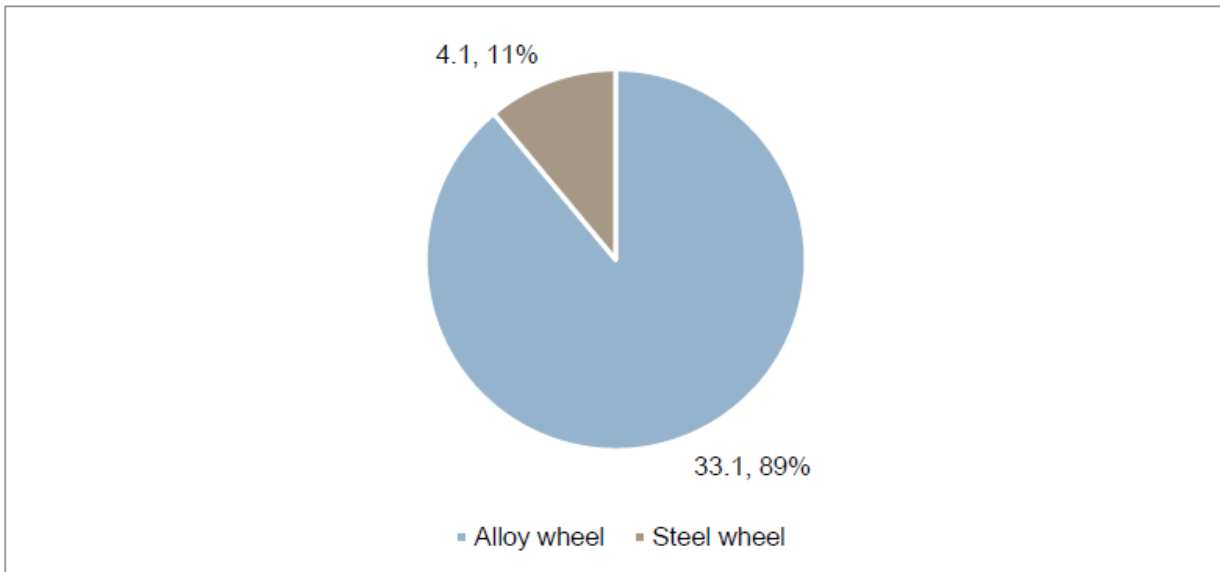
Two-wheelers (2Ws) and passenger vehicles primarily use steel and alloy wheels. Steel wheels are pressed from steel billets. Alloy wheels are aluminium/magnesium-casted products. Steel wheels dominated the global automobiles industry historically. However, alloy wheels have gained prominence globally since the beginning of the 21st century on account of their lighter weight (20-30% lighter than steel wheels) and aesthetic appeal.

- *Review of the two wheeler wheels market in India*

The current market size for two wheeler wheels produced in India is around Rs 37.2 billion, with alloy wheels accounting for 89% of the two wheeler wheels market in value terms.

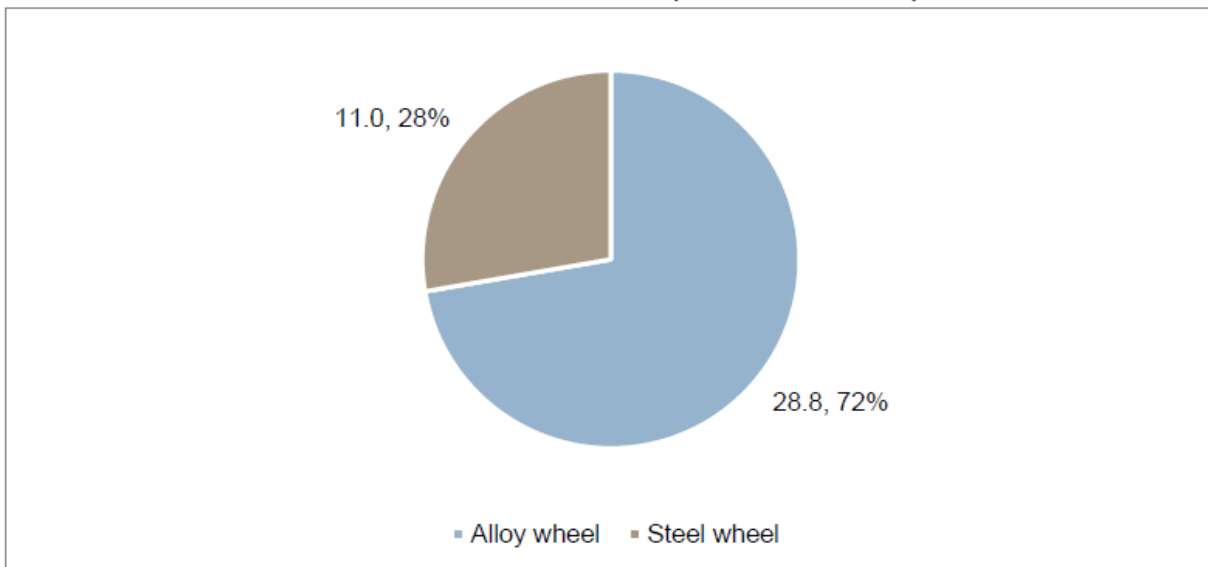
Alloy wheels had ~72% volume share in overall 2W wheels market in FY 2017.

Figure 46: Two wheeler wheels market in value, FY 2017 (Rs 37.2 billion)



Source: CRISIL Research

Figure 47: Two wheeler wheels market in volume, - FY 2017 (39.9 million units)



Source: CRISIL Research

- *Competition structure*

The two wheeler steel wheels market is marked by the presence of 2-3 large players catering to OEM demand. Sandhar Technologies, Yoshika Engineering and Neel Metals are leading players in the steel wheels market

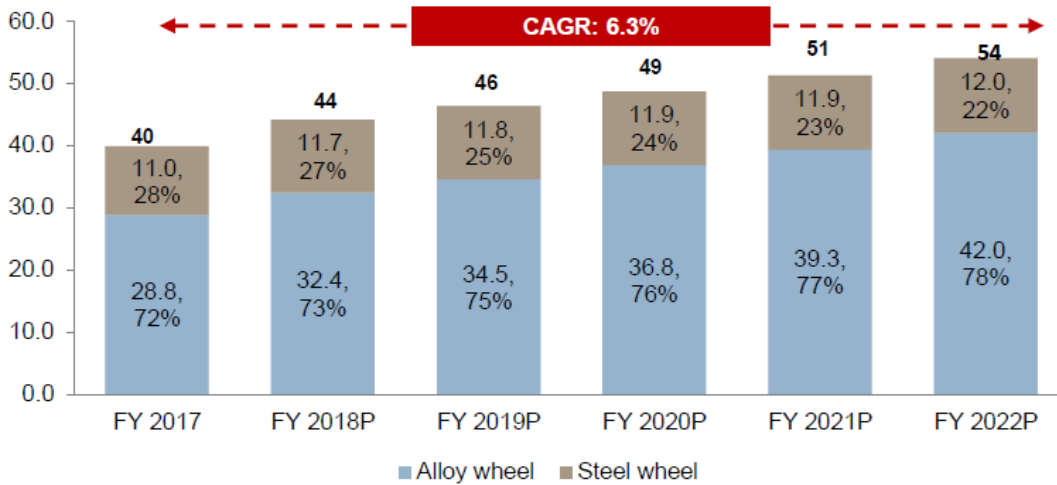
Alloy wheels segment is catered by 2-3 large players. Key players include Rockman Industries, Enkei Wheels and Endurance Technologies. The alloy wheels OEM market is also catered by imports from China.

- *Two wheeler wheels market outlook*

Alloy wheels volume is estimated to grow at 7-9% CAGR between FY2017 and FY2022, whereas steel wheels is expected to grow by 2-3% CAGR. Customer demand for vehicle aesthetics is expected to drive demand for alloy wheels over the period.

As of FY 2017, penetration of alloy wheels stood at around 72%. CRISIL Research estimates this to improve by 5-7% to reach ~78% by FY 2022. Increase in penetration along with growth in volume is expected to drive the demand for alloy wheels.

Figure 48: Two wheeler wheels market outlook in volume, FY 2017 to FY 2022 (million units)



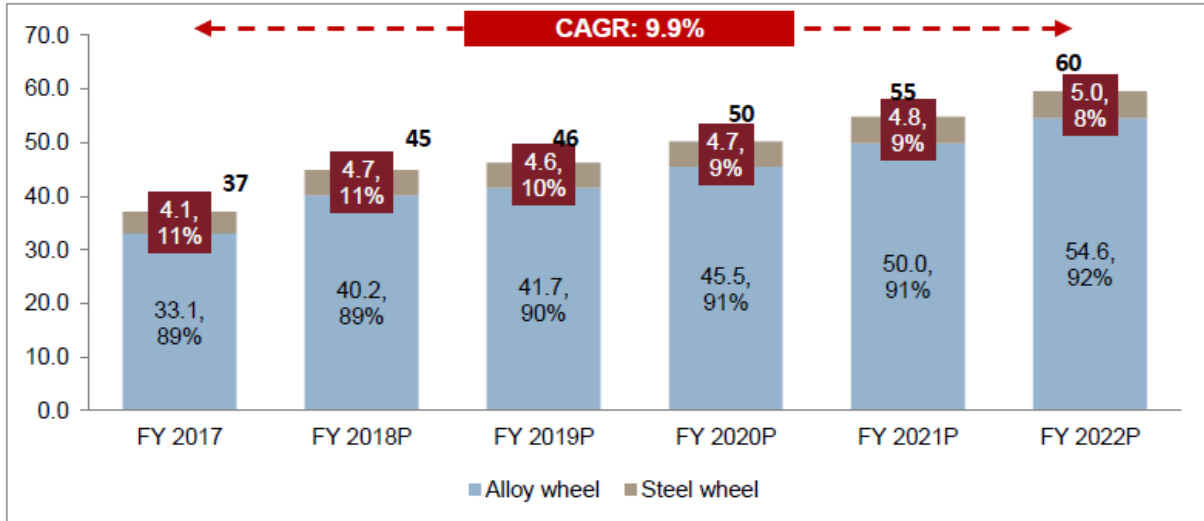
P: Projected

Source: CRISIL Research

CRISIL Research expects raw material prices to remain subdued due to weak global demand for steel. However, manpower, power and fuel, other manufacturing expenses, consumables and other overhead costs are expected to exert pressure on prices. Average realisation over forecasted period expected to be at 2-4% CAGR.

CRISIL Research expects the market size for wheels in value terms to grow at 9-11% CAGR over the next five years based on projections of volume and increase in average price realisation in alloy wheels. Alloy wheels market is expected to reach Rs 52-57 billion, whereas steel wheels market is expected to be in Rs 4.7-5.2 billion range.

Figure 49: Two wheeler wheels market outlook in value, FY 2017 to FY 2022 (Rs billion)



P: Projected

Source: CRISIL Research

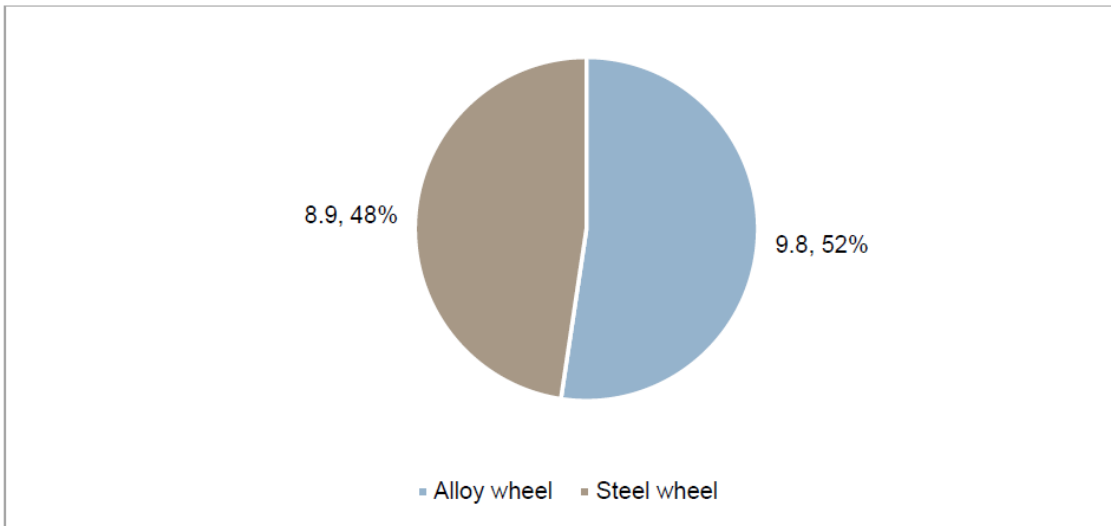
#### d) Passenger vehicle wheels market in India

- Review of passenger vehicles wheels market in India

The current market size for wheels used in passenger vehicles produced in India is Rs 17.5-19.5 billion with alloy wheels accounting for 52% of the passenger vehicle wheels market in value terms.

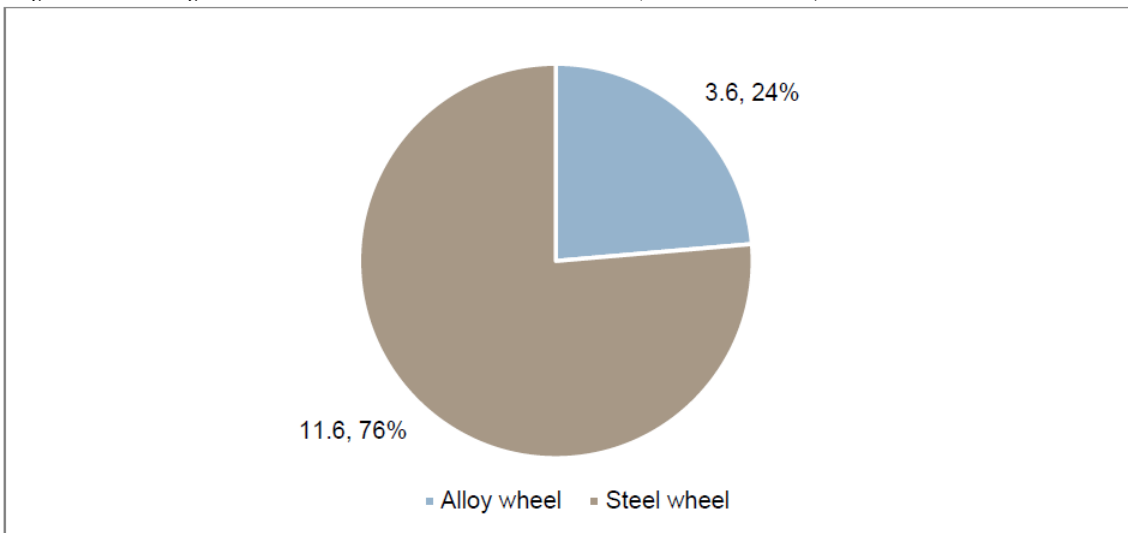
Alloy wheels had ~24% volume share in overall passenger wheels market in FY 2017.

Figure 50: Passenger vehicle wheels market in value, FY 2017 (Rs 18.7 billion)



Source: CRISIL Research

Figure 51: Passenger vehicle wheels market in volume, FY 2017 (15.2 million units)



Source: CRISIL Research

- *Competition structure*

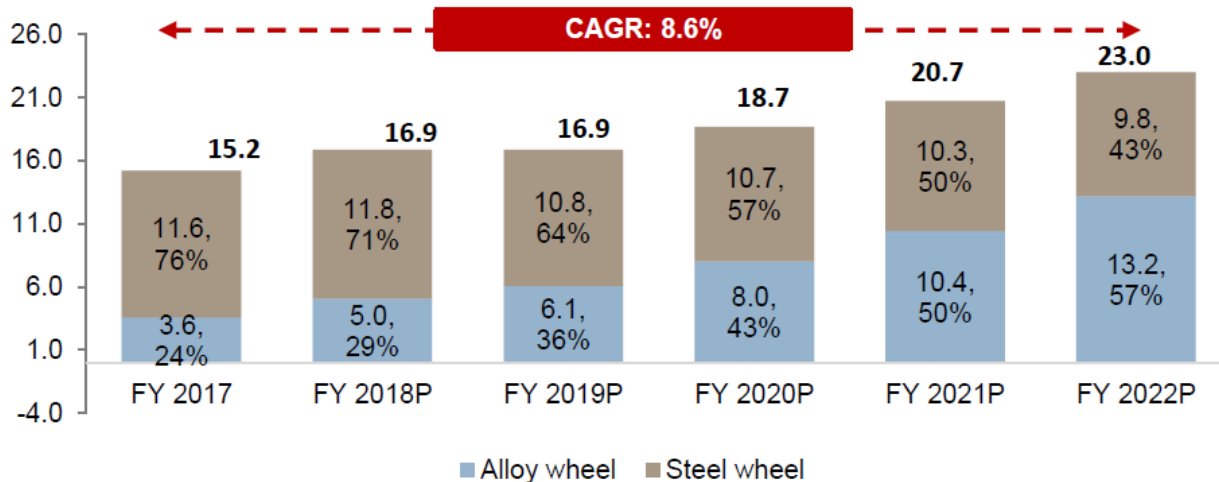
The passenger vehicles steel wheel market is dominated by Wheels India and Steel Strips Wheels. Alloy wheels segment is catered by 3-4 large players including Enkei Wheels, Minda Kosei and Synergy Wheels.

- *Passenger vehicles wheels market outlook*

Alloy wheels volume is estimated to grow at 28-32% CAGR between FY2017 and FY2022, whereas steel wheels demand is expected to drop by 3-4% CAGR. Growing customer demand for vehicle aesthetics will support demand for alloy wheels. Accordingly, volume share of alloy wheels is expected to grow from 24% to 57% during the period.

Figure 52: Passenger vehicle wheels market outlook in volumes FY 2017 to FY 2022 (million units)



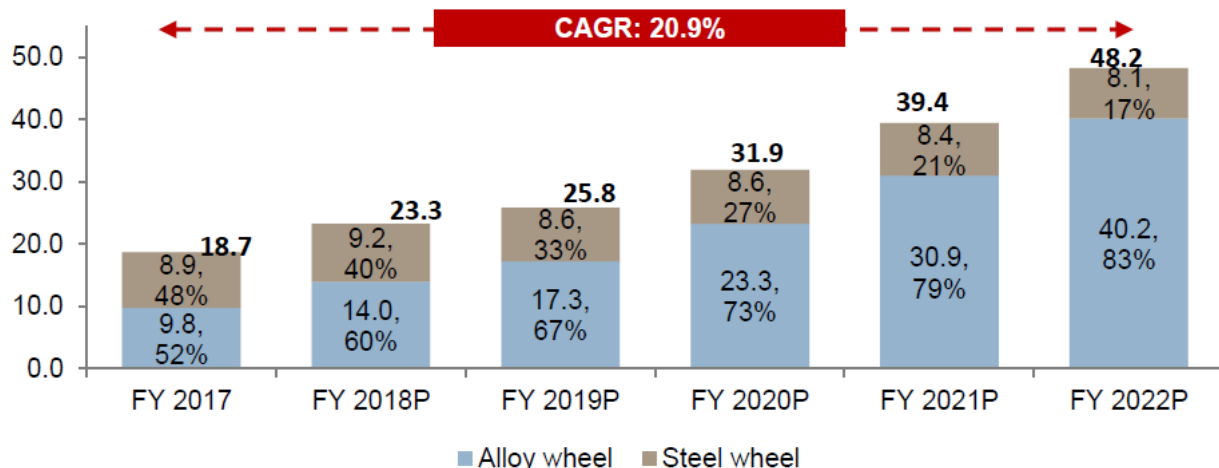


P: Projected  
Source: CRISIL Research

CRISIL Research expects raw material prices to remain subdued due to weak global demand for steel. However, manpower, power and fuel, other manufacturing expenses, consumables and other overhead costs are expected to exert pressure on prices. Average realisation per steel and alloy wheel is expected to grow at 2-4% CAGR over forecasted period.

CRISIL Research expects the market size for wheels in value terms to grow at 20-22% CAGR over the next five years based on projections of volume and increase in average price realisation in alloy wheels. Passenger vehicle alloy wheels market is expected to reach Rs 38-42 billion, whereas steel wheels market is expected to be in Rs 7.7-8.5 billion range.

Figure 53: Passenger vehicle wheels market outlook in value, FY 2017 to FY 2022 (Rs billion)



P: Projected  
Source: CRISIL Research

## 16. Relays

A relay is an electrically operated switch that allows a small current in one circuit to control a greater flow of current in another circuit. Relays are used to control a circuit by a separate low-power signal, or where several circuits must be controlled by one signal. Electromagnetic and solid state relays are used in automotive applications.

### Review of two wheeler relays market in India:

As of FY 2017, CRISIL Research estimates the market size of relays produced for two-wheelers in India to be about Rs. 1.3 - 1.5 billion. Motorcycles accounted for 63% share in relay value for two-wheelers in FY 2017, while scooters and mopeds accounted for 34% and 3%, respectively.

- Competition structure

The two-wheeler relays segment is marked by the presence of many local players which cater to the OEM market. However, Anu Industries Ltd is the leader in the organised segment. Other organised players include BG LI-IN Electricals.

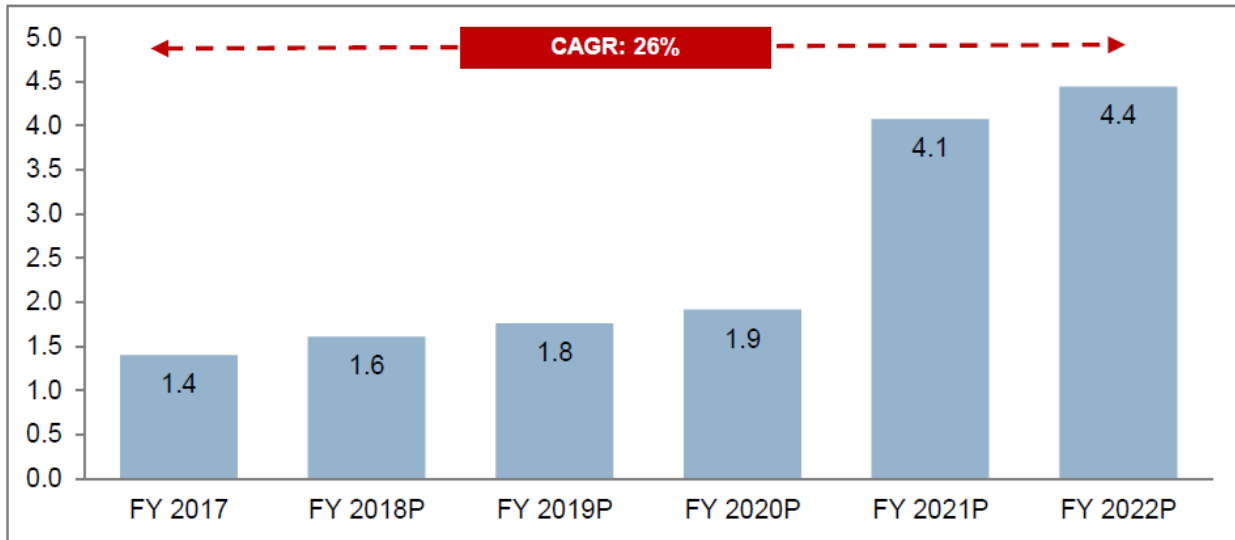
- 2W relay market outlook

The value of the two wheeler relays market is estimated to grow at a CAGR of 25-27% between FY 2017 and FY 2022 in line with the growth in two wheeler demand.

Growth is expected to be robust in FY 2021, due to the implementation of BS VI emission norms from April 1, 2020. The fuel injection system, to be used under the BS VI emission norms, will lead to an increase in the intensity of usage of relays in two wheelers.

The current usage of relays in a two wheelers is estimated to be ~2-4, with the usage of relays expected to double by FY 2022. CRISIL Research expects the market size of relays to grow at a 25-27% CAGR over FY 2017 to FY 2022 period, based on the projections of two-wheeler volume and average price realisation. In FY 2022, the market size of relays for produced in India is projected to be in Rs 4.2-4.7 billion.

Figure 54: Two wheeler relay market outlook in value, FY 2017 to FY 2022 (Rs. billion)



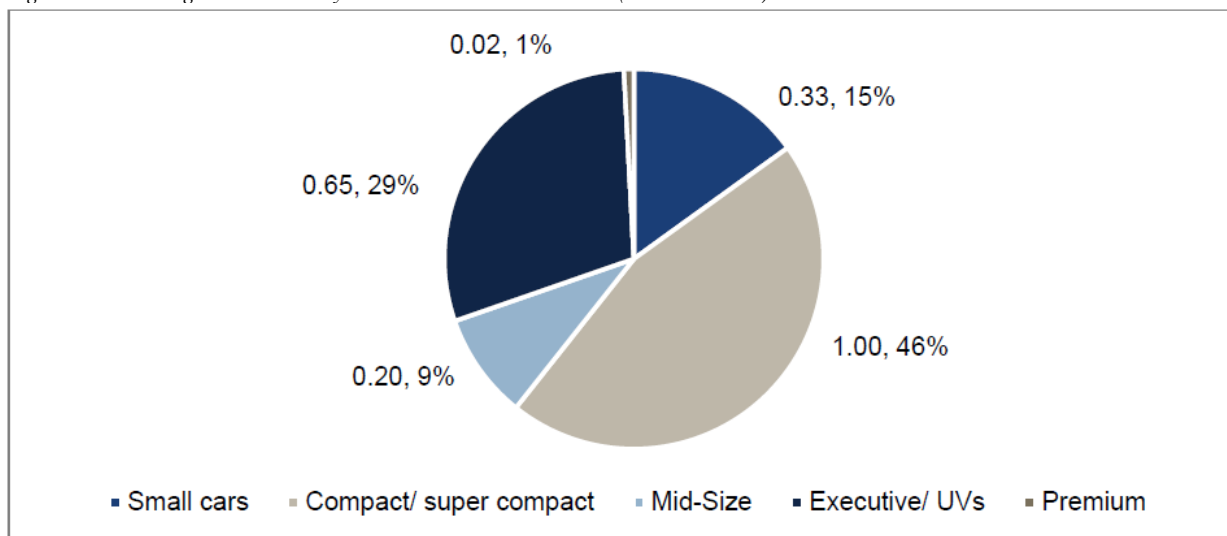
P: Projected

Source: CRISIL Research

**Review of passenger vehicles relays market in India:**

As of FY 2017, CRISIL Research estimates the market size of relay’s produced for passenger vehicles in India at about Rs 2.1-2.3 billion. The Seventh Pay Commission pay-outs during the latter part of FY 2017 provided additional support, while demonetisation restricted the industry’s growth.

Figure 55: Passenger vehicle relays market FY 2017 value mix (Rs. 2.2 billion)



Source: CRISIL Research

There are two types of electromagnet relays used in a passenger vehicles - plug-in relays and printed circuit board (PCB)

relays. However, demand for plug-in relays is 85-90% for passenger vehicles and the share of PCB relays is marginal.

- *Competition structure*

The passenger vehicle relays segment has 3-4 large players, which cater to OEMs. O E N India is the largest player, with others including Sandhar Technologies and BG LI-IN Electricals. The OEM market is also catered to by global players such as Denso, Omron Automation, Tyco International and Panasonic.

- *Passenger vehicle relay market outlook*

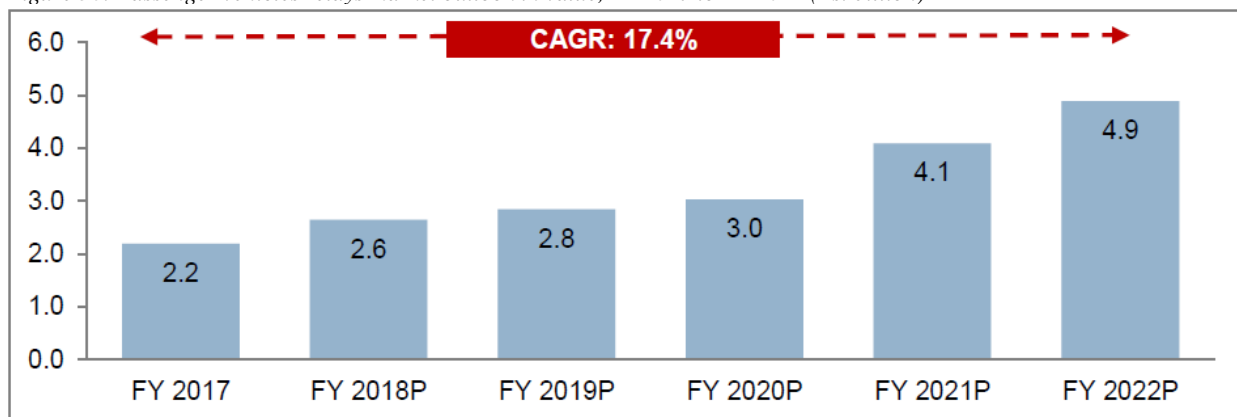
The value of the passenger vehicle relays market is estimated to grow at a CAGR of 15-17% between FY 2017 and FY 2022, based on the following factors:

- An improvement in rural incomes, coupled with marginally lower cost of ownership because of lower tax rates (1-2%) post-GST rollout and stable fuel prices, is expected to aid rural sales.
- In the next five years, CRISIL Research expects the affordability to improve, with economic growth and ownership cost expected to remain subdued with no estimated sharp rise in crude oil prices.
- Greater affordability is expected to raise the number of addressable households to 94 million in 2021-22 from 73 million currently. Consequently, vehicle penetration in India is expected to rise from the current estimated levels of 20 vehicles per 1,000 population to 25-27 vehicles in the next five years.
- On the contrary, compliance with the BS VI emission norms as well as various mandatory safety features (under consideration) are expected to lead to higher vehicle prices in the long run.

CRISIL Research expects the size of the relays market to grow at a 16-18% CAGR over FY 2017 to FY 2022 period, based on the projections of passenger vehicle volume and average price realisation. In FY 2022, the market size of passenger vehicle relays produced in India is projected to be around Rs. 4.9 billion.

In the long run, plug-in relays are expected to be replaced by PCB relays to meet with the global standards. However, due to no visible price differential, there is no impact on the value of the relays industry.

Figure 56: Passenger vehicles relays market outlook in value, FY 2017 to FY 2022 (Rs. billion)



P: Projected

Source: CRISIL Research

## 17. Filters

CRISIL Research estimates, the filter market catering to original equipment manufacturers (OEMs) of passenger vehicles (PVs) and two-wheelers (2Ws) was Rs 4.7-5.2 billion in FY 2017, with PVs comprising 63% share.

There are four types of filters - air filter, oil filter, fuel filter and cabin filter.

### e) *Air filters*

Air filters are used to prevent dust particles from entering the engine. These are typically in three shapes - radial, axial and panel. Radial filters are used in carbureted engines, axial filters in electronic injection engines, and panel filters in present-day cars.

#### *Review of two wheeler air filter market in India*

The two wheeler air filter market catering to OEM demand was ~Rs 0.71 billion in FY 2017, with average realisation ~Rs 35. The life of a two wheeler air filter is typically 12,000-20,000 km.

- *Value mix of two wheeler air filter market in FY 2017*

Motorcycles comprised 67% share of the air filter market, in value terms, in FY 2017, with scooters and mopeds accounting for 30% and 3% share, respectively.

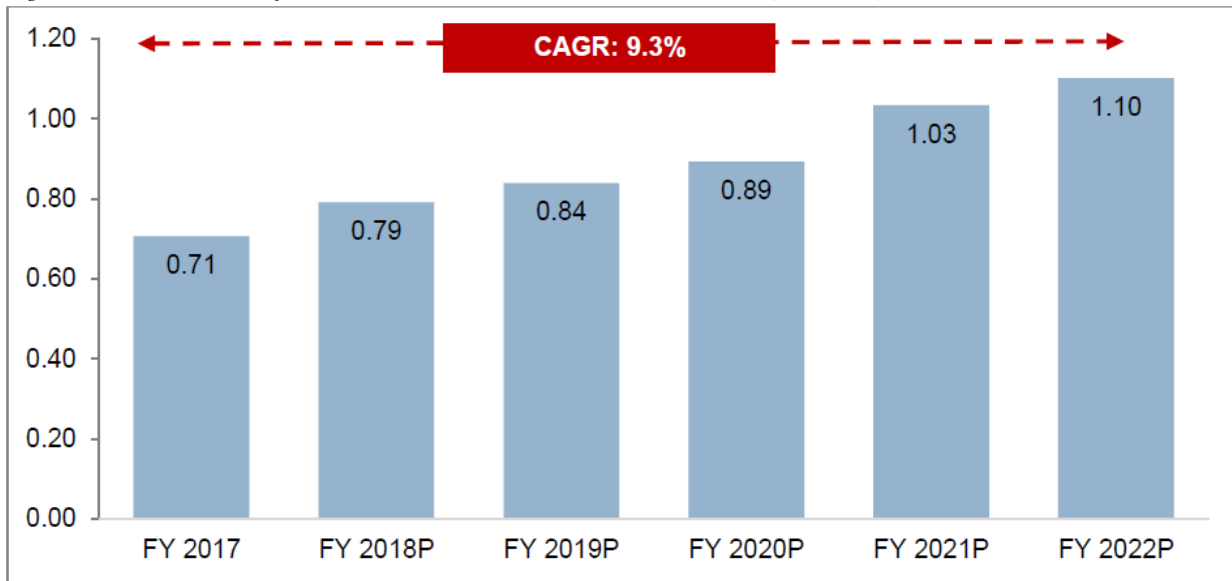
- *Competition structure*

The air filter market is dominated by foreign players, such as Bosch and Mahle Filter System. Key Indian players include Elofic Industries and Minda Automotive Solutions.

- *Two wheeler air filter market outlook*

CRISIL Research projects the two wheeler air filter market to grow at 9-10% CAGR to Rs 1.1-1.16 billion by FY 2022, in line with two wheeler demand.

Figure 57: Two wheeler air filter market outlook in value, FY 2017 to FY 2022 (Rs. billion)



P: Projected

Source: CRISIL Research

Over the period, two wheeler demand will be supported by improvement in affordability on account of lower commodity and fuel prices, rising urban and rural incomes, improvement in road connectivity, and growing women participation in the workforce. Also boosting two wheeler demand will be improved finance penetration with the rise in captive financing (financing schemes provided by automobile OEM-affiliate companies to customers) by automobile OEMs and deeper penetration into tier-III and -IV cities.

During the period, air filter prices are projected to inch up with the implementation of Bharat Stage (BS)-VI norms, as the stringent specifications are expected to increase the prices of filter paper media.

### **Review of PV air filter market in India**

CRISIL Research estimates the PV air filter market catering to OEM demand at ~Rs 0.57 billion in FY 2017, with average realisation at ~Rs 150. The lifespan of a PV air filter is 20,000-40,000 km.

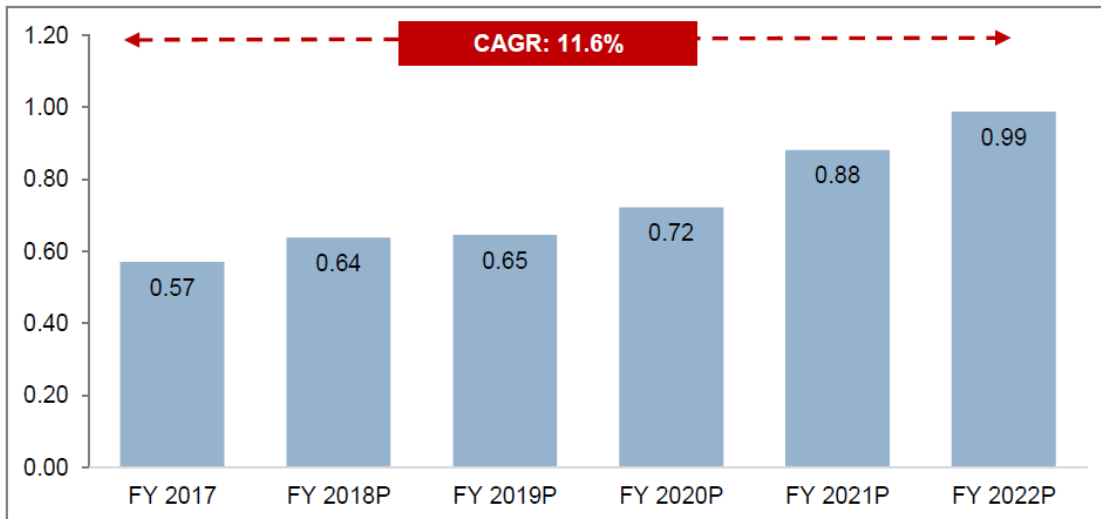
- *Competition structure*

The filter market is dominated by foreign players, such as Mahle Filter System and Bosch. Key Indian players include Elofic Industries and Minda Automotive Solutions.

- *PV air filter market outlook*

CRISIL Research forecasts the PV air filter market to grow at 11-12% CAGR to Rs 0.94-1.04 billion by FY 2022, in line with PV production.

Figure 58: Passenger vehicle air filter market outlook in value, FY 2017 to FY 2022 (Rs. billion)



P: Projected

Source: CRISIL Research

- Demand for PVs will be driven by:
  - Improved affordability owing to low inflation expected in commodity prices and low fuel prices, and
  - Rising demand in urban as well as rural areas owing to increase in income levels

Over the period, air filter prices are expected to inch up with the implementation of BS-VI norms, as stringent specifications are expected to increase the cost of filter paper media.

#### f) Oil filters

Oil filters are used in two wheelers and passenger vehicles to remove contaminants from the engine oil. There are two types of oil filters - spin on type, which is a cartridge surrounded by steel capsule that enables direct fitting onto the vehicle engine, and filter insert type, wherein the oil filter housing is connected permanently to the engine block. Filter insert type is most-suited for modern vehicles.

#### Review of two wheelers Indian oil filters market

CRISIL Research estimates the two wheeler oil filters market catering to OEM demand was ~Rs 27.5 million in FY 2017, with average realisation for an oil filter at ~Rs 20. The lifespan of a two wheelers oil filter is ~10,000 km.

- Two wheelers oil filter market in 2016-17

Motorcycles comprised 100% share of the two wheelers oil filter market, in value terms, in FY 2017.

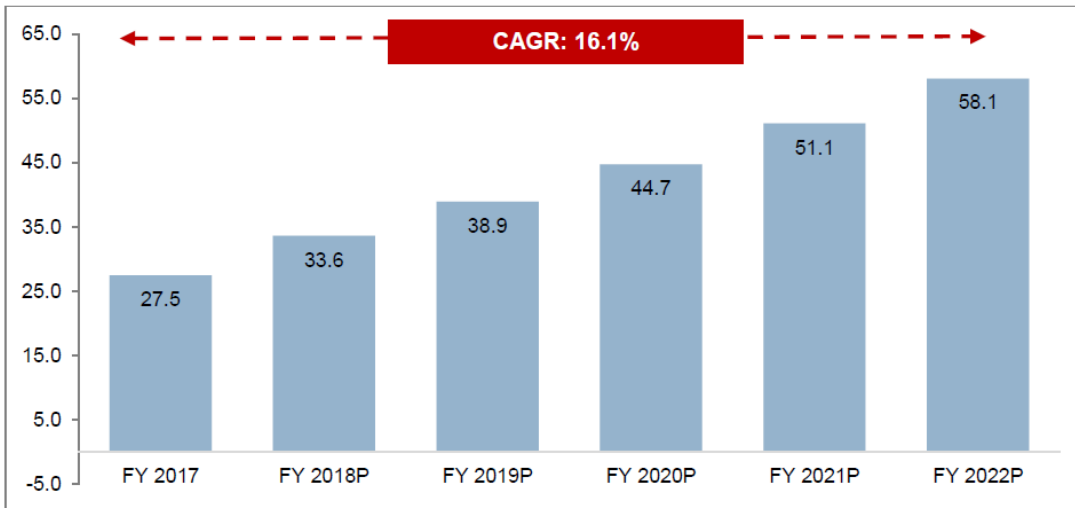
- Competition structure

The oil filter market is dominated by foreign players such as Bosch and Mahle Filter System. Key Indian players include Elofic Industries and Minda Automotive Solutions.

- Two wheeler oil filter market outlook

CRISIL Research expects the two wheelers air filter market to grow at 15-17% CAGR to Rs 55-61 million by FY 2022, in line with two wheelers demand. During the period, the price of filter paper media is projected to increase by 10%, as under BS-VI better quality filters will be required.

Figure 59: Two wheeler oil filter market outlook in value, FY 2017 to FY 2022 (Rs. million)



P: Projected

Source: CRISIL Research

### Review of passenger vehicle oil filters market in India

CRISIL Research estimates the PV oil filters market catering to OEM demand at ~Rs 0.25 billion in FY 2017, with average realisation at ~Rs 60 for petrol vehicles and ~Rs 72 for diesel vehicles. The lifespan of a petrol oil filter is ~40,000 km and that of a diesel oil filter is ~20,000 km.

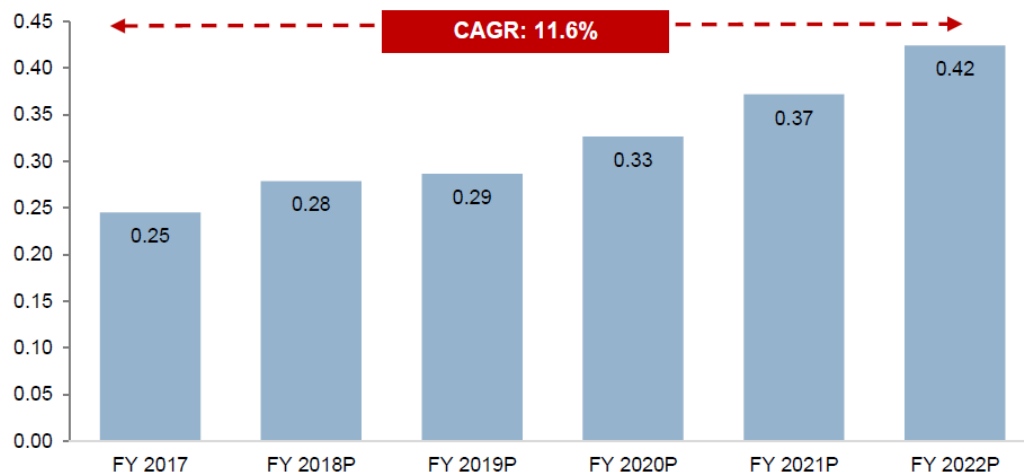
- *Competition structure*

The filter market is dominated by foreign players, such as Bosch and Mahle Filter System. Key Indian players include Elofic Industries and Minda Automotive Solutions.

- *PV oil filter market outlook*

CRISIL Research projects the PV oil filter market to grow at 11-12% CAGR to Rs 0.4-0.45 billion by FY 2022, in line with PV production. Over the period, the price of filter media is expected to increase by 10%, owing to better quality filters required with the implementation of BS-VI norms.

Figure 60: Passenger vehicle oil filter market outlook in value, FY 2017 to FY 2022 (Rs. billion)



P: Projected

Source: CRISIL Research

### g) Fuel filters

Fuel filters are used to clean dirt and rust particles, and other contaminants from the fuel.

### Review of two wheeler fuel filters market in India

CRISIL Research estimates the two wheeler fuel filter market catering to OEM demand was ~Rs 0.43 billion in FY 2017,

with average realisation for an air filter at ~Rs 25.

Motorcycles accounted for 73% share of the air filter market in value terms in FY 2017, with scooters comprising the remaining shared.

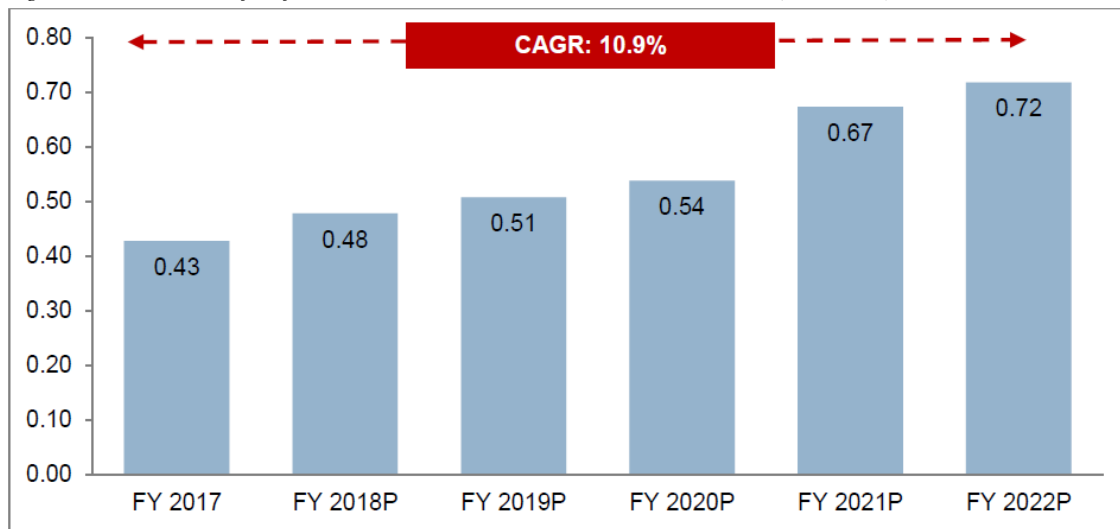
- *Competition structure*

The fuel filter market is dominated by foreign players, such as Bosch and Mahle Filter System. Key Indian players include Elofic Industries and Minda Automotive Solutions.

- *Two wheeler fuel filter market outlook*

CRISIL Research projects the two wheeler fuel filter market to grow at 10-12% CAGR to Rs 0.68-0.75 billion by FY 2022, which is in line with two wheeler demand. During the period, the price of filter media is forecast to increase by 10% as better quality filters will be required under BS-VI.

Figure 61: Two wheeler fuel filter market outlook in value, FY 2017 to FY 2022 (Rs. billion)



P: Projected

Source: CRISIL Research

### **Review of PV fuel filter market in India**

CRISIL Research estimates the PV fuel filter market catering to OEM demand at ~Rs 0.68 billion in FY 2017, with average realisation of a petrol filter at ~Rs 100 and that of a diesel filter at ~Rs 290. The lifespans of petrol and diesel filters are ~40,000 km and ~20,000 km, respectively.

PV petrol filters are used to filter the smallest particles. Diesel filters are used to separate water contained in diesel. Diesel filters are available in two types - spin-on and filter insert.

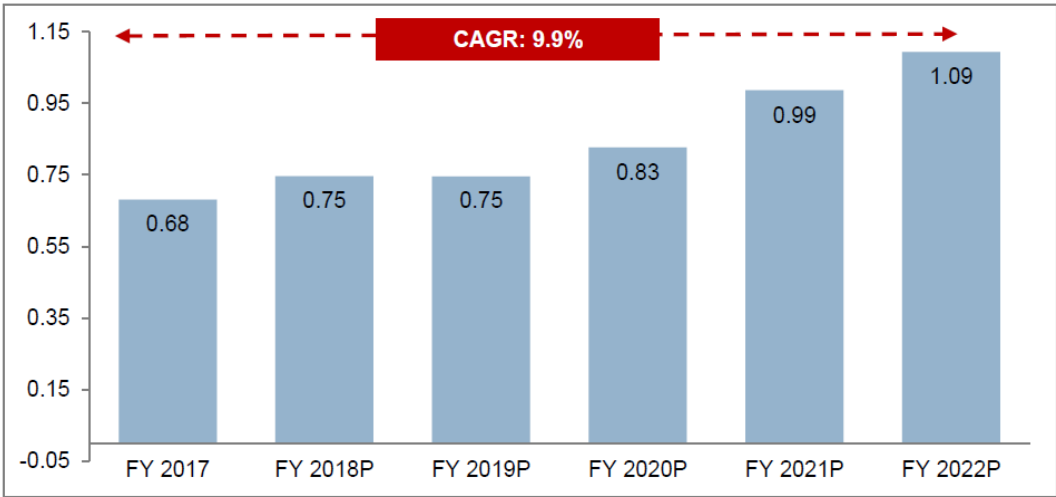
- *Competition structure*

The fuel filter market is dominated by foreign players, such as Bosch and Mahle Filter System. Key Indian players include Elofic Industries and Minda Automotive Solutions.

- *PV fuel filter market outlook*

CRISIL Research forecasts the PV fuel filter market to grow at 9-11% CAGR to Rs 1.04-1.15 billion by FY 2022, which is in line with PV production. Over the period, filter media prices will inch up as under BS-VI common rail diesel systems will require better fuel filtration systems.

Figure 62: Passenger vehicle fuel filter market outlook in value, FY 2017 to FY 2022 (Rs. billion)



P: Projected  
 Source: CRISIL Research

**h) Cabin filters**

Cabin air filter is used to prevent pollutants from entering the air conditioning system.

**Review of PV cabin filter market in India**

CRISIL Research estimates the PV cabin filter market catering to OEM demand was ~Rs 0.46 billion in FY 2017, with average realisation at ~Rs 120. The lifespan of a cabin filter is ~40,000 km.

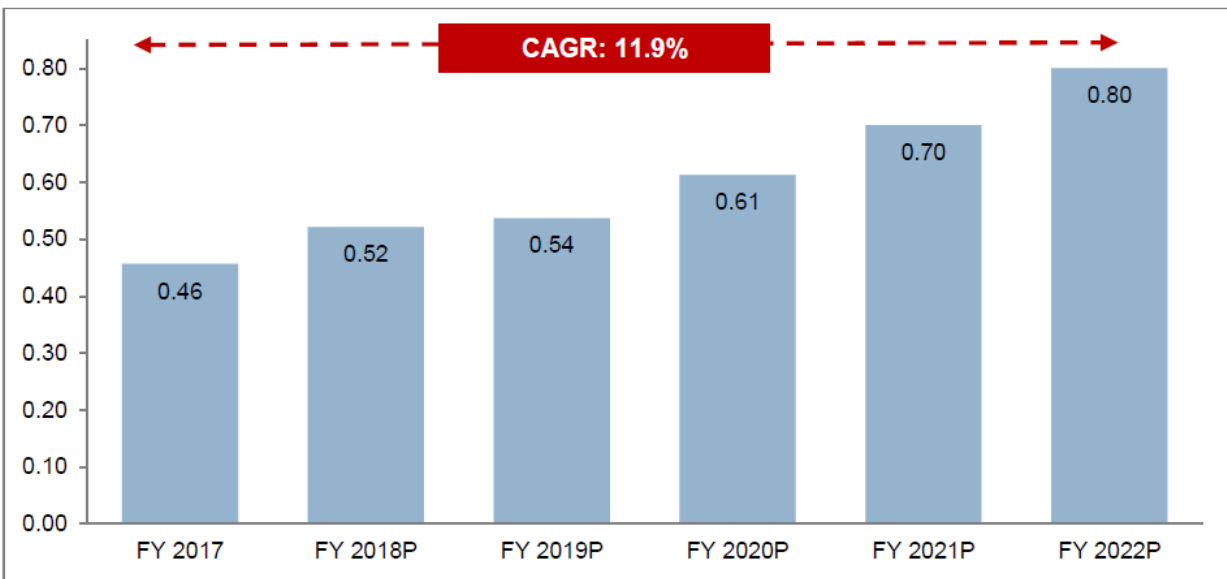
- *Competition structure*

The filter market is dominated by foreign players, such as Bosch and Mahle Filter System. Key Indian players include Elofic Industries and Minda Automotive Solutions.

- *PV cabin filter market outlook*

CRISIL Research expects the PV cabin filter market to grow at 11-13% CAGR to Rs 0.76-0.84 billion by FY 2022, which is in line with PV production.

Figure 63: PV cabin filter market outlook in value, FY 2017 to FY 2022 (Rs. billion)



P: Projected  
 Source: CRISIL Research

**18. Fuel delivery modules**



The fuel-supply system provides the necessary amount of fuel from the tank to the injection system at a specific design pressure. Fuel delivery module (FDM) is an integral part of fuel supply system with fuel pump, fuel reservoir, float, level sender, and a strainer.

There are two types of fuel modules: one with and the other without a fuel pump. All petrol passenger vehicles (PVs) have a fuel pump in the FDM that supplies fuel with enough pressure to inject it into the cylinder. For petrol vehicles, a single pump will suffice due to the lower pressure required. Some vehicles do not use fuel pumps within the FDM. Instead, the pump is located at the front near the engine. This variation is currently present in some diesel vehicles where the low-pressure pump feeds the high-pressure pump required for diesel engines. Such variants are declining and very few FDMs are produced currently. Most two-wheelers don't require a fuel pump if they are carburettor-based systems which account for 98% of the sales currently.

### Review of two-wheeler FDM market in India

CRISIL Research estimates the two-wheeler FDM market catering to OEM demand to be ~ Rs 3.4 billion in fiscal 2017. Average realisation for a fuel injection module with fuel pump is ~Rs 1,500 whereas a carburettor variant costs around Rs 150.

Motorcycles accounted for 69% share in the FDM market in value terms in FY 2017, while scooters and mopeds accounted for 27% and 4%, respectively.

- *Competition structure*

The two-wheeler FDM market is dominated by players like Kiehen and Magneti-Mareilli.

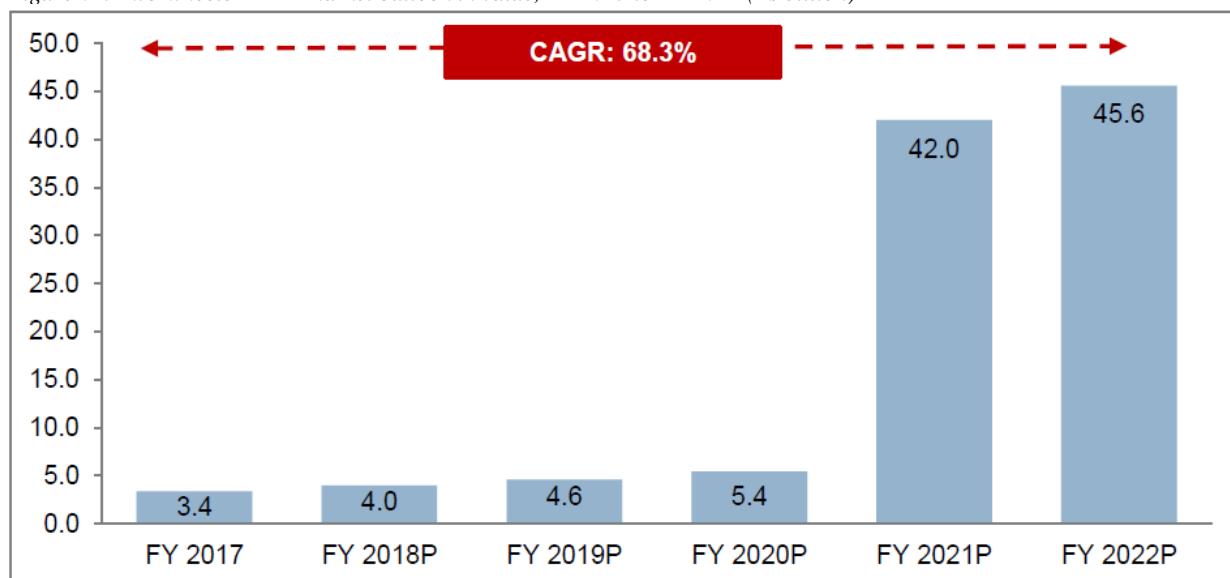
- *Outlook for two-wheeler FDM market*

Two-wheeler FDM demand is expected to be in line with two-wheeler demand.

Currently, most two-wheelers don't require a fuel pump if they are carburettor-based systems that account for 98% of the sales. However, with BS-VI regulations being implemented from April 2020, fuel injection will be required for all vehicles and using a FDM with an integrated fuel pump will become a necessity.

CRISIL Research estimates the two-wheeler FDM market to grow at a CAGR of 66-70%, reaching a size of Rs 43-48 billion by FY 2022, primarily driven by regulatory changes.

Figure 64: Two-wheeler FDM market outlook in value, FY 2017 to FY 2022 (Rs billion)



P: Projected

Source: CRISIL Research

### Review of passenger vehicle FDM market in India

CRISIL Research estimates the passenger vehicle FDM market catering to OEM demand to be ~Rs 8.2 billion in FY 2017. Average realisation for a petrol car FDM with a fuel pump is around Rs 2,200. Average realisation for a diesel car FDM with a fuel pump is around Rs 2,800, whereas that for one without a fuel pump is around Rs 1,100.

- *Competition structure*

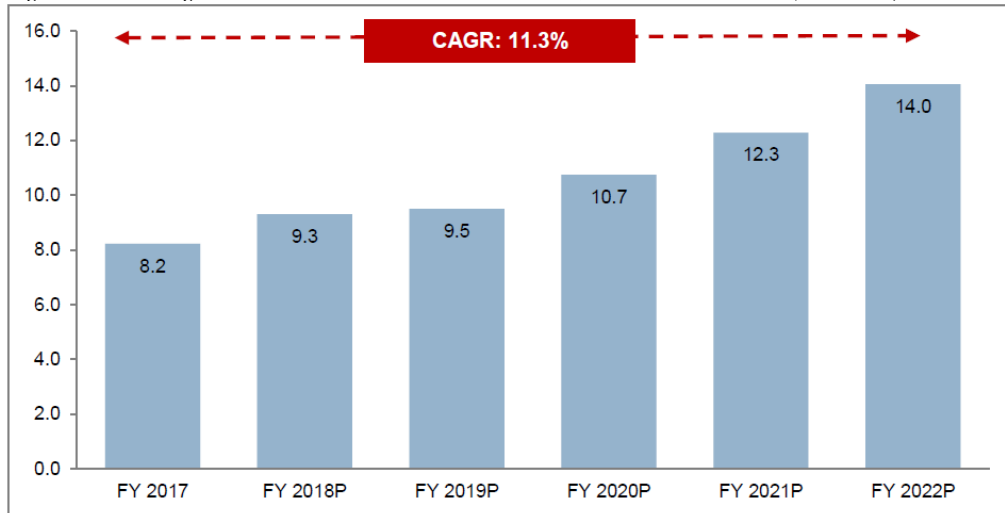
The major players in four-wheeler FDMs are Denso, Bosch, Delphi and Continental. Denso has more than 50% market share in petrol FDMs, whereas Bosch is the leader in diesel FDMs.

- *Passenger vehicle FDM market outlook*

Demand in the passenger vehicles FDM market is expected to move in line with demand for passenger vehicles. FDM without pump forms a very low percentage of the FDMs manufactured currently. By 2020, all FDMs are expected to have fuel pumps.

CRISIL Research estimates the passenger vehicle FDM market to grow at a CAGR of 11-12% and reach Rs 13.3-14.7 billion by FY 2022.

Figure 65: Passenger vehicle FDM market outlook in value, FY 2017 to FY 2022 (Rs billion)



P: Projected

Source: CRISIL Research

## OUR BUSINESS

Some of the information in the following section, especially information with respect to our plans and strategies, contain certain forward-looking statements that involve risks and uncertainties. You should read the section titled “Forward Looking Statements” on page 18 for a discussion of the risks and uncertainties related to those statements, and also the section titled “Risk Factors” on page 20 for a discussion of certain risks that may affect our business, financial condition, or results of operations. Our actual results may differ materially from those expressed in, or implied by these forward-looking statements.

Our Financial Year ends on March 31 of each year, and references to a particular Financial Year are to the twelve-month period ended March 31 of that year.

Unless otherwise stated, or the context otherwise requires, the financial information used in this section is derived from our Restated Consolidated Summary Statements included in this Red Herring Prospectus on page 248.

### OVERVIEW

We are a customer centric component supplier primarily catering to automotive OEMs and largely focused on safety and security systems of vehicles with a pan India presence and a growing international footprint. We are the leader in the two-wheeler locking systems market, and the commercial vehicle rear view market in India, and are one of the two largest companies catering to the commercial vehicle locking systems market, and the two-wheeler rear view market in India. We are also one of the two largest manufacturers of operator cabins in India, along with being the largest player in the excavator cabins market (*Source: CRISIL Report*). Our business involves designing and manufacturing a diverse range of automotive components, parts and systems, driven by technology, process, people and governance.

Our long-standing relationship with our major customers has been one of the most significant factors contributing to our growth. Our customer portfolio consists of 79 Indian and global OEMs across various segments, including those indicated in the table below:

Segment	Total number of OEM customers	Key OEM Customers
Two-wheelers	9	Hero
		TVS
		Royal Enfield
		Suzuki
		UM Lohia
Passenger vehicles	21	Honda Cars
Passenger vehicles and commercial vehicles		Tata Motors
Commercial vehicles		Ashok Leyland
Commercial vehicles, Off-highway vehicles and tractors	34	Scania
		SML Isuzu
		Atlas Copco
		Caterpillar
		Doosan Bobcat
		Escorts
		Hyundai Construction
		International Tractors
		JCB
		Kobelco
		Komatsu
		LeeBoy India
		Mahindra & Mahindra
		Potain India
		Tata Hitachi
TAFE		
Volvo		
Non-automotive	15	Forza Medi

In addition to the above OEM customers, we also have relationships with global automotive component suppliers such as Autoliv, Bosch, and CTS, to whom we supply various products.

Presently, we manufacture 21 categories of products, including such product categories that are manufactured through our Subsidiaries and Joint Ventures, which cater to different industry segments. Our portfolio comprises various categories of products including safety and security systems such as lock assemblies, mirror assemblies, operator cabins for off-highway vehicles, aluminium spools, spindles, and hubs. We also manufacture other product categories including wheel assemblies, handle bar assemblies, brake panel assemblies, sheet metal components such as fuel filler caps, fuel cock assembly, step pillions, tools, dies, moulds, other aluminium components, crane and tractor parts, plastic and painted parts such as door handles (inner and outer), panels for televisions, and cabinets for air conditioners. We have also entered into the following joint venture arrangements:

Sr. No.	Name of Joint Venture	Name of Joint Venture partner	Activity undertaken
1.	Indo Toolings	JBM Auto	Commercial tooling activities
2.	Sandhar Han Sung	Han Sung	Manufacture of high precision press parts, insert moulded contact plates, and switches
3.	Jinyoung Sandhar	Jinyoung Electro-Mechanics	Assembly of AVN panels and switches
4.	Sandhar Ecco-Green Energy	DMRG and Tarun Agrawal	EPC contracts in the field of solar power generation
5.	Sandhar Daewha	Daewha Fuel Pump	Manufacturing and assembly of oil fuel module, fuel filters, starter motors and wiper blades
6.	Sandhar Amkin	Amkin group	Manufacture of safety rider helmets and other headgears for two-wheelers

We manufacture our products from 31 manufacturing facilities across eight states in India, two manufacturing facilities in Spain, and one manufacturing facility in Mexico. Further, we are in the process of commissioning five manufacturing facilities in India. For details, see “*Our Business – Our Manufacturing Facilities*” on page 177. This apart, we also have an overseas assembly and packaging centre located in Poland. Further, through SCID, our research and development activities are undertaken at Gurugram, Haryana. Our facilities are located in key auto-clusters in the northern, southern, and western parts of India, and most of our facilities are in close proximity to the plants of our OEM customers. Apart from allowing us to optimise delivery to our customers, the proximity of our facilities to the plants of our OEM customers also facilitates greater interaction with our customers, thereby enabling us to respond to their requirements in a timely manner. We believe that our proximity to our key customers has played a strong role in building and strengthening our relationship with such customers over time. Our products are manufactured through diversified technology platforms such as plastic injection moulding, zinc die casting, aluminium die casting, sheet metal stampings and fabrication, automotive electronics and robotic painting. We also have dedicated in-house tool room facilities. Whilst many of these processes were established as a part of our backward integration strategy, we have also been able to commercialise many of these processes for direct supplies to meet the needs of our customers.

We implement and create access to modern and advanced technology, which are critical for us to succeed in our business. The development of our access to technology is enabled through an in-house research and development department and through joint ventures, technical collaborations and acquisitions. Research and development is a critical part of our business and our research and development team comprises of 35 engineers as on December 31, 2017 who are all based out of SCID in Gurugram, Haryana, India. Our research and development team primarily work on the development of new products, designing, prototyping, and product upgrades. Additionally, most of our manufacturing facilities have their own engineering department which focuses on customer programs and continuous improvements to specific products. Further, we have also entered into technical collaborations with: (i) Honda Lock for availing technical advice from Honda Lock in relation to door mirrors, outside door handles, and key sets for automobiles and motorcycles, and (ii) JEM Techno for availing technical advice from JEM Techno in relation to relays used in automobiles. We have also collaborated with leading international players for development of parking assistant systems, fuel filters, fuel modules, starter motors and shark-finned antennas. For details, see “*Our Business – Technical Collaborations*” on page 181.

We have been able to harness our synergies through horizontal and vertical integration across our range products and through our integrated supply chain and inventory management systems, engineering, design, and information technology functions. We have implemented comprehensive and continuous improvements in our business processes such as centralization of our procurement system, maintenance system, information technology system and cost reduction programs to optimize manufacturing processes and realize operating efficiencies.

Incorporated on October 19, 1987, our Company commenced operations as a supplier to Hero (formerly Hero Honda Motors Limited) for sheet metal components. We are promoted by a first-generation entrepreneur, Jayant

Davar, Co-Chairman and Managing Director of our Company, who has 30 years of experience in the OEM component manufacturing industry. We are also led by a qualified management team that has substantial industry, operational and financial experience, supported by a skilled work force. As of December 31, 2017, we had a total work force of 7,426 individuals comprising of 2,292 employees, and 5,134 individuals engaged by us on contractual basis.

We have believed in the importance of, and have focussed on maintaining high corporate governance standards. Our Board has also comprised of independent directors since 2003. In the last 12 years, our Company has received investment by two private equity investors, namely Actis Group and GTI. These investments by Actis Group and GTI in our Company have helped us enhance and strengthen our operations, financial, and internal controls as well as our corporate governance standards.

Our consolidated total revenue for Fiscals 2017, 2016 and 2015 was ₹16,335.30 million, ₹15,178.87 million, and ₹14,873.43 million, respectively. On a consolidated basis, our EBITDA for Fiscals 2017, 2016 and 2015 was ₹1,524.73 million, ₹1,459.82 million, and ₹1,444.39 million, respectively. Our consolidated restated profit after tax for Fiscals 2017, 2016 and 2015 was ₹395.58 million, ₹337.48 million and ₹384.02 million, respectively. Our consolidated total revenue, EBITDA and restated profit after tax grew at a CAGR of 8.88%, 12.43% and 19.83%, respectively from Fiscal 2013 to Fiscal 2017.

Our consolidated total revenue for the six months period ended September 30, 2017 was ₹9,905.95 million. On a consolidated basis, our EBITDA for the six months period ended September 30, 2017 was ₹1,035.65 million. Our consolidated restated profit after tax for the six months period ended September 30, 2017 was ₹345.72 million. Further, we had an EBITDA margin of 10.45% and a PAT margin of 3.49% for the six months period ended September 30, 2017.

## **OUR COMPETITIVE STRENGTHS**

We believe that we are well-positioned to capture market opportunities and benefit from the expected growth in the automobiles segment in India through our competitive strengths, which principally, include the following:

### ***Long-standing, and growing relationships with major OEMs***

We have long-standing relationships with 79 Indian and global OEM customers, which include some leading companies such as Ashok Leyland, Doosan Bobcat, Escorts, Hero, Honda Cars, Komatsu, Scania, TAFE, Tata Motors, TVS, UM Lohia, and Volvo. We have grown our client base over the last few years to include OEMs such as Caterpillar, CTS, Hyundai Construction, International Tractors, JCB, Kobelco, Mahindra & Mahindra, and SML Isuzu. We believe that our long-standing and growing relationship with our customers bears testimony to our ability to successfully serve and meet their requirements. We have significantly benefitted from our strong relationship with our customers, which has consistently been one of our key growth drivers. Our OEM customers typically have stringent and time-consuming selection procedures for procurement of components from manufacturers. These procedures include review of the manufacturer's expertise, available manufacturing facilities, processes, financial capabilities, logistical capabilities, multiple inspections, and review of prototypes.

Our relationships with our customers are based on trust and gives us the flexibility to remain in constant communication with them. This enables us to work on an ongoing basis to engineer our products to meet our customers' designs and specifications. Additionally, we believe that our consistent delivery of quality and cost competitive products over the years, irrespective of the size and scale of demand has helped us in receiving orders from multiple OEMs and locations globally.

We strive to gain an increasing share of our existing OEM customers' auto component requirements, and to add new customers in our portfolio. Our relationship with our customers also provides us with the opportunity to cross sell multiple products to them. In the past, we have been able to leverage relationships with our customers to expand our portfolio of product offerings. Our long-standing relationship with our major OEM customers provides us with a significant advantage to effectively compete with our competitors.

### ***Diversified product portfolio***

Our portfolio comprises various categories of products including safety and security systems such as lock assemblies, mirror assemblies, operator cabins for off-highway vehicles, aluminium spools, spindles, and hubs. We also manufacture other product categories including wheel assemblies, handle bar assemblies, brake panel

assemblies, sheet metal components such as fuel filler caps, fuel cock assembly, step pillions, tools, dies, moulds, other aluminium components, crane and tractor parts, plastic and painted parts such as door handles (inner and outer), panels for televisions, and cabinets for air conditioners. Through our Joint Ventures, we also produce products such as high precision press parts, insert moulded contact plates, AVN panels and switches. We commenced our business by manufacturing sheet metal components, and have over the years diversified into various products across segments, with sheet metal components constituting only 13.79% of our total revenue in Fiscal 2017 on a consolidated basis. Over the years, we believe that we have been able to become an integral part of many of our customers' manufacturing supply chains by offering multiple products, and by increasing our share in their costs of production. Together, with increasing the number of our customers, we have also been able to increase the range of products that we supply to our existing customers. We are committed to working closely with our customers from early stages of design and product development to engineering and manufacturing. This allows us to anticipate and develop solutions and provide value-added services to our customers at each stage of the process. Our range of capabilities and our diversified product portfolio provides us presence across various levels of the automotive component critical value chain, while protecting us from variable demand for one or more particular products and against the obsolescence of some of our products. We believe that with our enhanced manufacturing capabilities, we will be able to grow our market share by supporting our strategy of increasing our share of customer spend per vehicle as well as our intention of expanding sales to new customers in international markets, where we currently do not have a presence.

Our product portfolio evolution demonstrates our ability to expand our offerings to meet the needs of our OEM customers, cater to opportunities in adjacent industry segments, and to enter into high value-added products such as auto relays, switches, and fuel senders. Presently, we manufacture 21 categories of products with varieties which cater to different automotive segments such as two-wheelers, passenger vehicles, commercial vehicles, off-highway vehicles and tractors, as well as non-automotive segments including medical and electrical equipment. Our expanding product portfolio gives us the opportunity to capture a larger portion of our customers' requirements and further strengthens our relationship with them. It also enables us to increase our capacity utilisation, allows horizontal deployment of technology across adjacent industries, and vertical deployment of our capabilities for forward and backward integration. A diverse product portfolio also enables us to achieve significant scale to overcome entry barriers in new markets.

#### ***Production facilities close to our customers based on our philosophy – 'Be Glocal'***

Our constant strategy has been to invest in locations close to our OEM customers' plants, which we believe has been a key factor in aiding a strong relationship with our OEM customers. Our manufacturing facilities are in close proximity to our OEM customers' plants in all key auto-clusters in India. For example, our manufacturing facilities at Gurugram, Chennai, and Bengaluru are close to plants of Hero, Royal Enfield, and TVS, respectively. Further, in line with our philosophy of being 'Glocal', we have manufacturing facilities in Mexico and Spain, and an assembly and packaging centre in Poland, to cater to customers in western Europe, eastern Europe and NAFTA markets. Our presence in all key auto-clusters in India allows us to optimise our deliveries to our customers and facilitates greater interaction with our customers by enabling us to respond to their requirements in a timely manner.

Our multi-location strategy provides us with an opportunity to expand our customer base as well as product portfolio in all key auto clusters, thereby helping us in our strategy to reduce volatility in our sales due to fluctuations in market demand for the products of any particular OEM. As on the date of this Red Herring Prospectus, we have expanded our operations from four manufacturing facilities in India as on March 31, 2005 to 31 manufacturing facilities in India, two manufacturing facilities in Spain, and one manufacturing facility in Mexico. Further, as on the date of this Red Herring Prospectus, we are in the process of commissioning five manufacturing facilities in India. We have optimized our manufacturing operations by executing a number of sustainable cost improvement initiatives. We have implemented comprehensive and continuous improvement in our business processes such as centralization of our procurement system, maintenance system, information technology system and cost reduction programs, and created a performance-based culture that empowers employees at all levels to optimize manufacturing processes and realize operating efficiencies. We have also made significant investment in capital expenditure in the last three years, investing ₹1,371.63 million, ₹1,012.08 million, and ₹1,279.13 million for Fiscals 2017, 2016 and 2015, respectively. These have, *inter alia*, been incurred towards procurement of plant and equipment and commissioning of buildings (gross block). We believe that these capital expenditures incurred will aid us in the growth of our total revenues as well as improving our margins going forward.

The following chart shows the presence of our manufacturing facilities in all auto-clusters.



***Vertical and horizontal integration of our operations from product designing to supply solutions***

We are present across various levels of the automotive component critical value chain, providing products and services that range from product design and prototyping to tool manufacturing, assembly, as well as production of integrated components. We have been able to harness our synergies through horizontal and vertical integration across our operations. For example, as part of our vertical integration strategy we have established multiple processes such as zinc die casting, aluminium die casting, plastic injection moulding, and an in-house robotic paint shop which are used in manufacturing and assembly of locking systems. Similarly, we have also established processes such as plastic moulding, glass convexing, aluminium coating, chrome coating, and painting for mirror assemblies. Further, as part of our horizontal integration strategy, we have successfully commercialised many of our processes for direct supplies to customers in automotive and non-automotive industries. For example, we have commercialised plastic injection moulding capability to manufacture products for certain non-automotive customers in the medical segment, such as Forza Medi.

Our integration strategies reduce our dependence on third party suppliers for a number of products and services. This apart, our integration strategies also ensure the maintenance of consistent quality, enables us to streamline our production processes, allows us to achieve shorter delivery and development lead times resulting in timely delivery of products, and assists us in reaching out to OEM customers in adjacent verticals. Further, we are able to coordinate our manufacturing activities across our manufacturing locations through our integrated supply chain and inventory management systems, tool design and development, engineering, design, and information technology functions. We believe that these horizontal and vertical integration strategies provide us with a significant operational and cost advantage, and help us achieve economies of scale.

We implemented ERP systems in 2009 encompassing all business functions including production, materials, finance, inventory, maintenance, and human resource management. We make efforts to consistently upgrade our systems to ensure efficiency and to build redundancies to ensure business continuity. For details of our information technology initiatives, see “*Our Business – Information Technology*” on page 186.

***In-house research and development, design capability and technical collaborations***

We implement and create access to modern and advanced technology through in-house research and development activities, joint ventures and technical collaborations. Research and development is a critical part of our business, and we have an R&D team which comprised 35 engineers as on December 31, 2017 based out of SCID in Gurugram. Our research and development team primarily works on the development of new products, designing, prototyping, and product upgrades. For instance, our invention of a fuel tank cap with an inbuilt carbon canister for two-wheelers which complies with the new BS VI norms for two-wheelers was published by the Indian Patent Office, New Delhi. This apart, our strong research and development capabilities are further demonstrated by the patent applications made by us. For instance, SCID filed applications with the Controller General of Patents, Designs, and Trade Marks on November 28, 2017, for registration of two patents relating to combined braking systems for hand brakes operated by scooters and motorcycles, which were granted on December 8, 2017. We

have also obtained patent registrations from the Controller General of Patents, Designs, and Trade Marks in respect of our inventions such as anti-theft bike stand lock, electricity triggered inside rear-view dimming mirror, roll over valve for two-wheelers, and a replacement roll over valve fitted with fuel filler cap for motorcycles. For details, see “*Our Business – Intellectual Property*” on page 183. Most of our manufacturing facilities have their own engineering department which focuses on customer programmes and continuous improvements to specific products. This adds to our ability to cater to the greater demand for different variants and models in the automobile segments. We believe our research and development efforts provide us a competitive advantage with respect to quality and cost.

We currently have six Joint Ventures which manufacture products such as high precision press parts, insert moulded contact plates, AVN panels, and switches. For details, see “*Our Business – Overview*” on page 163, and “*Subsidiaries and Joint Ventures*” on page 213. In addition to our Joint Ventures, we have also entered into technical collaborations, *inter alia*, with: (i) Honda Lock for availing technical advice from Honda Lock in relation to door mirrors, outside door handles, and key sets for automobiles and motorcycles, and (ii) JEM Techno for availing technical advice from JEM Techno in relation to relays used in automobiles. We have also collaborated with leading international players for development of parking assistant systems, fuel filters, fuel modules, starter motors and shark-finned antennas. For details, see “*Our Business – Technical Collaborations*” on page 181.

Our joint ventures and technical collaborations provide us a competitive advantage by enabling us to exploit technologies and expertise developed by our partners.

#### ***Experienced and strong management team backed by good governance standards***

We have a well – qualified management team that has significant experience in all aspects of our business. Our management team is led by our Promoter, Jayant Davar, who serves as our Co-Chairman and Managing Director. He is a mechanical engineer with 30 years of experience in the industry of auto components. With substantial industry, operational, and financial experience, our management has led the expansion of our operations from four manufacturing facilities in India as on March 31, 2005, to 31 manufacturing facilities in India, two manufacturing facilities in Spain, and one manufacturing facility in Mexico, as on the date of this Red Herring Prospectus. Our management team has executed restructuring strategies to fix structural issues arising from legacy acquisitions and has successfully integrated our new acquisitions. Our management team has also been instrumental in establishing and maintaining relationships with our customers. We believe we have a strong platform for growth based on the strength of our senior management team and their experience.

We have believed in the importance of, and have been and remain committed to maintaining high corporate governance standards, and our Board has comprised of independent directors since 2003. In the last 12 years, our Company has received investment from two private equity investors, namely the Actis Group and GTI. These investments by Actis Group and GTI, have helped us in enhancing and strengthening our operations, financial and internal controls, as well as our corporate governance standards.

### **OUR BUSINESS STRATEGY**

We are committed to increasing our market share across our product verticals and our customers spend per vehicle, to diversifying our product offerings, customer base and geographical footprint, thereby minimizing our exposure to particular customer, segments, markets and geographies. Towards this objective, our growth and competitive strategies are as follows:

#### ***Expansion of product portfolio through investment in new products and business with high growth potential***

We plan to leverage current trends in the automotive sector such as increasing focus on safety, fuel efficiency, comfort, customisation, entertainment and communication, as well as auto electronics to develop products that meet our OEM customers’ requirements in these areas. We have, in the past, also expanded our product portfolio through acquisitions, such as addition of operator cabins through the acquisition of Mag Engineering in Fiscal 2013, and acquisition of the cabin business of Arkay Fabsteel in Fiscal 2015. As per the CRISIL Report, we are one of the two largest manufacturers of operator cabins in India, along with being the largest player in the excavator cabins market. We have also entered into joint ventures, technical collaborations, and memoranda of understanding with foreign and domestic players to develop such products. Some of these products include two-wheeler helmets (Sandhar Amkin), AVN panels, and switches (Jinyoung Sandhar), and high precision press parts, and insert moulded contact plates, and switches (Sandhar Han Sung). For details see “*Our Business – Overview*” on page 163, and “*Our Subsidiaries and Joint Ventures*” on page 213.



We are exploring and testing the feasibility of various technology driven and high margin products such as smart keys, auto relays, switches, USB chargers, parking assistant systems, fuel filters, fuel modules, fuel senders, starter motors and shark-finned antennas, among others in partnership with our OEM customers. We aim to capture dominant market share in each of our new products. At the same time, we also intend to continuously upgrade our existing products and customise them according to the needs of our OEM customers.

### ***Expand our customer base***

We have, in the past, continuously focused on increasing our customer base. We have added new OEM customers over the years in the automotive and non-automotive sectors, and the revenue contribution from top five customers stood at 67.15% in Fiscal 2017 *vis-a-vis* 65.59% in Fiscal 2013. We have grown our client base over the last few years to include OEM customers such as Caterpillar, CTS, International Tractors, JCB, Kobelco, Mahindra & Mahindra, and Hyundai Construction. We have increased our customer base in the past through new products and segments as well as through acquisitions. The number of OEMs in our customer base has grown from 58 in Fiscal 2013 to 79 in Fiscal 2017.

We are a focussed supplier to OEMs and believe that there are several avenues of growth within this segment. Historically, we have established profitable relationships with OEMs and are confident that we can continue to do so. We intend to continue focusing on increasing our customer base by marketing our existing products to new customers, together with developing new products.

### ***Increase our wallet share from existing OEM customers***

We intend to continue focussing on increasing our contribution per vehicle (*i.e.*, the number and value of components supplied by us in vehicles produced by our OEM customers) and to work closely with our OEM customers to develop a broader portfolio of products, which meet their requirements. Presently, we manufacture 21 categories of products with varieties which cater to different automotive segments such as two-wheelers, passenger vehicles, commercial vehicles, off-highway vehicles and tractors, and non-automotive segments including medical and electrical equipment

Over the years, we have been able to increase our customers' contribution to our revenue. For example, our revenue from Royal Enfield was ₹187.48 million in Fiscal 2013 which increased to ₹697.35 million in Fiscal 2017. Further, our revenue from Honda Cars was ₹468.17 million in Fiscal 2013 which increased to ₹1,305.04 million in Fiscal 2017.

We intend to achieve this by marketing, and thereby expanding the sale of each of our existing products to new or existing customers who do not purchase such products from us presently. We see significant potential to increase the wallet share of our existing OEM customers on an ongoing basis. As a part of this strategy, we are also in the process of commissioning manufacturing facilities in: (i) Oragadam, Chennai, for manufacturing of aluminium die casting components, wheel rim assemblies, cabins and fabrication, (ii) Jaipur, for cabins and fabrication, and (iii) Hosur, for aluminium die casting components.

### ***Inorganic growth through strategic acquisitions***

We have a successful track record of acquiring assets and ensuring two-way transfer of best practices. We evaluate potential acquisitions on several criteria including access to technology, new customer access, new / adjacent product portfolio, new market access, size of the acquisition and profitability. Our endeavour is to target segments where we can leverage our existing expertise and competencies to build new capabilities.

In Fiscal 2008, we acquired the business of TECFISA, Spain, which was engaged in aluminium die casting of small parts and mould design. Subsequently, in Fiscal 2013, we acquired the business of Mag Engineering, and the cabin business of Arkay Fabsteel in Fiscal 2015. We have executed restructuring strategies to fix structural issues arising from legacy acquisitions, and have successfully integrated these acquisitions into our operations. We believe that we have significantly benefitted from our acquisitions. As per the CRISIL Report, we are one of the two largest manufacturers of operator cabins in India, along with being the largest player in the excavator cabins market. This leading position in the market can be attributed to our acquisitions in the past, particularly, our acquisition of the cabin business of Arkay Fabsteel in Fiscal 2015.

We intend to continue our strategy to explore opportunities, including selectively evaluating targets for strategic acquisitions and investments, in order to strengthen our position.

***Ensure efficiency and cost optimisation and enhance innovation and design capabilities***

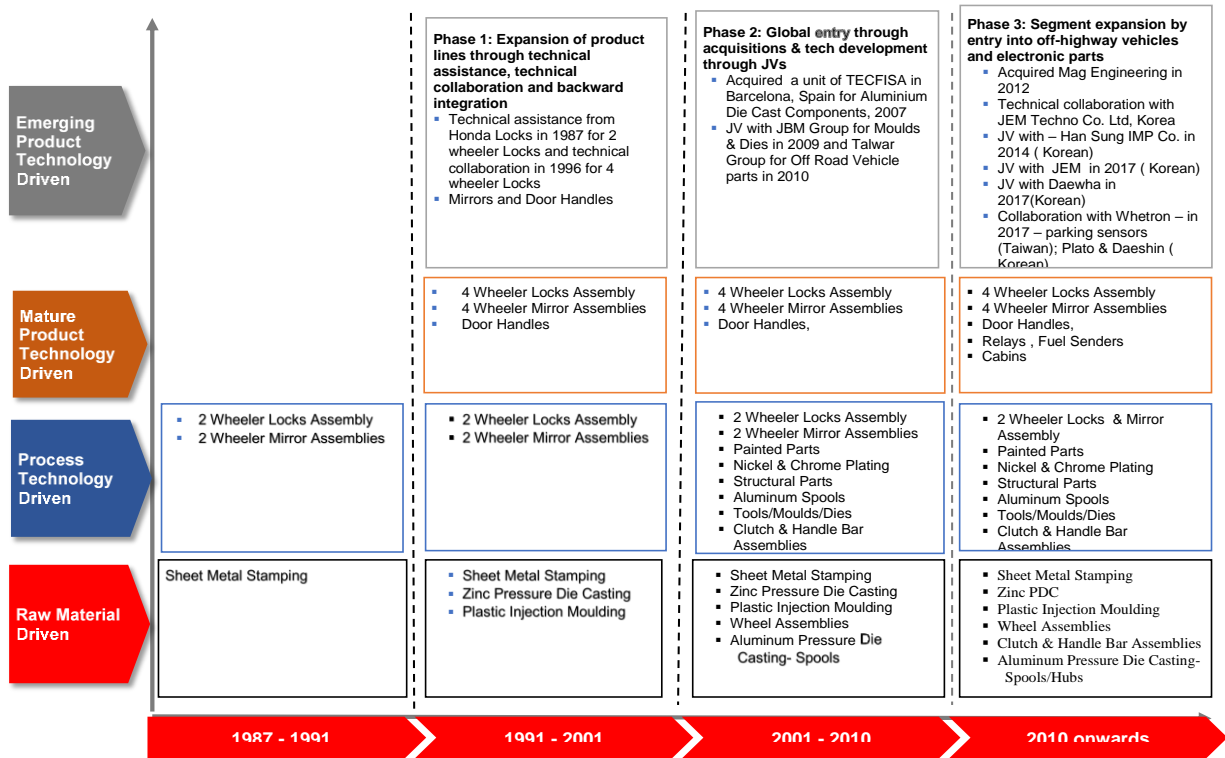
As automotive manufacturers seek to reduce the cost of manufacturing, we constantly endeavour to reduce the costs of our operations while ensuring the quality of our products. We already have central planning, marketing and raw material procurement teams that help us reduce cost and achieve operational efficiencies and economies of scale. Ensuring cost rationalisation in our manufacturing processes continues to be one of our key strategies going forward. We intend to focus on adopting strategies to establish a standardised platform across our business units for our processes, hardware and software infrastructure and workforce.

We also intend to enhance our research and development, and design capabilities which provide us with a competitive advantage with respect to quality, product development and cost, as well as to continuously explore sustainable cost improvement initiatives for our operations.

## HISTORY AND EVOLUTION OF OUR BUSINESS

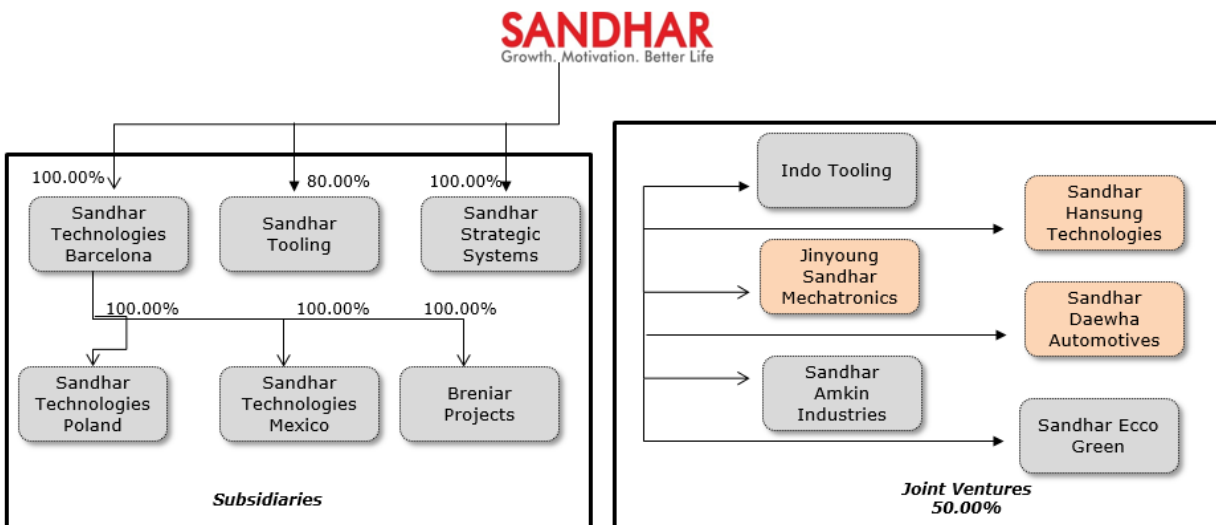
We are a customer centric component supplier primarily catering to automotive OEMs and largely focused on safety and security systems of vehicles with a pan India presence and a growing international footprint. Our business involves designing and manufacturing a diverse range of automotive components, parts and systems, driven by technology, process, people and governance. A flowchart depicting the evolution of our business is given below:

### Sandhar Business Evolution



### Our business segments and divisions

We operate through a number of Subsidiaries and Joint Ventures, as depicted below:



### Our divisions

Considering changes to the market dynamics in the Indian auto component industry and the evolution of the industry over the years, we created virtual business divisions cutting across locations and manufacturing facilities to improve operational efficiency as well as to enhance and promote synergies between manufacturing facilities. A description of our significant divisions, their products, key processes and manufacturing facilities are as follows:

#### A. *Automotives division*

Under the automotives division, we manufacture products based on our own technology, or technology absorbed over a period of time pursuant to technical collaborations with international technical collaborators including Honda Lock and JEM Techno.

##### ▪ **Product line:**

Our line of products under this division includes locking systems, rear view mirrors systems, auto relays, switches, hinges, and latches for two-wheeler and four-wheeler OEMs, and door handles for four-wheeler OEMs.

##### ▪ **Manufacturing facilities:**

Products under the automotives division are manufactured at six manufacturing facilities of which three are located in Gurugram and one each in Bengaluru, Haridwar, and Pune.

##### ▪ **Processes:**

Processes involved in manufacturing products in the automotives division include: (i) key milling, key biting, key moulding and tagging, assembly of several child parts including zinc and aluminium die casted child parts into lock body for lock assemblies, (ii) glass stripping, profile cutting, blanking and washing, convexing, aluminium coating, chrome coating, painting and assembly for rear view mirrors, and (iii) assembly of relays involving insertion of terminals, coil winding and multiple assemblies of child parts.

##### ▪ **Key customers:**

Key customers catered to by our automotives division include Ashok Leyland, Hero, Mahindra & Mahindra, Royal Enfield, SML Isuzu, and Suzuki.

#### B. *Components division*

Our components division is an integral part of our vertically integrated operations, and forms part of our overall strategy of being self-reliant in respect of key materials and processes required for products manufactured by our automotives division.

##### ▪ **Product line:**

Our line of products under this division includes sheet metal stampings and tubular components, and zinc and aluminium high pressure die cast components such as wheel hubs, spools, spindles, sprockets and plastic injection moulding components.

##### ▪ **Manufacturing facilities:**

Products under the components division are manufactured at six manufacturing facilities. Of these facilities, two each are located in Bawal and Gurugram, and one each is located in Bengaluru and Pune. Additionally, two manufacturing facilities are being commissioned in Oragadam, Chennai, and one is being commissioned in Hosur.

##### ▪ **Processes:**

Processes involved in manufacturing products in the components division include aluminium die casting, zinc die casting, plastic injection moulding and sheet metal stampings.

- **Key customers:**

Key customers catered to by our components division include CTS, Hero, Royal Enfield, and TVS.

C. *Automach division*

Under the automach division, we have modern production processes and manufacturing technologies for wheel forming, tri-nickel chrome plating, and assembly machines. We are amongst the top three companies in the two-wheeler steel wheels market in India (*Source: CRISIL Report*).

- **Product line:**

Our line of products under this division includes wheel rims and wheel assemblies, handle bars, clutch and brake panels and fender assemblies.

- **Manufacturing facilities:**

Products under the automach division are manufactured at six manufacturing facilities located at Bengaluru, Chennai, Hosur, Mysuru, Oragadam (Chennai) and Nalagarh. Further, products under the automach division will also be manufactured at the manufacturing facility being commissioned at Hosur.

- **Processes:**

Processes involved in manufacturing products in the automach division include rolling, welding, plating, automatic cutting, buffing and electroplating.

- **Key customers:**

Key customers catered to by our automach division include Hero, Royal Enfield, Suzuki, and TVS.

D. *Cabins and Fabrication division*

Under the cabins and fabrication division, we cater to the off-highway vehicles segment. This has been achieved by acquiring Mag Engineering in Fiscal 2013 and the cabin business of Arkay Fabsteel in Fiscal 2015.

- **Product line:**

Our line of products under this division includes operator cabins, canopies, housings, panels, switchboards, control cabinets and other high precision sheet metal components for back hoe loaders, excavators, wheel loaders, cranes and tractors.

- **Manufacturing facilities:**

Products under the cabins and fabrication division are manufactured in four manufacturing facilities of which two are located in Bengaluru, and one each in Pune and Jaipur. Further, products under the cabins and fabrication division will also be manufactured at one new facility being commissioned at Oragadam, Chennai.

- **Processes:**

Processes involved in manufacturing products in the cabins and fabrication division include shearing, cutting, punching, bending of steel (sheets and forms), welding processes using dedicated welding fixtures, surface treatment (hot phosphating), liquid painting / powder coating, assembly, and shower testing.

- **Key customers:**

Key customers catered to by our cabins and fabrication division include Atlas Copco, Caterpillar, Doosan Bobcat, JCB, Kobelco, Komatsu, LeeBoy India, Mahindra & Mahindra, Potain India, TAFE, and Tata Hitachi.

#### *E. HSCI division*

Under the HSCI division, we predominantly cater to Honda Cars. We have a 30-year-old relationship with Honda Cars. In 1987, we entered into a technical assistance arrangement for supply of two-wheeler locks to Honda Lock which progressed further into a technical collaboration for four-wheeler lock assemblies, mirror assemblies, and door handles in 1996.

##### ▪ **Product line:**

Our line of products under this division includes lock assemblies, door handles, mirror assemblies and painted products for passenger vehicles, as well as painted products for two-wheelers.

##### ▪ **Manufacturing facility:**

Products under the HSCI division are manufactured at our manufacturing facilities located at Gurugram and Pathredi, Alwar.

##### ▪ **Processes:**

Processes involved in manufacturing products in the HSCI division include key milling, key biting, key moulding and tagging, assembly of several child parts including zinc and aluminium die casted child parts into lock body for lock assemblies, glass stripping, profile cutting, blanking and washing, convexing, aluminium coating, chrome coating, and painting for mirror assemblies.

##### ▪ **Key customers:**

Key customers catered to by our HSCI division include Honda Cars and a leading Japanese two-wheeler OEM.

#### ***Our Subsidiaries and Joint Ventures***

As of the date of this Red Herring Prospectus, we have six Subsidiaries (including step down subsidiaries) and six Joint Ventures.

##### *Key Subsidiaries:*

###### *Sandhar Technologies Barcelona, S L*

In Fiscal 2008, we acquired the business of TECFISA, Spain, which was primarily engaged in the business of aluminium die of small parts and mould design into our Subsidiary, Sandhar Technologies Barcelona, S L. ST Barcelona has three wholly-owned subsidiaries, ST Mexico, ST Poland, and Breniar Projects. For details, see “*Our Subsidiaries and Joint Ventures*” on page 213.

- *Key customers:* ST Barcelona caters to some of our key customers including Bosch, Autoliv and other global auto component manufacturers.
- *Manufacturing facilities:* ST Barcelona operates two manufacturing facilities in Spain, and one manufacturing facility in Mexico. This apart, ST Barcelona also operates an assembly and packaging centre in Poland.

###### *Sandhar Tooling*

Sandhar Tooling was incorporated in 2002 as a joint venture between our Company and Steady Stream. By way of a share transfer dated December 26, 2010, Steady Stream transferred 41.58% of the equity shareholding held by it in Sandhar Tooling to our Company. Subsequently, by way of a share purchase agreement dated August 31, 2011, executed among Stitch Overseas and our Company, Stitch Overseas acquired 19.92% of the equity shareholding held by Steady Stream in Sandhar Tooling. For details, see “*History and Certain Corporate Matters – Summary of Key Agreements*” on page 205, and “*Our Subsidiaries and Joint Ventures*” on page 213.

- *Key customers:* Sandhar Tooling caters to OEMs.

- *Manufacturing facility:* The manufacturing facility for Sandhar Tooling is located in Manesar.

#### *Sandhar Strategic Systems*

Sandhar Strategic Systems was incorporated on September 9, 2016 as an MSME for carrying out manufacturing activities in, *inter alia*, the defence and aerospace sector. The Company is yet to commence its operations. For details, see “*Our Subsidiaries and Joint Ventures*” on page 213.

#### *Joint Ventures:*

##### *Indo Toolings*

Indo Toolings is a joint venture between our Company and JBM Auto. Indo Toolings primarily undertakes commercial tooling activities. While our Company holds 50% of the equity share capital of Indo Toolings, the remainder is held by JBM Auto. Indo Toolings operates under an operation, maintenance and management agreement entered into with Pithampur Auto Cluster Limited. For details, see “*History and Certain Corporate Matters – Summary of Key Agreements*” on page 205 and “*Our Subsidiaries and Joint Ventures*” on page 213.

- *Key customers:* Key customers of Indo Toolings include JBM Auto, Mahindra & Mahindra, and other commercial vehicle OEMs.
- *Manufacturing facility:* The manufacturing facility operated by Indo Toolings, which is owned by Pithampur Auto Cluster Limited, is located at Indore, Bhopal.

##### *Sandhar Han Sung*

Sandhar Han Sung is a joint venture between our Company and Han Sung. Sandhar Han Sung primarily undertakes the manufacturing of high precision press parts, insert moulded contact plates, and switches. While our Company holds 50% of the equity capital of Sandhar Han Sung, the remainder is held by Han Sung. For details, see “*History and Certain Corporate Matters – Summary of Key Agreements*” on page 205 and “*Our Subsidiaries and Joint Ventures*” on page 213.

- *Key customers:* Key customers of Sandhar Han Sung include a major electrical equipment manufacturer, and a South Korean automotive component supplier.
- *Manufacturing facilities:* The manufacturing facilities operated by Sandhar Han Sung are located in Gurugram and in Oragadam, Chennai.

##### *Jinyoung Sandhar Mechatronics*

Jinyoung Sandhar Mechatronics is a joint venture between our Company and Jinyoung Electro-Mechanics. Jinyoung Sandhar Mechatronics primarily undertakes the assembly of AVN panels, and switches. While our Company holds 50% of Jinyoung Sandhar Mechatronics’ equity share capital, the remainder is held by Jinyoung Electro-Mechanics. For details, see “*History and Certain Corporate Matters – Summary of Key Agreements*” on page 205 and “*Our Subsidiaries and Joint Ventures*” on page 213.

- *Key customers:* A key customer of Jinyoung Sandhar Mechatronics includes a South Korean automotive components manufacturer, which supplies to the only South Korean OEM in the Indian auto industry.
- *Manufacturing facility:* The manufacturing facility operated by Jinyoung Sandhar Mechatronics is located at Oragadam, Chennai.

##### *Sandhar Daewha*

Sandhar Daewha is a joint venture between our Company and Daewha Fuel Pump. Sandhar Daewha has been set up to undertake the manufacture and assembly of oil fuel modules, fuel filters, starter motors, and wiper blades. While our Company holds 50% of Sandhar Daewha’s equity share capital, the remainder is held by Daewha Fuel Pump. For details, see “*History and Certain Corporate Matters – Summary of Key Agreements*” on page 205 and

“*Our Subsidiaries and Joint Ventures*” on page 213. Sandhar Daewha’s operations are in the process of being commissioned.

- *Manufacturing facility:* The manufacturing facility proposed to be operated by Sandhar Daewha is located in Gurugram.

#### *Sandhar Amkin*

Sandhar Amkin is a joint venture between our Company and the Amkin Group. Sandhar Amkin has been set up to undertake the manufacture of safety helmets and other headgears for two-wheelers. While our Company holds 50% of Sandhar Amkin’s equity share capital, the remainder is held by the Amkin Group. For details, see “*History and Certain Corporate Matters – Summary of Key Agreements*” on page 205 and “*Our Subsidiaries and Joint Ventures*” on page 213. Sandhar Amkin’s operations are in the process of being commissioned.

- *Manufacturing facility:* The manufacturing facility proposed to be operated by Sandhar Amkin is located in Gurugram.

#### *Sandhar Ecco-Green Energy*

Sandhar Ecco-Green Energy is a joint venture between our Company, ECCO Green Energy, DMRG, and Tarun Agrawal. Sandhar Ecco-Green Energy primarily undertakes solar power installation engineering project contracts for captive use by the Company. While our Company holds 50% of Sandhar Ecco-Green Energy’s equity share capital, the remainder is held by ECCO Green Energy, DMRG, and Tarun Agrawal. For details, see “*History and Certain Corporate Matters – Summary of Key Agreements*” on page 205 and “*Our Subsidiaries and Joint Ventures*” on page 213.

#### *Our Customers*

We supply components to OEMs in two-wheelers, passenger vehicle, commercial vehicle, off-highway vehicle and tractor segments, as well as some non-automotive OEMs. Our OEM customers include some of the largest Indian and Global OEMs such as Ashok Leyland, Caterpillar, Doosan Bobcat, Escorts, Hero, Honda Cars, Hyundai Construction, International Tractors, JCB, Kobelco, Komatsu, Mahindra & Mahindra, Royal Enfield, Scania, SML Isuzu, TAFE, Tata Motors, TVS, UM Lohia, and Volvo.

The table below sets forth details of some of our major customers and products supplied by us to them:

Segment	Customer	Products supplied
Two-wheeler	Hero	Side view mirror, lock assemblies, fuel filler cap, wheel rims, and other sheet metal components
	Royal Enfield	Motorcycle rims and motorcycle wheel assembly, mirror assemblies, lock assemblies, and aluminium hubs
	Suzuki	Lock assembly and wheel assembly operations
	TVS	Motorcycle rims, moped rims, scooter rims, clutch assembly, handle bar assembly, wheel assemblies for motorcycles, mopeds, and scooters, and aluminium hubs
	UM Lohia	Aluminium hubs
Passenger vehicle / commercial vehicles	Ashok Leyland	Side mirror, inside rear-view mirror, and side wide mirror
	Honda Cars	Door handles, lock assemblies, and side view mirror, painted parts
	SML Isuzu	Mirrors
	Mahindra & Mahindra	
	Tata Motors	Inside rear-view mirror, inside rear-view prismatic mirror, outside rear-view mirror, and mirror kit assembly
Off-highway vehicles / tractors	Atlas Copco	Cabins
	Caterpillar	
	Doosan Bobcat	
	JCB	
	Kobelco	
	Komatsu	
	LeeBoy India	



Segment	Customer	Products supplied
	Mahindra & Mahindra	
	Potain India	
	Tata Hitachi	
	TAFE	
	Hyundai Construction	Cabins and fabricated items
	International Tractors	Locks and rear-view mirrors
Auto components	Autoliv	Plastic moulded parts
	Bosch	
	CTS	
Non-automotive	Forza Medi	Zinc die casting parts for medical equipment

We believe our sustainable competitive advantage is a result of our trust-based relationship with our customers and our focus and commitment to quality. We develop our products in close partnership with our OEM customers and our long-standing relationship with Hero is testament of our expertise and commitment to quality.

We believe that our track record of meeting our customers' demand without supply disruptions, labour unrest and union issues as well as our access to superior technology and our focus on quality and consistent performance have been instrumental in establishing long-standing relationship with our customers. We partner closely with our key customers during our product development process and ensure their involvement from initial design phase to design validation, prototype testing and final manufacturing. We endeavour to maintain constant communication with our customers to ensure our products meet their specifications.

#### *Our manufacturing facilities*

Our manufacturing facilities are located in close proximity to our customers' plants in all key auto-clusters in India with dedicated facilities for key customers.

We have 31 manufacturing facilities in India, two manufacturing facilities in Spain, and one manufacturing facility in Mexico. Further, we are in the process of commissioning five manufacturing facilities in India. Our presence in all key auto-clusters in India allows us to optimise our deliveries to our customers and facilitates greater interaction with our customers by enabling us to respond to their requirements in a timely manner. Most of our facilities are located in close proximity to our OEM customers' plants.

The growth in our manufacturing facilities has been achieved organically as well as inorganically. For instance, while in Fiscal 2013, we had a total of 20 manufacturing facilities in India, and three manufacturing facilities overseas, in Fiscal 2017, we had a total of 29 manufacturing facilities in India, three manufacturing facilities overseas, one overseas assembly and packaging centre, and eight manufacturing facilities in India, which are in the process of commissioning.

Tables below set forth details of our manufacturing facilities:

#### *A. Manufacturing facilities in India*

Sr. No.	Facility	Location	Division	Products manufactured
<b>Operational manufacturing facilities</b>				
1.	Sandhar Automotives Gurgaon	Gurugram	Automotives	Lock assembly, door handles, latches and switch assembly
2.	Sandhar Automotives Dhumaspur	Gurugram	Automotives	Mirror assembly and moulded parts
3.	Sandhar Components Behrampur	Gurugram	Components	Sheet metal components
4.	Sandhar Automotives	Gurugram	HSCI	Door handles, lock assembly and side view mirrors

Sr. No.	Facility	Location	Division	Products manufactured
	HSCI Division			
5.	Sandhar Components Manesar	Gurugram	Components	Zinc die casting
6.	Sandhar Tooling	Gurugram	Subsidiary	Tools and dies
7.	Sandhar Automotives Haridwar	Haridwar	Automotives	Locking systems, rear-view mirrors systems, door handles, and hinges and latches
8.	Sandhar Components Bawal	Bawal	Components	Aluminium die casting parts
9.	Sandhar Technologies Limited – Bawal – II	Bawal	Components	Plastic moulding parts
10.	Sandhar Automach Nalagarh	Nalagarh	Automach	Wheel rims and wheel assemblies, handle bars, clutch and brake panels, and fender assemblies
11.	Sandhar Technologies Limited – Pathredi	Alwar	HSCI	Door handles, lock assembly, and side view mirror
12.	Indo Toolings Indore	Indore	Joint Venture	Commercial tooling
13.	Sandhar Automotives Pune	Pune	Automotives	Mirror assembly, lock assembly, and handle assembly
14.	Sandhar Components Pune	Pune	Components	Television cabinets and air conditioners cabinets
15.	Sandhar Technologies Limited – Cabins and Fabrication Pune	Pune	Cabins and fabrications	Cabins, welded assembly for cabins
16.	Sandhar Components Attibele	Bengaluru	Components	Zinc die casting and moulding parts
17.	Sandhar Automotives Bommasandra	Bengaluru	Automotives	Lock assembly, mirror assembly, handle assembly, latches, and switches
18.	Mag Engineering Unit A	Bengaluru	Cabins and fabrication	Backhoe loader cabins and cabin loose parts, operator cabins, motor-grader cabin, dozers cabins, cabin for dump trucks including floor plate
19.	Mag Engineering Unit B	Bengaluru	Cabins and fabrication	Backhoe loader cabins and cabin loose parts, operator cabins, motor-grader cabin, dozers cabins, cabin for dump trucks including floor plate
20.	Sandhar Automach Attibele	Bengaluru	Automach	Motor cycle rims, moped rims, scooter rims, clutch assembly, handle bar assembly, wheel assemblies for motor cycles, mopeds and scooters
21.	Sandhar Automach Mysore	Mysuru	Automach	Wheel rims and wheel assemblies, handle bars, clutch and brake panels, and fender assemblies
22.	Sandhar Automach Chennai	Chennai	Automach	Wheel rims and wheel assemblies, handle bars, clutch and brake panels, and fender assemblies
23.	Sandhar Technologies Limited –	Gurugram	Fuel sender	Fuel senders / sensors

Sr. No.	Facility	Location	Division	Products manufactured
	Lyssen Division			
24.	Sandhar Technologies Limited	Oragadam, Chennai	Automach	Assembly of rims
25.	Sandhar Automotives Gurgaon – JEM division	Gurugram	Automotives	Relays
26.	Sandhar Technologies Limited – Distribution Division	Gurugram	After market	Packaging of products for after-market sales
27.	Sandhar Han Sung	Gurugram	Joint Venture	Press parts for application in relays, motors and tools, injection moulded parts for application in sensors, connectors, switches, vehicle relays, lamps, windshield wipers and switches
28.	Jinyoung Sandhar	Oragadam, Chennai	Joint Venture	Assembly of AVN panels, and switches
29.	Sandhar Han Sung – Oragadam	Oragadam, Chennai	Joint Venture	High precision press parts, and insert moulded contact plates
30.	Sandhar Technologies Limited*	Hosur	Automach	Wheel rims and wheel assemblies, handle bars, clutch and brake panels, and fender assemblies
31.	Sandhar Technologies Limited – CFD – Jaipur	Jaipur	Cabins and fabrication division	Parts and components for off-highway vehicles

**Manufacturing facilities to be commissioned**

1.	Sandhar Technologies Limited – Oragadam	Oragadam, Chennai	Components, and cabins and fabrication	Cabins and cabin loose parts, operator cabins for off-highway vehicles, aluminium die casting components, machining, and powder coating of aluminium die casting parts
2.	Sandhar Technologies Limited – Hosur Unit	Hosur	Components	Aluminium die casting parts
3.	Sandhar Technologies Limited – Oragadam (ADC)	Oragadam, Chennai	Components	Aluminium die casting parts
4.	Sandhar Daewha	Gurugram	Joint Venture	Fuel filters and fuel modules, starter motors, wipers
5.	Sandhar Amkin	Gurugram	Joint Venture	Safety helmets and other headgears for two-wheelers

\*The operations of Sandhar Automach Hosur have been merged with the operations of Sandhar Technologies Limited, Hosur-Automach division with effect from January 25, 2018.

**B. Facilities outside India:**

Sr. No.	Facility	Location	Division	Products manufactured
1.	ST Barcelona	Spain	ST Barcelona	Aluminium spools and spindles
2.	Breniar Projects	Spain	ST Barcelona	Aluminium spools and spindles
3.	ST Mexico	Mexico	ST Mexico	Aluminium spools and spindles

**IN – HOUSE CAPABILITIES**

Our backward integrated manufacturing processes provide us with a competitive advantage on account of lower cost, superior quality. This also mitigates the risk of supplier disruptions.

The table below sets forth our in-house capabilities at our facilities:

Capability	Facility
Product design, design analysis and prototyping, product testing, and validation	SCID
Zinc die casting	Sandhar Components Manesar
	Sandhar Components Attibele
	Sandhar Automotives Haridwar
Aluminium die casting	Sandhar Components Bawal
	Sandhar Components Attibele
	Sandhar Automotives Haridwar
	Sandhar Technologies Limited, Hosur*
	Sandhar Technologies Limited, Oragadam*
	ST Barcelona
	ST Poland
ST Spain	
Plastic injection moulding	Sandhar Technologies Limited – Bawal II
	Sandhar Automotives Haridwar
	Sandhar Components Pune
Sheet metal stampings	Sandhar Components Behrampur
	Sandhar Automotives Haridwar
	Sandhar Han Sung
Paint shop	Sandhar Automotives Haridwar
	Sandhar Automotives HSCI Division
	Sandhar Automotives Dhumaspur
	Sandhar Components Behrampur
	Sandhar Components Bawal
	Sandhar Components Pune
Sandhar Technologies Limited – Pathredi	
Tools and dies	Sandhar Tooling
	Indo Tooling
	Sandhar Components Bawal
	Sandhar Components Manesar
	Sandhar Components Behrampur
Mirror plant	Sandhar Automotives Haridwar
	Sandhar Automotives Dhumaspur
	Sandhar Technologies Limited – Pathredi
	Sandhar Automotives Bommasandra
Nickel and chrome plating	Sandhar Automach Attibele
Sheet metal fabrication	Sandhar Automach Attibele
	Mag Engineering Unit A
	Mag Engineering Unit B
	Sandhar Technologies Limited – CFD – Jaipur
	Sandhar Technologies Limited – Oragadam*
Relays	Sandhar Automotive, Gurgaon – JEM Division

\* Manufacturing facilities currently being commissioned by the Company.

## RESEARCH AND DEVELOPMENT

We implement and create access to modern and advanced technology, which are critical for us to succeed in our business. The development of our access to technology is enabled through an in-house research and development department and through joint ventures, technical collaborations, and acquisitions. Research and development is a critical part of our business and our research and development team comprises of 35 engineers as on December 31, 2017, based out of SCID in Gurugram. We have end-to-end research capabilities ranging from new product designing, improvements in design of existing products, product benchmarking, design analysis and simulation, rapid prototyping, product testing, validation to intellectual property rights filing and protection, and centralized product data management.

Our research and development team has been recognised by the Department of Scientific and Industrial Research, Government of India, and works in collaboration with research institutes to develop future technologies. Further,

our research centres are equipped with modern facilities including major design software such as Creo, UG NX, Nastran, and Imageware. This apart, our research centres also have white light scanning, coordinate measuring machine, 3D printing, silicon moulding, and an electronic and endurance testing laboratory.

The table below sets forth details of the research and development projects undertaken by us during Fiscal 2017:

Project	Products
Security system projects	Lock assembly for racing bike
	All-in-one lock for scooters
	Three-in-one locks for motorcycles
	Boke main stand lock
	Lock assembly for light commercial vehicle
Mirror projects	Lock assembly with wave biting key
	Auto-dimming mirror
	Indicative type two-wheeler mirror
Evaporator products and projects	Inner rear-view mirror with reverse parking sensor and camera assist
Electronic projects	Carbon canister (two wheelers)
	Vehicle tracking system
	Find me feature
	Immobilizer
	Flasher
	Keyless entry
Safety system projects	Smart handle
	Braking system for only hand brake operated two-wheelers

We believe that our R&D efforts provide us with a competitive advantage with respect to quality and cost. For instance, our research and development team has built a unique fuel tank cap with an in-built carbon canister which complies with the new BS VI norms for two wheelers. These products have been completely and indigenously developed, and offer superior cost and quality advantages compared to any other product in the market. We believe, we have the necessary manpower and resources to continue to lead the market by developing such products in the future.

## MEMORANDUM OF UNDERSTANDING

We have entered into nine non-binding memoranda of understanding (“**MoUs**”) with various parties in South Korea, China, and Malaysia to explore the potential of entering into definitive agreements for the manufacture of products such as smart key systems for two-wheelers and four-wheelers, fog lamp and shield lamp parts, automobile head lamp assembly parts, automobile sash parts, shark-fin antennas, micro-pole antennas, carbon canisters, and valves. In accordance with the terms of these MoUs, our Company and the respective counterparties have agreed to conduct feasibility studies on the viability of the joint venture proposed under the MoU, and also formulate detailed plans for supply. The terms of these MoUs typically range from one year to ten years from their respective effective dates.

## TECHNICAL COLLABORATIONS

We have entered into joint ventures and technical collaborations with a host of partners across segments. For details of our joint ventures, see “*Our Subsidiaries and Joint Ventures*” on page 213.

Details of our some of our key technical collaborations are given below:

### A. *Technical Collaboration Agreement with JEM Techno*

Our Company has entered into a technical collaboration agreement with JEM Techno dated February 22, 2013 (“**JEM Techno Agreement**”). In accordance with the terms of the JEM Techno Agreement, JEM has agreed to grant a non-transferable, non-exclusive license to our Company, to use its technology for the purpose of manufacture or assemble of relays to be used in automobiles. JEM has also agreed to provide technical support and assistance to our Company. As consideration, our Company shall pay JEM Techno a license fee in the form of an initial fee and running royalty. The JEM Techno Agreement is valid for an initial term of ten years, and shall be renewed automatically for an additional three years, unless either our Company or JEM Techno decide to withdraw the JEM Techno Agreement.

## ***B. Technical Collaboration Agreements with Honda Lock***

Our Company has entered into several technical collaboration agreements with Honda Lock for different vehicle models. In accordance with the terms of such agreements, Honda Lock has agreed to grant non-transferable, non-exclusive licenses to our Company, to use its technical information and know-how for the purpose of manufacture or assembly of door mirrors, outside door handles, and key sets for automobiles and motorcycles. Further, Honda Lock has also agreed to provide technical support and assistance to our Company. As consideration, our Company shall pay Honda Lock a license fee in the form of an initial fee and recurring royalty. All the aforementioned agreements are valid for a term of six years, and shall be renewed automatically for an additional term of one year, unless either our Company or Honda Lock decide to withdraw the concerned agreement.

## **RAW MATERIALS**

Our procurement process is managed by a centralised procurement division (“CPD”). The CPD was set up to harness synergies in purchasing, to develop a vendor base through better understanding of vendor capabilities, control variations in purchase prices across various units for same / similar items, and to develop a better understanding of costing across items and units. The CPD standardises processes, contracts, and metrics across the procurement function, and streamlines the complete procurement cycle.

Principal raw materials that we use in our production are zinc, aluminium, plastics, brass, glass, sheet metal parts and nickel among others. We also purchase products which we use directly as input materials, including materials which do not require any processing. Such materials are referred as ‘bought-out materials / parts’. In Fiscal 2017, the total cost of raw materials and components consumed accounted for 64.83% of our total expenses on a consolidated basis. For a majority of the commodities we purchase, prices are directly negotiated with our vendors on a regular basis. The prices that we agree with our steel raw materials suppliers are fixed on a quarterly, half – yearly, or yearly basis, which is the same timeframe for which we enter into price agreements with our customers.

As we generally require components that are specifically designed and developed to meet our needs, we employ a component sourcing strategy that is targeted at developing relationships with long – term suppliers who can meet our component needs. Consequently, we have developed a long – term supplier base with an established supply chain. This ensures the timely availability of components of desirable quality and quantity. The price adjustments that we agree with our bought-out parts suppliers are based upon price adjustment agreements with our customers.

We have a diversified supplier base and we believe that this helps us in minimising supplier risk due to low supplier concentration. Suppliers undergo qualification process (called quality assurance validation and vendor performance rating) with us and our customers to ensure that each is satisfied that the supplied raw materials are of appropriate quality. While we do not have any long – term contracts with any of our raw material as well as bought out parts suppliers, we have maintained a long term relationship with each of the major suppliers.

## **CENTRALISED MAINTENANCE, CAPITAL ASSET AND UTILITIES MANAGEMENT**

We set up our centralised maintenance, capital asset and utilities management division to manage our assets across all manufacturing facilities in India, as well as to optimize repairs and maintenance expenses (*i.e.* for building, plant and machinery and others) which accounted for 1.70% of the total expenses incurred by us during Fiscal 2017 on a consolidated basis. We believe that this division is integral to achieving productive operations, limited downtime, and high-quality products, while maintaining equipment and machine at optimal cost levels. The objective of this division is to ensure business continuity, facilitate speedy breakdown recovery of plant, machinery and equipment, optimise expenditure on maintenance of capital assets, energy conservation, and to create a safe production environment.

This is achieved by: (i) planning, designing, and implementing standard operating procedures for maintaining plant machinery and equipment in good condition, well configured, and safe to perform their intended functions, (ii) performing all maintenance activities including preventive, corrective, predictive overhauls, design modification, and emergency maintenance shut-down in an efficient and effective manner, (iii) conserving and controlling the use of spare parts and consumables, (iv) commissioning of new plants, machinery, and equipment, and (v) conserving energy by reducing downtime and better utilisation.

## **SALES, MARKETING AND DISTRIBUTION**

Our marketing network is managed by our business heads / chief operating officers who are in charge of marketing strategies specific to their assigned business division under the supervision of our Co – Chairman and Managing Director. We supply our components directly to the automotive OEMs, both Indian and global. We leverage our relationships with our existing customers to procure repeat orders from them, as well as invitations to develop new products for their new models. Based on our credentials and recognitions awarded to us by our valued existing customers, we approach new customers for business. Our management has flexibility to accept customers’ specific requirements while negotiating and discussing development of new products.

## UTILITIES

### *Power and fuel*

For our operations, we need a substantial amount of power and fuel. For Fiscal 2017, our total power and fuel costs comprised 3.99% of our total expenses on consolidated basis. Our operations in India, Mexico, Poland and Spain, purchase utilities from their respective local utility companies.

The process of manufacturing of zinc die casting components, aluminium die casting components, injection molding, paint shop process and mirror convexing and vacuum coating requires good quality of electricity, along with a high electricity load. This apart, the process of manufacturing requires an uninterrupted and constant voltage power. This ensures that the products are of high quality, and also increases the productivity and lifetime of our machines and equipment. Our Company makes arrangements for captive power generation through generator sets in all manufacturing facilities, apart from machines which are equipped with voltage stabilizers. Our Company has also recently installed solar power in some manufacturing facilities. We focus on increasing use of solar power in our manufacturing facilities. Currently, we use solar power at the Corporate Office and at 12 of our manufacturing facilities located in Karnataka, Haryana, Uttarakhand and Rajasthan.

### *Water*

Our manufacturing process requires water consumption although they are not water intensive. The requirement for water is met primarily by sourcing through outside resources, or through local utility companies. In few of our manufacturing facilities, water requirement is met through own borewells.

## INTELLECTUAL PROPERTY

### *Patents*

We have applied for patents for a variety of existing products and products under development. As on the date of this Red Herring Prospectus, we have registered 14 patents in India. The table below provides details of our patent applications:

Patent	Application number	Date of filing	Date of publication
Three-point locking mechanism	830/DEL/2010	April 5, 2010	May 25, 2012
Anti-theft bike stand lock	1058/DEL/2014	April 17, 2014	June 20, 2014
Roll over valve for motorcycles or two-wheeler vehicles	1209/DEL/2014	May 5, 2014	November 21, 2014
A replaceable roll over valve fitted with fuel filler cap of motorcycle	1298/DEL/2014	May 15, 2014	June 13, 2014
Electrically triggered inside rear-view dimming mirror	1448/DEL/2014	June 2, 2014	July 4, 2014
Integrated steering lock cum ignition switch with fuel tank cap and seat latch actuator	1525/DEL/2015	May 28, 2015	July 17, 2015
Magnetically operated handle lock cum ignition switch for two and three-wheeler vehicles	201611002851	January 27, 2016	February 12, 2016
A cable actuated fuel tank cap with compact locking mechanism for motorcycles	201611044057	December 23, 2016	December 30, 2016
Fuel tank cap assembly	201711028752	August 12, 2017	August 25, 2017

Patent	Application number	Date of filing	Date of publication
Magnetically operated handle lock cum ignition switch for two and three-wheeler vehicles	201713034086	September 26, 2017	October 20, 2017
A fuel tank cap with inbuilt carbon canister for two-wheelers	201711034087	September 26, 2017	October 20, 2017
Two-wheelers front turn indicator on Mirror housing / Frame	201711034512	September 28, 2017	October 20, 2017
Simultaneous braking (front / rear) system for foot brake operated two-wheelers	201711042725	November 29, 2017	December 8, 2017
Simultaneous braking (front / rear) system for only hand brake operated two-wheelers	201711042726	November 29, 2017	December 8, 2017

### **Trade Marks**

We have filed two trade mark registration applications, with the Registrar of Trade Marks, New Delhi, as on the date of this Red Herring Prospectus. For details, see “*Government and Other Approvals – Intellectual Property Rights*” on page 458.

### **Licenses**

We have entered into a number of technical collaboration agreements that provide us access to third party intellectual property rights which are useful in our businesses. For details, see “*Our Business – Technical Collaborations*” on page 181.

## **HEALTH, EMPLOYEE SAFETY AND ENVIRONMENT**

We constantly take initiatives to reduce the risk of accidents at our facilities by carrying out trainings, safety audits, and by installing safety devices such as sensors, exhaust, fire extinguishers. We observe and celebrate safety day in our facilities to improve awareness among employees on safety at workplaces.

In addition to creating initiatives to improve employee safety at workplaces, we also implement initiatives to reduce the environmental impact of our operations. Such initiatives include:

- Maintaining treatment plants to avoid water pollution and soil contamination;
- Recycling and reusing water wherever possible;
- Ensuring zero discharge wherever possible;
- Implementing ‘Swachh Bharat Abhiyan’ in all facilities;
- Managing e-wastes and hazardous wastes;
- Installing solar panels to conserve energy;
- Obtaining OHSAS 18001 certification for our units;
- Obtaining LEED Certification (Energy Saving) for our Corporate Office; and
- Planting new saplings on a yearly basis in each one of our units.

Environmental requirements imposed by the Government will continue to have an effect on us and our operations. We believe that we have complied with, and will continue to comply with all applicable environmental laws, rules and regulations. 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, *inter alia*, air emissions, waste water discharges, the handling, storage and disposal of hazardous substances and wastes, the remediation of contaminated sites, natural resource damages, and employee health and employee safety. Our overseas subsidiaries in Mexico, Poland and Spain are also subject to regulations relating to environmental, health and safety measures. For details, see “*Government and Other Approvals*” on page 455.

## **COMPETITION**

The automotive component industry is extremely competitive. We face competition from both domestic and international players. Typically, large automotive component players supply exclusively to only a few select OEMs. Since, we cater to various segments in the automotive industry, we compete with various companies for



each of our different product ranges. Some of the competitors within the key product categories in which we operate are:

Product category	Competitors*
Locking systems	Jay Ushin, Minda Corporation, Minda VAST Access Systems
Vision systems	Fiem Industries, SMR Automotive, Krishna Maruti, Tata Ficosa
Outer door handles	SMR Automotive, Minda Corporation, Minda VAST Access Systems
Aluminium die castings	Rockman Industries, Sunbeam Auto Private, Alicon Castalloy, Sundaram Clayton, Endurance Technologies
Operator Cabins and fabrications	Siac Skh India Cabs Manufacturing
Wheels	Yoshika Engineering, Neel Metals, Rockman Industries, Enkei Wheels (India), Endurance Technologies, Wheels India, Steel Strips Wheels, Minda Kosei Aluminium Wheel, Synergy Wheels
Relays	Anu Industries Ltd, BG LI-IN Electricals, O E N India
Filters	Mahle Filter System, Bosch, Lucas TVS, Elofic Industries, Minda Automotive Solutions
Fuel Delivery Modules	Denso, Bosch, Delphi, Continental, Ucal Fuel Systems, Kiehen, Magneti-Mareilli

\*Source: CRISIL Report.

In other product categories, we compete with various domestic and international automotive component manufacturers.

## AWARDS AND RECOGNITIONS

For details of awards and recognitions, see “*History and Certain Corporate Matters – Awards and Accreditations*” on page 200.

## HUMAN RESOURCES

As of December 31, 2017, we had a total work force of 7,426 individuals comprising of 2,292 employees and 5,134 individuals engaged by us on a contractual basis. We have 7,113 individuals in India, consisting of 1,979 employees and 5,134 individuals engaged by us on a contractual basis. We have 313 employees engaged by us outside India. The following table illustrates the break-up of our employees by education levels:

Education level	Number of employees
Engineering degrees	631
Technical diploma holders	562
Other professional qualifications	185
Others	914
<b>TOTAL</b>	<b>2,292</b>

We have not faced any supply disruptions or any labour unrest and union issues in the past. Our human resource practices are aimed at recruiting talented individuals, ensuring their continuous development and making sure their grievances, if any, are redressed in a timely manner.

We conduct regular trainings for our employees and impart e-learning modules on 3M, 5S and kaizen through our intranet which are available in various local languages. We have a human resources helpdesk which visits each plant on a rotation basis to meet employees and ensure that their concerns, if any, are addressed. Our attrition rate has been on a downward trajectory in the last five years.

We have no labour unions in any of our manufacturing facilities other than ST Barcelona, Sandhar Technologies Limited Hosur, Sandhar Automach Mysore, Mag Engineering Unit A, Mag Engineering Unit B, Sandhar Components Attibele, Sandhar Automach Attibele, and Sandhar Automotives Bommasandra, where we have signed long-term agreements with such trade unions. Our relations with our employees are amicable and we have not had disruption in production or delivery to customers due to industrial relations issue in our manufacturing facilities in the past.

## INFORMATION TECHNOLOGY

We have invested in the Oracle enterprise resource planning systems (“ERP”) and have implemented ERP systems since 2009 which encompasses the management of all production, materials, maintenance and human resource functions. We have made conscious efforts to consistently upgrade our systems to ensure efficiency and reduce redundancies. All our security systems and business continuity management systems are ISO certified. Business continuity and information technology service management is based on best practices defined by ISO 22301 (BCMS) and ISO 20000 (ITSM), certifications under which are currently in process. A key timeline indicating our initiatives relating to information technology is set forth in the table below:

Year	Information technology initiative
2009	Implementation of Oracle ERP
2010	Implementation of distribution resource planning and business continuity planning
2011	Implementation of data leakage prevention
2012	Implementation of real application cluster (RAC) and load balancing
2013	Implementation of “Near Tier-III” data centre with early warning detection system (EWDS)
2014	Implementation of Oracle Fusion – Human Capital
2015	<ul style="list-style-type: none"><li>▪ Product Lifecycle Management (PLM) Implementation</li><li>▪ ISO 27001, ISO 22301, ISO 20000 policies implementation in corporate office.</li></ul>
2016	Implementation of self-service learning management system (LMS)
2017	ISO 27001 certification for corporate office from BSI.

We also have information technology systems which aid in design, development and prototyping such as Autodesk, Dassault, Ironcad, Delcam, Mastercam and Unigraphics. We have also implemented product lifecycle management system to optimize new product development time, to protect data and reduce marketing time.

Our information technology systems are being managed by an in-house team comprising of an advisor, heads, ERP functional resources, technical resources, network and system administrators, application and database administrators and developers.

## INSURANCE

Our operations are subject to various risks inherent in the automotive component industry in addition to fire, theft, earthquake, flood, acts of terrorism, and other force majeure events. We maintain insurance cover for our facilities and operations as required under applicable laws. In addition, we maintain product liability insurance in relation to certain of our Subsidiaries and Joint Ventures, including where it is specifically required under our customer contracts.

We maintain transit insurance for the products transported by us to our customers’ plants. We also maintain directors’ and officer liability insurance policies.

## IMMOVABLE PROPERTIES

Our manufacturing facilities are located on premises that are either owned by us or leased by us. Some of these leased properties are industrial land allotted to us by various state owned industrial development corporations. Under the terms of these allotments, 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 the manufacturing facility and commencement of manufacturing activity. Please see “*Risk Factors - 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 and financial condition.*” on page 39.

We do not own our Registered Office premises or our Corporate Office premises which are owned by our Promoter Group entity, and Group Entity, being, Shorah Realty LLP and Jubin Finance & Investment Limited, respectively. We use these premises pursuant to letters from them, granting us such permission to use the premises.

Details of our immovable properties are listed below:

Sr. No.	Location	Lease hold / owned / leave and license	Date of purchase / lease	Term of lease	Whether purchased / leased from a related party
1.	Plot #3, Sector 18, Gurugram – 122 201, Haryana	Owned	October 9, 1989	-	No
2.	Plot #4, Sector 18, Gurugram – 122 201, Haryana	Owned	March 29, 2004	-	No
3.	Dhumaspur Village, Badshahpur, Gurugram – 122 101, Haryana	Owned	January 11, 2002	-	No
4.	Plot #16, Industrial Park – 4, Begampur, Haridwar – 249 402, Uttarakhand	Owned	January 22, 2010	-	No
5.	Plot #24, Sector – 3, IMT Manesar, Gurugram – 122 050, Haryana <sup>(1)</sup>	Owned	November 13, 2003	-	No
6.	Plot #25, Sector – 3, IMT Manesar, Gurugram – 122 050, Haryana <sup>(1)</sup>	Owned	April 3, 2003	-	No
7.	Killa #1217/2, 1216 Village and Post Office, Khandsa, Gurugram – 122 004, Haryana <sup>(1)</sup>	Owned	August 5, 2002	-	No
8.	Plot #44, Sector – 3, IMT Mansar, Gurugram – 122 050, Haryana	Owned	November 4, 2003	-	No
9.	Khasra #1745 and #1785, Dhabatla Tehsil, Nalagarh – Bharatgarh Road, Nalagrah – 174 101, Himachal Pradesh	Owned	November 20, 2006	-	No
10.	Plot #13A, KIADB Industrial Area, Attibele, Anekal Taluk, Bengaluru – 562 107, Karnataka <sup>(1)</sup>	Owned	October 5, 1998	-	No
11.	Plot #12C, KIADB Industrial Area, Attibele, Anekal Taluk, Bengaluru – 562 107, Karnataka <sup>(1)</sup>	Owned	September 26, 1998	-	No
12.	Plot #12C Part, KIADB Industrial Area, Attibele, Anekal Taluk, Bengaluru – 562 107, Karnataka <sup>(1)</sup>	Owned	September 26, 1998	-	No
13.	Survey ##385/2 and 386/1, #27, Madagarahalli, Kadakola Post, Mysuru – 571 311, Karnataka <sup>(1)</sup>	Owned	November 3, 2001	-	No
14.	Survey #12/1B, P&T Quarters Road, Thruvattiyor, Chennai – 600 019, Tamil Nadu <sup>(1)</sup>	Owned	February 15, 2006	-	No
15.	Plot #7A, KIADB Industrial Area, Attibele, Anekal Taluk, Bengaluru – 562 107, Karnataka <sup>(1)</sup>	Lease hold	October 19, 2005	95 years from October 19, 2005	No
16.	Plot #8, Bommasandra Jigani Link Road, Industrial Area, Bengaluru – 562 106, Karnataka <sup>(1)</sup>	Owned	December 29, 2005	-	No
17.	Plot #14, HSIIDC Industrial Area, Bawal – 123 501	Owned	October 3, 2007	-	No
18.	Plot #13, HSIIDC Industrial Area, Bawal – 123 501	Owned	March 27, 2009	-	No
19.	Gat ##3420 and 3421, Mouje Talegaon Dhamdhere, Shirur Taluk, Pune – 412 210, Maharashtra	Owned	July 28, 2011	-	No
20.	Plot #92, Sector – 3, IMT Manesar, Gurugram – 122 050, Haryana	Owned	February 6, 2002	-	No
21.	Plot #46A, Peenya 2 <sup>nd</sup> Phase, Industrial Area, Bangalore – 560 058, Karnataka <sup>(1)</sup>	Owned	May 2, 2013	-	No
22.	Plot #34B, Peenya 2 <sup>nd</sup> Phase, Industrial Area, Bangalore – 560 058, Karnataka <sup>(1)</sup>	Owned	May 2, 2013	-	No
23.	#E – 10, Industrial Area, Phase – III, Chakan District, Pune – 410 501, Maharashtra	Lease hold	April 5, 2010	95 years from April 5, 2010	No
24.	#SP1-889, Industrial Area, Pathredi, Bhiwadi – 301 019, Rajasthan	Lease hold	November 27, 2007	99 years from November 27, 2007	No

Sr. No.	Location	Lease hold / owned / leave and license	Date of purchase / lease	Term of lease	Whether purchased / leased from a related party
25.	Plot #B-2, Oragadam SIPCOT, Chennai – 602 105, Tamil Nadu	Lease hold	September 27, 2013	99 years from September 27, 2013	No
26.	Plot #1 Industrial Park, Bawali Kalanjari Village, Haridwar – 247 656, Uttarakhand <sup>(2)</sup>	Owned	August 28, 2014	-	Yes
27.	Plot #3 Industrial Park, Bawali Kalanjari Village, Haridwar – 247 656, Uttarakhand <sup>(2)</sup>	Owned	August 20, 2014	-	Yes
28.	Plot ##4, 5, 6, and 7 Industrial Park, Bawali Kalanjari Village, Haridwar – 247 656, Uttarakhand <sup>(2)</sup>	Owned	August 28, 2014	-	Yes
29.	Survey #758/B2, Poonapalli Village, Hosur Taluk, Hosur – 635 110, Tamil Nadu	Owned	June 4, 2015	-	No
30.	Plot #I-11 (Part – II) Khed City, Pune – 411 004, Maharashtra	Lease hold	May 28, 2015	90 years from May 28, 2015	No
31.	Plot #G-80/1, SIPCOT Industrial Park, Vallam – 631 604, Tamil Nadu	Lease hold	August 23, 2017	99 years from August 23, 2017	No
32.	Plot #G-67, SIPCOT Industrial Park, Vallam – 631 604, Tamil Nadu	Lease hold	August 23, 2017	99 years from August 23, 2017	No
33.	Plot #DTA-004-003, Mahindra World City, Jaipur – 302 027, Rajasthan	Lease hold	August 10, 2017	6 years from August 10, 2017	No
34.	Plot #DTA-004-003, Mahindra World City, Jaipur – 302 027, Rajasthan	Lease hold	August 10, 2017	6 years from August 10, 2017	No
35.	#B-6/20, L.S.C. Safdarjung Enclave, New Delhi – 110 029 <sup>(4)</sup>	Lease hold	November 8, 2017	11 months from November 8, 2017	Yes
36.	Plot #13, Sector – 44, Gurugram – 122 003, Haryana <sup>(5)</sup>	Lease hold	October 1, 2015	5 years from October 1, 2015	Yes
37.	Block #E-61, E-62, and E-63, Plot #3, Ansal Palam Udyog, Sector – 18, Gurugram – 122 201, Haryana <sup>(3)</sup>	Lease hold	February 1, 2018	11 months	Yes
38.	Gat #418, Ambethan Village, Khed Taluk, Chakan, Pune – 410 501, Maharashtra	Leasehold	February 6, 2018	5 years from February 6, 2018	No
39.	Property #50, Gadaipur Village, Haus Khas Village, New Delhi – 110 016 <sup>(6)</sup>	Lease hold	April 1, 2014	5 years from April 1, 2014	Yes
40.	Property #50, Gadaipur Village, Haus Khas Tehsil, New Delhi – 110 016 <sup>(6)</sup>	Lease hold	April 1, 2014	5 years from April 1, 2014	Yes

(1) Acquired consequent to the order dated May 26, 2006, passed by the High Court of Delhi, sanctioning the scheme of amalgamation for the amalgamation of Sandhar Auto Components Limited, SLD Auto Limited, Sandhar Engineering Industries Private Limited, Adeep Locks Limited, Adeep Roloforms Limited and Agrim Automach Private Limited with our Company.

(2) Purchased from Haridwar Estates Private Limited, being one of the Group Entities.

(3) Leave and license from the Promoter.

(4) Sub-lease from Shorah Realty LLP, one of the Promoter Group entities.

(5) Lease from Jubin Finance & Investment Limited, one of the Group Entities.

(6) Lease from Sandhar Estates Private Limited, being one of the Promoter Group members of the Company.

## CORPORATE SOCIAL RESPONSIBILITY

Our CSR activities are self-driven and we are fully aware of our responsibilities of supporting the local communities and safeguarding the environment. We established the Sandhar Foundation in 2010 which spearheads our CSR efforts. By way of a memorandum of understanding dated March 30, 2015, executed between our Company and Society for Promotion of Youth & Masses, our Company agreed to support a clean drinking

water project undertaken by the Society for Promotion of Youth & Masses, a non-governmental organisation which enables people to maximise their potential, increases their abilities, and enhances human dignity by providing quality services within available resources. This apart, our Company also carries out its CSR initiatives through Hans Vahini Shiksha Samiti, a non-governmental organisation which works towards providing education (including special education), and enhancing vocational skills among women and children, as well as Khushii, a non-profit organization working on alternatives leading to the socio-economic development of the under privileged members of the society.

In 2012, our Company established a healthcare centre in Begumpur, which provides free medical checkups and sets up medical camps in the local community. Through Sandhar Foundation, we also provide annual support to girl students from weaker sections of the society whereby we reimburse a fee of approximately ₹25,000, per student, per academic session. We have also set up reverse osmosis plants in two villages in the vicinity of our plants at Behrampur and Bawal.

## REGULATIONS AND POLICIES

*Given below is a summary of certain relevant Indian laws and regulations applicable to our Company and our Subsidiaries. The information in this chapter has been obtained from publications available in the public domain. The description of the applicable regulations as given below has been set out in a manner to provide general information to the investors and is not exhaustive, and shall not be treated as 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.*

Under the provisions of various Central Government and State Government statutes and legislations, our Company and our Subsidiaries are required to obtain, and periodically renew certain licenses or registrations and to seek statutory permissions to conduct our business and operations. For further details, see “*Government and Other Approvals*” on page 455.

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

*The following description is a summary of the relevant sector specific laws, policies and regulations, as prescribed by the Government or State Governments which are applicable for our Company and its subsidiaries. The information detailed in this chapter has been obtained from publications available in the public domain. The regulations set out below are not exhaustive, and are only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional legal advice. The statements below are based on the current provisions of Indian law, and remain subject to judicial and administrative interpretations thereof, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions.*

### ENVIRONMENTAL REGULATIONS

All manufacturing companies must ensure compliance with various applicable environmental legislations. Some of the important environmental legislations applicable to us *inter alia* are the Water (Prevention and Control of Pollution) Act, 1974, the Air (Prevention and Control of Pollution) Act, 1981, the Water (Prevention and Control of Pollution) Cess Act, 1977 and the Environment Protection Act, 1986. Prior to the undertaking of a project for construction, development or modification of a plant, system or structure, our Company will be required to file an Environment Impact Assessment (“EIA”) with the State Pollution Control Board and the Ministry of Environment and Forests (“MOEF”). Companies are required to obtain consents of the relevant State Pollution Control Boards for emissions and discharge of effluents into the environment. The relevant authority will assess the impact of the project on the environment before granting clearance. The clearance may be granted subject to certain conditions/alterations required to be made in the project.

#### **The Environment (Protection) Act, 1986, as amended (“EPA”)**

The EPA is an umbrella legislation in respect of the various environmental protection laws in India. The EPA vests the Government of India with the power 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 or discharge of environment pollutants from various sources as given 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.

#### **The Air (Prevention and Control of Pollution) Act, 1981, as amended (“Air Act”)**

The Air Act has been enacted to provide for the prevention, control and abatement of air pollution. The statute 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 corresponding Pollution Control Boards in the state.

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 is required to grant consent within a period of four months of receipt of an application, but may impose 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.

The penalties for the failure to comply with the provisions of the Air Act include imprisonment of up to six years and the payment of a fine as may be deemed appropriate. If an area is declared by the State Government to be an air pollution control area, then, no industrial plant may be operated in that area without the prior consent of the State Pollution Control Board.

### **The Water (Prevention and Control of Pollution) Act, 1974, as amended (“Water Act”)**

The Water Act aims to prevent and control water pollution as well as restore water quality by establishing and empowering the Central Pollution Control Board and the State Pollution Control Boards. Under the Water Act, any person establishing any industry, operation or process, any treatment or disposal system, use of 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, or imprisonment, or both.

The Central Pollution Control Board has powers, *inter alia*, to specify and modify standards for streams and wells, while the State Pollution Control Boards have powers, *inter alia*, to inspect any sewage or trade effluents, and to review plans, specifications or other data relating to plants set up for treatment of water, to evolve efficient methods of disposal of sewage and trade effluents on land, to advise the State Government with respect to the suitability of any premises or location for carrying on any industry likely to pollute a stream or a well, to specify standards for treatment of sewage and trade effluents, to specify effluent standards to be complied with by persons while causing discharge of sewage, to obtain information from any industry and to take emergency measures in case of pollution of any stream or well. A central water laboratory and a state water laboratory have been established under the Water Act.

### **The Water (Prevention and Control of Pollution) Cess Act, 1977, as amended (“Water Cess Act”)**

The Water Cess Act provides for levy and collection of a cess on water consumed by industries with a view to augment the resources of the Central and State Pollution Control Boards constituted under the Water Act. Under this statute, every person carrying on any industry is required to pay a cess calculated on the basis of the amount of water consumed for any of the purposes specified under the Water Cess Act at such rate not exceeding the rate specified under the Water Cess Act. A rebate of 25% on the cess payable is available to those persons who install any plant for the treatment of sewage or trade effluent, provided that they consume water within the quantity prescribed for that category of industries and also comply with the provision relating to restrictions on new outlets and discharges under the Water Act or any standards laid down under the EPA. For the purpose of recording the water consumption, every industry is required to affix meters as prescribed. Penalties for non-compliance with the obligation to furnish a return and evasion of cess include imprisonment of any person for a period up to six months, or a fine of ₹1,000, or both and penalty for non-payment of cess within a specified time includes an amount not exceeding the amount of cess which is in arrears.

### **The 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 for safe and environmentally sound 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. The operator and the occupier of a facility are liable for any financial penalties that may be levied by the respective

State Pollution Control Boards with the prior approval of the Central Pollution Control Board.

## **LABOUR LAWS**

We are required to comply with certain labour and industrial laws, which includes the Factories Act, 1948, Employees' Provident Funds and Miscellaneous Provisions Act 1952, the Employees State Insurance Act, 1948, the Minimum Wages Act, 1948, the Maternity Benefit Act, 1961, Employees Compensation Act, 1923, the Payment of Gratuity Act, 1972, Contract Labour (Regulation and Abolition) Act, 1970, the Payment of Wages Act, 1936, Industrial Disputes Act, 1947, the Apprentices Act, 1961, the Trade Unions Act, 1926, the shops and establishments legislations, the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 amongst others.

Brief description of certain labour legislations which are applicable to our Company are set forth below:

### **The Factories Act, 1948 ("Factories Act")**

The Factories Act seeks to regulate the employment of workers in factories and makes provisions for the health, safety and welfare of the workers while at work in the factory including requiring adequate maintenance of plant, systems and other places of work, and provision of adequate training and supervision. The Factories Act defines a 'factory' to be any premises which employs 10 or more workers on any day of the preceding 12 months and in which a manufacturing process is carried on with the aid of power, or a premise where there are at least 20 workers who are engaged in a manufacturing process without the aid of power. Each State Government has set out rules in respect of the prior submission of plans, their approval for the registration of the establishment, and licensing of factories.

### **The Employees' Provident Funds and Miscellaneous Provisions Act, 1952 ("EPF Act")**

The EPF Act applies to factories employing 20 or more employees and such other establishments and industrial undertakings as notified by the GoI from time to time. The EPF Act requires all such establishments to be registered with the Regional Provident Fund Commissioner and requires the employers and their employees to contribute in equal proportion to the employees' provident fund, the prescribed percentage of basic wages and dearness and other allowances payable to employees. The EPF Act also requires the employer to maintain registers and submit a monthly return to the State Provident Fund Commissioner.

### **The Industrial Disputes Act, 1947 ("ID Act")**

The ID Act provides the procedure for investigation and settlement of industrial disputes. When a dispute exists or is apprehended, the conciliation officer may settle such dispute or the appropriate government may refer the dispute to a labour court, tribunal or arbitrator, to prevent the occurrence or continuance of the dispute, or a strike or lock-out while a proceeding is pending. The labour courts and tribunals may grant appropriate relief including ordering modification of contracts of employment or reinstatement of workmen.

### **The Minimum Wages Act, 1948 ("Minimum Wages Act")**

The Minimum Wages Act provides a framework for State Governments to stipulate the minimum wage applicable to a particular industry. The minimum wage may consist of a basic rate of wages and a special allowance, or a basic rate of wages and the cash value of concessions in respect of supplies of essential commodities, or an all-inclusive rate allowing for the basic rate, the cost of living allowance and the cash value of the concessions, if any. Workmen are to be paid for overtime at overtime rates stipulated by the appropriate government.

### **The Payment of Wages Act, 1936 ("Payment of Wages Act")**

The Payment of Wages Act is applicable to factories and industrial or other establishments where the monthly wages payable are less than ₹6,500. The Payment of Wages Act, *inter alia*, seeks to regulate the payment of wages in terms of the duration of employment (work hours, overtime wages, and holidays), quantum of wages including overtime wages, deductions from wages, of certain classes of employed persons. The Payment of Wages Act also regulates minimum wages to be fixed by the appropriate governments for the employees, bonus entitlements, disbursements of wages by the employers within the stipulated time frame without unauthorised deductions, etc.



### **The Payment of Bonus Act, 1965 (“Bonus Act”)**

The Bonus Act provides for payment of minimum bonus to factory employees and every other establishment in which 20 or more persons are employed and requires maintenance of certain books and registers and filing of monthly returns showing computation of allocable surplus, set on and set off of allocable surplus and bonus due. The minimum bonus to be paid to each employee is the higher of 8.33% of the annual salary or wage or ₹100, whichever is higher.

### **The Employee’s Compensation Act, 1923**

The Employee’s Compensation Act, 1923, as amended provides that if personal injury is caused to a workman by accident during employment, his employer would be liable to pay him compensation. However, no compensation is required to be paid if the injury did not disable the workman for more than three days or the workman was at the time of injury under the influence of drugs or alcohol, or the workman wilfully disobeyed safety rules. Where death results from the injury, the workman is liable to be paid the higher of 50% of the monthly wages multiplied by the prescribed relevant factor (which bears an inverse ratio to the age of the affected workman, the maximum of which is 228.54 for a worker aged 16 years) or ₹50,000. Where permanent total disablement results from injury, the workman is to be paid the higher of 60% of the monthly wages multiplied by the prescribed relevant factor or ₹60,000. The maximum wage which is considered for the purposes of reckoning the compensation is ₹4,000.

### **The Contract Labour (Regulation and Abolition) Act, 1970 (“CLRA Act”)**

The CLRA Act requires companies employing 20 or more contract labourers to be registered as a principal employer and prescribes certain obligations with respect to welfare and health of contract labourers. Under the CLRA Act, both the principal employer and the contractor are to be registered with the registering officer. The CLRA Act imposes certain obligations on the contractor in relation to establishment of canteens, rest rooms, drinking water, washing facilities, first aid, other facilities and payment of wages. However, in the event the contractor fails to provide these amenities, the principal employer is under an obligation to provide these facilities within a prescribed time period.

### **The Maternity Benefit Act, 1961 (“Maternity Benefit Act”)**

The Maternity Benefit Act provides that a woman who has worked for at least 80 days in the 12 months preceding her expected date of delivery, is eligible for maternity benefits. Under the Maternity Benefit Act, a woman working in a factory may take leave for six weeks immediately preceding her scheduled date of delivery and for this period of absence she must be paid maternity benefit at the rate of the average daily wage. The maximum period during which a woman shall be paid maternity benefit is 12 weeks. Women entitled to maternity benefit are also entitled to a medical bonus of ₹2,500, if no prenatal and post-natal care has been provided free of charge by the employer.

## **INTELLECTUAL PROPERTY LAWS**

Intellectual Property in India enjoys protection under both common law and statute. Under statute, India provides for patent protection under the Patents Act, 1970, copyright protection under the Copyright Act, 1957, trade mark protection under the Trade Marks Act, 1999 and design protection under the Designs Act, 2000. The above enactments provide for protection of intellectual property by imposing civil and criminal liability for infringement.

### **Trade Marks Act, 1999 (“Trade Marks Act”)**

The Trade Marks Act which came into force on December 30, 1999 governs the law pertaining to protection of trade marks in India. A trade mark is essentially any mark capable of being represented graphically and distinguishing goods or services of one person from those of others and includes a device, brand, heading, label, ticket, name, signature, word, letter, numeral, shape of goods, packaging or combination of colours or combination thereof. Once a mark is registered, it is valid in India only, for a period of 10 years and can be renewed from time to time in perpetuity. Registration of a trade mark grants the owner a right to exclusively use the trade mark as a mark of goods and services and provides for remedies in case of the fraudulent use of deceptively similar marks by any third party. The Registrar of Trade Marks is the authority responsible for registration of the trade marks, settling opposition proceedings and rectification of the register of trade marks. As per the Trade Marks (Amendment) Act, 2010, Registrar of Trade Marks is empowered to deal with international applications

originating from India as well as those received from the International Bureau and maintain a record of international registrations. It also removes the discretion of the Registrar to extend the time.

The Trade Marks Rules, 2007 which substitute the earlier 2002 rules, lay down certain guidelines regarding procedure. Some of the salient features of the rules are: process for determination of “well known mark” established, representation of sound marks, recognition of e-mail as mode of service, new registration fees and filing of statement user is mandatory among others

### **The Patents Act, 1970 (“Patents Act”)**

The patent regime in India is governed by the Patents Act and rules and regulations made thereunder. Pursuant to the Patents (Amendment) Act, 2005, and the TRIPS Agreement, product patent regime with a protection period of 20 years became applicable in India. The patent regime protects inventions through patents. The amended Patents Act defines “inventive step” to mean a feature of an invention that involves a technical advance as compared to the existing knowledge or having economic significance or both and that makes an invention not obvious to a person skilled in the art. Any person claiming to be the true and first inventor of the invention or the assignee of the true and first inventor or the legal representative of any deceased person who was entitled to make an application immediately before death may apply for a patent for an invention. In addition to domestic law, India is a party to international intellectual property related instruments including the Patent Cooperation Treaty, 1970. The Patents Rule, 2003 lay down the procedural guidelines. They were further amended in pursuant to the Patents (Amendment) Rules, 2016. The amendment came into effect on May 16, 2016. The amendment is substantial, and can certainly have an impact on the patent filing and prosecution strategy, among other things.

### **FOREIGN INVESTMENT LAWS**

The consolidated FDI Policy Circular of 2015 issued by the DIPP, which took effect from May 12, 2015, as amended (“FDI Policy”), allows for FDI up to 100%.

On January 7, 2014, SEBI notified the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014 (“**SEBI FPI Regulations**”) pursuant to which the existing classes of portfolio investors namely FIIs and qualified institutional investors were subsumed under a new category namely ‘foreign portfolio investors’ or ‘FPIs’. Furthermore, RBI on March 13, 2014 amended the FEMA Regulations and laid down conditions and requirements with respect to investment by FPIs in Indian companies. In terms of the SEBI FPI Regulations, an FII who holds a valid certificate of registration from SEBI shall be deemed to be a registered FPI until the expiry of the block of three years for which fees have been paid as per the SEBI FII Regulations. Accordingly, such FIIs can participate in this Issue in accordance with Schedule 2 of the FEMA Regulations. An FII shall not be eligible to invest as an FII after registering as an FPI under the SEBI FPI Regulations. Further, a qualified institutional investor who had not obtained a certificate of registration as an FPI could only continue to buy, sell or otherwise deal in securities until January 6, 2015. Hence, such qualified institutional investors who have not registered as FPIs under the SEBI FPI Regulations shall not be eligible to participate in the Issue.

In terms of the SEBI FPI Regulations, the issue of Equity Shares to a single FPI or an investor group which means the same set of ultimate beneficial owner(s) investing through multiple entities) is not permitted to exceed 10% of our post-Issue 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 the Company and the total holdings of all FPIs put together shall not exceed 24% of the paid-up Equity Share capital of the Company. The aggregate limit of 24% may be increased up to the sectoral cap by way of a resolution passed by our Board, followed by a special resolution passed by the shareholders of the Company and subject to prior intimation to RBI. 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 an FII or sub account in the Company is 10% and 24% of the total paid-up Equity Share capital of the Company, respectively.

### **OTHER LAWS**

#### **Approvals from Local Authorities**

Setting up of a factory or manufacturing unit entails the requisite local approvals to be obtained from relevant local panchayat(s) / development authority / town and country planning department outside the city limits, and appropriate development authority within the city limits. Consents from the state pollution control board(s) and

the relevant state electricity board(s), among others, are required to be obtained before commencing the building of a factory or starting manufacturing operations.

In addition to the above, our Company is also required to comply with the provisions of the Companies Act, the Information Technology Act, 2000 and other applicable statutes imposed by the Centre or the State for its day-to-day operations.

## HISTORY AND CERTAIN CORPORATE MATTERS

### BRIEF HISTORY OF OUR COMPANY

Our Company was incorporated as ‘Sandhar Locking Devices Private Limited’ on October 19, 1987, at New Delhi, India, as a private limited company under the Companies Act, 1956. The name of our Company was subsequently changed to ‘Sandhar Locking Devices Limited’ on conversion to a public limited company, and a fresh certificate of incorporation consequent upon change of name was issued by the RoC, to our Company on September 21, 1992. Subsequently, the name of our Company was changed from ‘Sandhar Locking Devices Limited’ to ‘Sandhar Technologies Limited’, and a fresh certificate of incorporation, consequent upon change of name was issued by the RoC, to our Company on November 11, 2005. Subsequent changes to the name of our Company to ‘Sandhar Locking Devices Limited’ and ‘Sandhar Technologies Limited’ were undertaken to align the name of our Company with the nature of business of our Company, and upon conversion of our Company from a private limited company to a public limited company.

For a description of schemes of arrangements involving our Company, see “*History and Certain Corporate Matters – Acquisition of Business, Mergers and Amalgamations*” on page 203.

### Changes in Registered Office

Date of change of Registered Office	Details of the address of Registered Office
December 5, 2008	Pursuant to the resolution passed by our Board, dated September 23, 2008, our registered office was shifted from:  B-6/1, Commercial Centre Safdarjung Enclave, New Delhi – 110 029 India, to  C – 101A, Ansal Plaza HUDCO Place, Khelgaon Marg New Delhi – 110 049 India
November 8, 2017	Pursuant to the resolution passed by way of circulation by our Board, dated November 8, 2017, our registered office was shifted from:  C – 101A, Ansal Plaza HUDCO Place, Khelgaon Marg New Delhi – 110 049 India, to  B-6/20, L S C Safdarjung Enclave New Delhi – 110 029 India

The changes in the Registered Office of our Company were made to ensure greater operational efficiency.

### MEMORANDUM OF ASSOCIATION OF OUR COMPANY

#### *Main objects of our Company*

The main objects contained in our Memorandum of Association are as follows:

1. *“To carry on the business of manufacturers, assembling of various Locking Devices, Electrical, Electronics, Mechanical, Automobile and Industrial parts and dealers in, hirers repairers, cleaners, storers and warehouseers of all kinds of components, spare parts and accessories related to the above.*
2. *To carry on the business of garage keepers, motor parts dealers and suppliers of and dealers in petrol, oil, greases, lubricants, gas and to supply motive/electric and other power for motor and other things connected therewith.*
3. *To carry on the business of automobile engineers, electrical engineers, mechanical engineers, machinists, fitters, millwright’s founders, assemblers, wire drawers, tube makers, metallurgists, saddlers, galvanizers,*

*japanners, annealers, enamellers, electroplaters and painters and all kinds of components and other things required for the aforesaid business.*

4. *To carry on the business of manufacturing, buying, selling, reselling, subcontracting, exchanging, hiring, altering importing, exporting, improving assembling, distributing, servicing, repairing and dealing in as original equipment manufacturers as also on a jobbing industry basis and in any other capacity all and very kind of machineries, component parts, replacement parts, spare parts, accessories, tools, implements and fittings of all kinds inclusive of all types of axles, and all relevant axle assembly, components, parts and accessories, propeller shafts and universal joints, ornamentation and decorative parts for motors, vehicles, trucks, tractors, motor-lorries, motor-cycles, motors, cycle-cars, cycles, scooters, buses, omnibuses, locomotives, ships engines, wagons, boats, barges, launches and other vehicles and products of all descriptions whether propelled or used by means of petrol, spirit, steam, oil vapour, gas, coal, electricity, petroleum, atoms or any other motive or mechanical power, in India or elsewhere; and to carry on any other business manufacturing or otherwise, which is connected to the above.*
5. *To manufacture, construct, fabricate, assemble, sell, purchase, hire, let on hire, import, export, service, alter, repair, and deal in all kinds of vehicles including, but not limited to, motor cars, trucks, lorries, tractors, rail wagons, and all other vehicles used for the transport or conveyance of passengers, merchandise and goods of every description or used for any other purpose and whether used on road, underground, in air, space or water as also in plant, machinery, equipment, accessories, spare parts, component parts, appliances, tools and apparatus necessary or useful for or in connection with all kinds of vehicles.*
6.
  - i) *To carry on the business of Consulting, Design, Engineering, Installation, Commissioning, Maintenance of Solar Power Plants.*
  - ii) *To carry on the business of manufacturing, selling, trading, importing, and exporting of components for solar power plants and solar products.*
  - iii) *To carry on the business of design, development, production, marketing, sales, distribution, trading, import, export of Renewable Energy products/ systems.”*

The main objects as contained in the Memorandum of Association enable our Company to carry on the business presently carried out, as well as the activities proposed to be undertaken pursuant to the Objects of the Offer. For further details, see “*Objects of the Offer*” on page 97.

#### ***Amendments to the Memorandum of Association***

Set out below are the amendments to the Memorandum of Association since the incorporation of our Company:

<b>Date of Shareholders' resolution</b>	<b>Particulars</b>
October 25, 1989	Clause V of the Memorandum of Association was amended to reflect the increase in authorised share capital of the Company from ₹2,000,000, divided into 200,000 Equity Shares, to ₹2,500,000 divided into 250,000 Equity Shares.
March 25, 1991	Clause V of the Memorandum of Association was amended to reflect the increase in authorised share capital of the Company from ₹2,500,000 divided into 250,000 Equity Shares, to ₹5,000,000 divided into 500,000 Equity Shares.
April 16, 1992	Clause V of the Memorandum of Association was amended to reflect the increase in authorised share capital of the Company from ₹5,000,000 divided into 500,000 Equity Shares, to ₹20,000,000 divided into 2,000,000 Equity Shares.
September 15, 1992	Clause I of the Memorandum of Association was amended to reflect the change in name of our Company from ‘Sandhar Locking Devices Private Limited’, to ‘Sandhar Locking Devices Limited’ upon conversion of our Company into a public limited company.
September 6, 1997	Clause V of the Memorandum of Association was amended to reflect the reclassification of authorised share capital of the Company of ₹20,000,000 divided into 2,000,000 Equity Shares, into ₹20,000,000 divided into 1,750,000 Equity Shares and 25,000 Preference Shares of ₹100 each.
May 24, 1999	Clause V of the Memorandum of Association was amended to reflect the increase in authorised share capital of the Company from ₹20,000,000 divided into 1,750,000 Equity Shares and 25,000 Preference Shares of ₹100 each, to ₹30,000,000 divided into 2,750,000 Equity Shares and 25,000 Preference Shares of ₹100 each.
May 19, 2000	Clause V of the Memorandum of Association was amended to reflect the increase in authorised share

Date of Shareholders' resolution	Particulars
	capital of the Company from ₹30,000,000 divided into 2,750,000 Equity Shares and 25,000 Preference Shares of ₹100 each, to ₹50,000,000 divided into 4,750,000 Equity Shares and 25,000 Preference Shares of ₹100 each.
October 7, 2005	Clause V of the Memorandum of Association was amended to reflect the sub-division of authorised share capital of the Company from ₹50,000,000 divided into 4,750,000 Equity Shares and 25,000 Preference Shares of ₹100 each, into ₹50,000,000 divided into 23,750,000 Equity Shares of ₹2 each and 25,000 Preference Shares of ₹100 each.
October 7, 2005	Clause I of the Memorandum of Association was amended to reflect the change in the name of our Company from 'Sandhar Locking Devices Limited' to 'Sandhar Technologies Limited'.
October 7, 2005	<p>Clause III(A) of the Memorandum of Association was altered to include the following:</p> <p>4. <i>“To carry on the business of manufacturing, buying, selling, reselling, subcontracting, exchanging, hiring, altering importing, exporting, improving assembling, distributing, servicing, repairing and dealing in as original equipment manufacturers as also on a jobbing industry basis and in any other capacity all and very kind of machineries, component parts, replacement parts, spare parts, accessories, tools, implements and fittings of all kinds inclusive of all types of axles, and all relevant axle assembly, components, parts and accessories, propeller shafts and universal joints, ornamentation and decorative parts for motors, vehicles, trucks, tractors, motor-lorries, motor-cycles, motors, cycle-cars, cycles, scooters, buses, omnibuses, locomotives, ships engines, wagons, boats, barges, launches and other vehicles and products of all descriptions whether propelled or used by means of petrol, spirit, steam, oil vapour, gas, coal, electricity, petroleum, atoms or any other motive or mechanical power, in India or elsewhere; and to carry on any other business manufacturing or otherwise, which is connected to the above.</i></p> <p>5. <i>To manufacture, construct, fabricate, assemble, sell, purchase, hire, let on hire, import, export, service, alter, repair, and deal in all kinds of vehicles including, but not limited to, motor cars, trucks, lorries, tractors, rail wagons, and all other vehicles used for the transport or conveyance of passengers, merchandise and goods of every description or used for any other purpose and whether used on road, underground, in air, space or water as also in plant, machinery, equipment, accessories, spare parts, component parts, appliances, tools and apparatus necessary or useful for or in connection with all kinds of vehicles.”</i></p>
July 17, 2006	Clause V of the Memorandum of Association was amended to reflect the increase in authorised share capital of the Company from ₹50,000,000 divided into 23,750,000 Equity Shares of ₹10 each and 25,000 Preference Shares of ₹100 each, to ₹251,500,000 divided into 115,750,000 Equity Shares of ₹2 each, and 200,000 Preference Shares of ₹100 each <sup>(1)</sup> .
May 2, 2013 <sup>(3)</sup>	Clause V of the Memorandum of Association was amended to reflect the increase in authorised share capital of the Company from ₹251,500,000 divided into 115,750,000 Equity Shares of ₹2 each, and 200,000 Preference Shares of ₹100 each to ₹301,500,000 divided into 140,750,000 Equity Shares of ₹2 each and 200,000 Preference Shares of ₹100 each <sup>(2)</sup> .
August 8, 2015	<p>Clause V of the Memorandum of Association was amended to reflect the consolidation and increase in authorised share capital of the Company from ₹301,500,000 divided into 140,750,000 Equity Shares of ₹2 each and 200,000 Preference Shares of ₹100 each, to ₹700,000,000 divided into 68,000,000 Equity Shares and 200,000 Preference Shares of ₹100 each.</p> <p>Clause III(A) of the Memorandum of Association was altered to include the following:</p> <p>6. <i>“i) To carry on the business of Consulting, Design, Engineering, Installation, Commissioning, Maintenance of Solar Power Plants.</i></p> <p><i>ii) To carry on the business of manufacturing, selling, trading, importing, and exporting of components for solar power plants and solar products.</i></p> <p><i>iii) To carry on the business of design, development, production, marketing, sales, distribution, trading, import, export of Renewable Energy products/ systems.”</i></p>

(1) This increase in our Company's authorised share capital was on account of the scheme of amalgamation between our Company and Sandhar Auto Components Limited, SLD Auto Limited, Sandhar Engineering Industries Private Limited, Adeep Locks Limited, Adeep Roloforms Limited and Agrim Automach Private Limited sanctioned by the High Court of Delhi on May 26, 2006.

(2) This increase in our Company's authorised share capital was on account of the scheme of amalgamation between our Company and Mag Engineering sanctioned by the High Court of Delhi on May 2, 2013

(3) Date of order passed by the High Court of Delhi under Sections 394 – 395 of the Companies Act, 1956.

## MAJOR EVENTS AND MILESTONES OF OUR COMPANY

The table below sets forth the key events in the history of our Company:

Financial Year	Particulars
1988	Incorporated as ‘Sandhar Locking Devices Private Limited’
	Engaged by Honda Lock for providing technical assistance in relation to two-wheeler locks
1992	Started production of two-wheeler locks, and fuel filler cap for Hero Honda at Gurugram
1995	Production of two-wheeler mirror assembly
1996	Engaged by Honda Lock for technical collaboration for two-wheeler main switch 35100-GBG-8500 for C100 motorcycles
1998	Engaged by Honda Lock for technical collaboration for four-wheeler mirror assembly, handle assembly
1999	Commencement of supply of mirror assembly to Honda Cars
2002	Production of zinc and aluminium pressure die-casting components commences at Sandhar Auto Components Limited at Sandhar Components, Manesar
2003	Executed a joint venture agreement with Steady Stream Business Limited for production of tools and dies
2004	Engaged by Honda Lock for providing technical assistance in relation to four-wheeler lock assemblies
2005	SLD Auto established for production of lock assemblies, and mirror assemblies in Bengaluru
2006	Unit in Chennai, Tamil Nadu, India, established for steel wheel assembly
	Acquisition of the companies of Adeep Group, being Adeep Locks Limited, Adeep Roloforms Limited, and Agrim Automach Private Limited, companies engaged in the business of manufactured lock assemblies, steel wheel rims, and handle bars
	Name of our Company changed to ‘Sandhar Technologies Limited’ from ‘Sandhar Locking Devices Limited’
	Investment by Actis Capital LLC, UK, into our Company
	Barcelona unit of TECFISA acquired by our Company, for manufacture of spools for seat belt retractors and aluminium PDC products
2008	Executed a joint venture agreement with JBM Auto Limited for production of moulds and dies
2010	Unit in Chakan, Maharashtra, established for manufacture of door handles
2011	Unit in Pune established for manufacture of plastic injection moulding components
	Steady Stream’s stake in Sandhar Tooling acquired by our Company
2012	ST Poland with a unit in Czesochowa established by our Company
	Investment by GTI Capital upon purchase of Equity Shares held by the Actis Group
2013	Technical collaboration agreement executed by our Company with JEM Techno, South Korea, for manufacture of relays
	Establishment of Sandhar Centre for Innovation & Development, a dedicated research and development unit at Gurugram
	Investment by GTI upon purchase of Equity Shares held by GTI Capital
	Acquisition of Mag Engineering, a company engaged in the business of manufactured operator cabins for off-highway vehicles
	Technical collaboration agreement executed by our Company with Lyssen Enterprises Co., Limited, Taiwan, for manufacturing instrument clusters, gauges, and senders / sensors
	Unit in Sriperumbudur, Tamil Nadu, established for new wheel assemblies
2014	GTI increases its shareholding in the Company from 10.75% to 17.47%, by subscribing to Equity Shares issued in a rights issue undertaken by our Company
	ST Mexico with a unit in Guanajuato, Mexico, established by our Company
	Executed a joint venture agreement with Han Sung, to establish Sandhar Han Sung, for manufacture of high precision press parts, insert moulded contact plates, and switches
	Unit in Pathredi, Rajasthan, established for manufacture of lock assemblies, mirrors, and door handles
	Production of relays based on Korean technology (ISO 10000) commences at our Sandhar Automotives Gurgaon – JEM Division
	Acquisition of the cabin manufacturing unit of Arkay Fabsteel Systems Private Limited, at Pune
2016	Executed a joint venture agreement with DMRG and Tarun Agrawal for manufacture and trading of solar plants and components for solar power plants
2017	Executed a joint venture agreement with Jinyoung Electro - Mechanic, to establish Jinyoung Sandhar, for the purpose of manufacture, sell and assemble audio AVN panel and switches in India
2018	Executed a joint venture agreement with Amkin Group to establish Sandhar Amkin Industries Private Limited to set up a joint venture to design, manufacture, market, sell and assemble, in India, helmet, helmet accessories and related parts, visors, safety headgear, riding protection accessories, storage box, pannier box and riding apparel
	Executed a joint venture agreement with Daewha Fuel Pump, to establish Sandhar Daewha Automotive Systems Private Limited, to manufacture, sell and assemble, in India, fuel pumps, filters, starter motor and wiper blades
	Executed a joint venture agreement with Daeshin to set up a joint venture for manufacturing, assembly, and sale of gear shifters and parking brakes for the four-wheeler segment

## AWARDS AND ACCREDITATIONS

We have been given the following awards and accreditations:

Calendar Year	Award / Accreditation
2012	Golden Peacock National Quality Award
	First Runner-up at the CII Quality Circle Chapter Convention of Northern Region
	Award of Appreciation for Significant Contribution from L&T Komatsu to Sandhar Automotives, Bommasandra
2013	Certificate of appreciation for securing the 2 <sup>nd</sup> place in the competition for Quality Improvement Project from TVS Motor Company Limited
	Certificate of par excellence in the Reduce Warranty Rejection in Star Ignition Lock to Sandhar Automotives (Bommasandra)
	Award for Excellence in Active Support in New Development at the Forge Ahead 14 <sup>th</sup> Partners' Meet to Mag Engineering
2014	Winner's Award at the CII Preliminary Quality Circle Convention, Lucknow
	Certificate of appreciation for best performance in delivery from Komatsu India Private Limited to Mag Engineering
	Consolation award at the CII: Quality circle competition
2016	Chapter Quality Concepts, National Chapter: <ul style="list-style-type: none"> <li>▪ Seven par excellence awards; and</li> <li>▪ Seven excellence awards</li> </ul>
	Chapter Quality Concepts, Bangalore Chapter <ul style="list-style-type: none"> <li>▪ Three gold awards; and</li> <li>▪ Five silver awards</li> </ul>
	Chapter Quality Concepts, Delhi Chapter: <ul style="list-style-type: none"> <li>▪ Eight gold awards;</li> <li>▪ Eight silver awards; and</li> <li>▪ Four bronze awards</li> </ul>
	Chapter Quality Concepts, Haridwar Chapter: <ul style="list-style-type: none"> <li>▪ Three gold awards; and</li> <li>▪ One silver awards</li> </ul>
	Chapter Quality Concepts, Pune Chapter <ul style="list-style-type: none"> <li>▪ One Silver awards; and</li> <li>▪ One Bronze awards</li> </ul>
	Bronze Award in the category of delivery from Honda Cars to Sandhar Automotives, Dhumaspur, in the Annual Supplier Convention 2017
	Supplier Performance award to Sandhar Automotives, Gurugram for Excellence in cost.
	Kaizen Award to Sandhar Automotives, Dhumaspur in the ninth Cluster Summit organized by CII
	Strong Commitment award to HSCI Division, in the Manufacturing Industry sector, by CII
	2017
Chapter Quality Concepts, Delhi Chapter: <ul style="list-style-type: none"> <li>▪ 22 gold awards;</li> <li>▪ nine silver awards; and</li> <li>▪ two bronze awards</li> </ul>	
Chapter Quality Concepts, Haridwar Chapter: <ul style="list-style-type: none"> <li>▪ two gold awards;</li> <li>▪ four silver awards; and</li> <li>▪ two bronze awards</li> </ul>	
Chapter Quality Concepts, Pune Chapter <ul style="list-style-type: none"> <li>▪ One Silver awards</li> </ul>	
Chapter Quality Concepts, Rajasthan Chapter <ul style="list-style-type: none"> <li>▪ Two gold awards</li> </ul>	
Special recognition award at the CII – National 5S Excellence Awards 2017 for the Manufacturing Industry to Sandhar Automotives, Gurugram	
Award for Excellence in Active Support in New Development at the Forge Ahead 17 <sup>th</sup> Partners' Meet to Mag Engineering (Unit of Sandhar Technologies)	
Supplier performance award for Excellence in Cost at the Supplier Convention, 2017	
Supplier of the year at Volvo CE-India Annual Supplier Conference to Mag Engineering	



We have the following accreditations:

Sr. No.	Unit name	Accreditation
1.	MAG Engineering	OHSAS 18001:2007
		ISO 14001: 2004
		ISO 9001:2008
2.	Sandhar Automotives, Gurgaon	ISO/TS 16949:2009
		ISO14001:2004
		OHSAS 18001:2007
3.	Sandhar Automotives, Dhumaspur	ISO /TS 16949:2009
		ISO 14001:2004
		OHSAS 18001:2007
4.	Sandhar Automotives, Haridwar	ISO /TS 16949:2009
5.	Sandhar Automotives, Bommasandra	ISO TS 16949:2009
		ISO 14001:2004
		OHSAS 18001:2007
6.	Sandhar Technologies, Pathredi	ISO /TS 16949:2009
7.	Sandhar Automotives, (HSCI Division)	ISO /TS 16949:2009
8.	Sandhar Components, Behrampur	ISO TS 16949:2009
		ISO 14001:2004
		OHSAS 18001:2007
9.	Sandhar Components, Manesar	ISO TS 16949:2009
		ISO 14001:2004
		OHSAS 18001:2007
10.	Sandhar Technologies, Bawal Unit-II	ISO TS 16949:2009
11.	Sandhar Components, Bawal	ISO/TS 16949:2009
12.	Sandhar Components, Pune	ISO/TS 16949:2009
13.	Sandhar Components, Attibele	ISO/TS 16949:2009
14.	Sandhar Automach, Nalagarh	ISO/TS 16949:2009
15.	Sandhar Automach, Attibele	ISO/TS 16949:2009
		ISO 14001:2004
		OHSAS 18001:2007
16.	Sandhar Technologies Limited, Hosur	ISO/TS 16949:2009
		ISO 14001:2004
		OHSAS 18001:2007
17.	Sandhar Automach, Mysore	ISO/TS 16949:2009
18.	Sandhar Tooling	ISO 9001: 2008
		ISO 14001:2004
		OHSAS 18001:2007
19.	Indo Tooling	ISO 9001: 2008
20.	Sandhar Han Sung Technologies	ISO/TS 16949:2009
21.	Sandhar Technologies, Corporate office	ISO 27001: 2013
		LEED

#### OTHER DETAILS REGARDING OUR COMPANY

For details regarding the description of our activities, projects, market of each segment, unit creation, market

capacity build-up, environmental issues, marketing and competition, see “*Our Business*” and “*Industry Overview*” on page 163 and page 117, respectively.

For details regarding our management and its managerial competence, see “*Our Management*” on page 219.

For details regarding profits due to foreign operations, see “*Financial Statements*” on page 248.

#### ***Capital raising activities through equity and debt***

Except as mentioned in “*Capital Structure*” on page 83, 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 page 448 and page 248, respectively.

#### ***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. None of our outstanding loans have been converted into Equity Shares.

#### ***Time and cost overruns***

There have been no instances of significant time and cost overruns in the development or construction of any of our projects or establishments.

#### ***Strikes, lock-outs, injunctions, and restraining orders***

There have been no lock-outs or strikes at any time in our Company, and our Company is not operating under any injunction or restraining order.

#### ***Revaluation of assets***

Our Company has not revalued its assets for a period of five years prior to the filing of the Draft Red Herring Prospectus.

#### ***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 a line of business, loss of agencies or markets and similar factors. For details, see “*Our Business*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on page 163 and page 417, respectively.

#### ***Details of guarantees given to third parties by our Promoter***

Our Promoter has not given any guarantees on behalf of our Company to third parties.

#### ***Interest in our Company***

None of our Subsidiaries have any interest in our Company’s business other than as stated in “*Our Business*” and “*Related Party Transactions*” on page 163 and page 246, respectively.

#### ***Our Shareholders***

Our Company has 12 Shareholders as of the date of this Red Herring Prospectus. For further details regarding our Shareholders, see “*Capital Structure – Shareholding Pattern of our Company*” on page 93.

#### ***Strategic or financial partners***

Our Company does not have any strategic or financial partner.

#### ***Our Holding Company***

Our Company does not have a holding company.

## ACQUISITION OF BUSINESS, MERGERS AND AMALGAMATIONS

### *(a) Acquisition of Mag Engineering, and scheme of amalgamation of Mag Engineering with our Company (“Mag Scheme of Amalgamation”)*

Mag Engineering was a company engaged in the business of manufacturing, assembling, and selling of sheet metal fabrication with liquid painting and powder coating, operator cabins, canopies, housings, panels, switch boards, control cabinets, and parts of components thereof (“**Mag Engineering Business**”). By way of a share purchase agreement dated July 23, 2012, executed among our Company, Mag Engineering, Rumi Minoo Gyara, Deenaz Damania, Gool Rumi Gyara, Jasmine A Patel, and Roshni R Gyara, the equity shares of Mag Engineering were acquired by our Company. Subsequently, by way of an order dated May 2, 2013, the High Court of Delhi sanctioned a scheme of amalgamation, approving the merger of Mag Engineering with our Company. Since Mag Engineering was a wholly-owned Subsidiary at the time of the sanctioning of the Scheme of Amalgamation by the High Court of Delhi, the entire issued, subscribed, and paid-up capital of Mag Engineering, as was outstanding prior to the merger was cancelled, upon the Scheme of Amalgamation becoming effective. Pursuant to an order dated February 4, 2013, the High Court of Delhi dispensed the requirement to convene meetings of the equity shareholders and creditors of Mag Engineering, for the purposes of approving the Scheme of Amalgamation. Pursuant to the Scheme of Amalgamation becoming effective, the undertaking of Mag Engineering, property, rights and powers, together with all duties and liabilities of Mag Engineering became vested in our Company.

Along with the Mag Engineering Business, our Company also acquired all assets pertaining to Mag Engineering Business, including fixed assets, moveable assets, properties, resources, facilities, utilities, services, equipment, machinery, tools, furniture and fixtures, office equipment, intellectual property, and regular employees. The acquired manufacturing facilities are located in the Peenya Industrial Area, Bengaluru. Our Company acquired Mag Engineering Business for a purchase consideration of ₹710 million in Fiscal 2013.

### *(b) Acquisition of cabin business from Arkay Fabsteel Systems Private Limited*

Pursuant to a business transfer agreement dated November 6, 2014, and an amendment agreement dated November 15, 2014, executed among our Company, Arkay Fabsteel Systems Private Limited, and Rajeev Choudhari, our Company acquired the designing, manufacturing and sale of operator cabins for back hoe loaders, excavators, wheel loaders, cranes, skid steers, and tractors business of Arkay Fabsteel Systems Private Limited in India (“**Arkay Cabin Business**”). Apart from the Arkay Cabin Business, our Company also acquired all assets pertaining to Arkay Cabin Business, including, the rights under contracts, intellectual property, propriety information relating to the Arkay Cabin Business, regular employees, transferred assets along with the assumed liabilities. Our Company acquired Arkay Cabin Business for a lumpsum purchase consideration of ₹182.50 million in Fiscal 2015.

### *(c) Acquisition of the E1 unit of TECFISA and VETEC, Barcelona*

The E1 unit of Tecnicas de la Fundicion Inyectada SA (“**TECFISA**”), and Verificaciones Tecnicas S L Barcelona (“**VETEC**”) of the Manzoni Bouchot Group, was acquired by our Company by way of an asset sale approved by the French Commercial Court for a cash consideration of €4.02 million for the assets, and €0.84 million as balance leasing as of August 1, 2007. The asset and the liability were bought in a special purpose company, being ST Barcelona and Sandhar Breniar. The acquisitions of ST Barcelona and Sandhar Breniar were approved by the Commercial Court, Barcelona, by way of an order dated July 23, 2007, and by the Court Registry of Commerce in Lons-le-Saunier, France, by way of an order dated July 11, 2007, respectively. While ST Barcelona is primarily involved in the business of manufacturing aluminium spindles or reel axles acting as seat belt retractors, Sandhar Breniar is primarily involved in the business of manufacturing aluminium high pressure die cast parts for the automotive sector.

### *(d) Scheme of amalgamation between our Company, Sandhar Auto Components Limited, SLD Auto Limited, Sandhar Engineering Industries Private Limited, Adeep Locks Limited, Adeep Roloforms Limited, and Agrim Automach Private Limited (“Sandhar-Adeep Scheme of Amalgamation”)*

Pursuant to a scheme of amalgamation approved by the High Court of Delhi on May 26, 2006, Sandhar Auto Component Limited, SLD Auto Limited, Sandhar Engineering Industries Private Limited, Adeep Locks Limited, Adeep Roloforms Limited, and Agrim Automach Private Limited (together, the “**Transferor Companies**”) merged with our Company. The Sandhar-Adeep Scheme of Amalgamation proposed the transfer of the entire business undertaking of the Transferor Companies to our Company, including the transfer of assets and liabilities as specified therein. In accordance with the terms of the Sandhar-Adeep Scheme of Amalgamation, all employees of the Transferor Companies became employees of our Company from July 24, 2006 (“**Effective Date**”). The amalgamation between the Transferor Companies and our Company was undertaken to increase the market share of the combined entity, as it would result in creating a significant presence over the value chain in the auto component industry. Shareholders of the Transferor Companies were allotted Equity Shares of our Company in the following ratio: (i) 234 Equity Shares for every 100 equity shares of Sandhar Auto Components Limited, (ii) 100 Equity Shares for every 1,768 equity shares of SLD Auto Limited, and (iii) 100 Equity Shares for every 402 equity shares of Sandhar Engineering Industries Private Limited. The shareholding of Adeep Locks Limited, Adeep Roloforms Limited, and Agrim Automach Private Limited were cancelled as these companies were wholly owned subsidiaries of our Company. The Transferor Companies stood wound up, without getting dissolved as a result of the Sandhar-Adeep Scheme of Amalgamation.

Details of shareholding of the Transferor Companies, and the number of Equity Shares allotted to the shareholders of the Transferor Companies as consideration for the merger are provided below:

*Shareholding of the Transferor Companies:*

SLD Auto:

(Shareholding as on December 29, 2005)

Sr. No.	Name of shareholders	No. of SLD Auto’s shares held	No. of Equity Shares allotted
1	Jayant Davar	224,600	12,704
2	Monica Davar	160,000	9,050
3	Dharmendar Nath Davar	35,100	1,985
4	Santosh Davar	40,000	2,262
5	Sandhar Enterprises	90,000	5,090
6	Sandhar Infosystems Limited	460,000	26,018
7	YSG Estates Private Limited	100	6
8	Sanjeevni Impex Private Limited	40,200	2,274
<b>TOTAL</b>		<b>1,050,000</b>	<b>59,389*</b>

\*For every 1,768 equity shares of ₹10 of SLD Auto Limited, the shareholders of SLD Auto Limited were issued 100 Equity Shares of ₹2 of the Company.

Sandhar Auto Components:

(Shareholding as on December 29, 2005)

Sr. No.	Name of shareholders	No. of Sandhar Auto’s shares held	No. of Equity Shares allotted
1	Jayant Davar	229,557	537,164
2	Monica Davar	227,728	532,884
3	Dharmendar Nath Davar	20,413	47,766
4	Santosh Davar	12,109	28,335
5	Neel Jay Davar	23,809	55,713
6	Poonam Juneja	952	2,228
7	Sandhar Enterprises	11,700	27,378
8	Sanjeevni Impex Private Limited	200,104	468,243
9	YSG Estates Private Limited	200,204	468,477
10	Sandhar Infosystems Limited	110,000	257,400
<b>TOTAL</b>		<b>1,036,576</b>	<b>2,425,588**</b>

\*\*For every 100 equity shares of ₹10 of Sandhar Auto Components, the shareholders of Sandhar Auto Components were issued 234 Equity Shares of ₹2 each of the Company.

Sandhar Engineering:

(Shareholding as on December 29, 2005)

Sr. No.	Name of Shareholders	No. of Sandhar Engineering’s shares held	No. of Equity Shares allotted
1	Jayant Davar	8,319,420	2,069,507
2	Monica Davar	200	50

Sr. No.	Name of Shareholders	No. of Sandhar Engineering's shares held	No. of Equity Shares allotted
<b>TOTAL</b>		<b>8,319,620</b>	<b>2,069,557<sup>#</sup></b>

<sup>#</sup>For every 100 equity shares of ₹10 of Sandhar Engineering, the shareholders of Sandhar Engineering were issued 234 Equity Shares of ₹2 of the Company.

### Adeep Locks

(Shareholding as on December 29, 2005)

Sr. No.	Name of Shareholders	No. of Adeep Locks' shares held	No. of Equity Shares allotted
1	Sandhar Technologies Limited	479,994	NIL (as Adeep Locks Limited was a wholly owned subsidiary of the Company at the time of amalgamation)
2	Dharmendar Nath Davar*	1	
3	Santosh Davar*	1	
4	Jayant Davar*	1	
5	Monica Davar*	1	
6	Rajinder Kumar*	1	
7	Shobha Kumar*	1	
<b>TOTAL</b>		<b>480,000<sup>#</sup></b>	<b>NIL</b>

\* Nominee of Sandhar Technologies Limited

### Agrim Automach

(Shareholding as on December 29, 2005)

Sr. No.	Name of shareholders	No. of Agrim Automach's shares held	No. of Equity Shares allotted
1	Sandhar Technologies Limited	479,994	NIL (as Agrim Automach Private Limited was a wholly owned subsidiary of the Company at the time of amalgamation)
2	Dharmendar Nath Davar*	1	
3	Santosh Davar*	1	
4	Jayant Davar*	1	
5	Monica Davar*	1	
6	Rajinder Kumar*	1	
7	Shobha Kumar*	1	
<b>TOTAL</b>		<b>480,000<sup>#</sup></b>	<b>NIL</b>

\* Nominee of Sandhar Technologies Limited

### Adeep Roloforms

(Shareholding as on December 29, 2005)

Sr. No.	Name of shareholders	No. of Adeep Roloforms' shares held	No. of Equity Shares allotted
1	Sandhar Technologies Limited	259,994	NIL (as Adeep Roloforms was a wholly owned subsidiary of the Company at the time of amalgamation)
2	Dharmendar Nath Davar*	1	
3	Santosh Davar*	1	
4	Jayant Davar*	1	
5	Monica Davar*	1	
6	Rajinder Kumar*	1	
7	Shobha Kumar*	1	
<b>TOTAL</b>		<b>260,000<sup>#</sup></b>	<b>NIL</b>

\* Nominee of Sandhar Technologies Limited

<sup>#</sup>Actis initially invested ₹952 million as zero coupon fully convertible unsecured bonds / debentures in the Company in accordance with terms of the investment agreement dated December 29, 2005 (the "Investment Agreement") executed among our Company, Sandhar Auto Components Limited, SLD Auto Limited, Sandhar Engineering Industries Private Limited, Jayant Davar, Monica Davar, Sandhar Enterprises, Sandhar Estates Private Limited, Sandhar Infosystems Limited, YSG Estates Private Limited, Sanjeevani Impex Private Limited, Actis Auto Components Investment Limited and Actis Auto Investments Limited, which was used entirely towards acquisition of the 100% equity shareholding of Adeep Group. Post the amalgamation, 9,520,000 fully convertible debentures of face value ₹100 each held by the Actis Group were converted into 4,193,496 Equity Shares of ₹2 each.

## SUMMARY OF KEY AGREEMENTS

### (a) Share purchase agreement dated March 30, 2012 executed among our Company, GTI Capital, Actis Auto Investments Limited, and Actis Auto Components Investment Limited ("Share Purchase Agreement").

Pursuant to the terms of the Share Purchase Agreement, 1,007,679 Equity Shares held by Actis Auto Investments Limited, and 4,030,722 Equity Shares held by Actis Auto Components Investment Limited, aggregating up to 10.75% of the equity shareholding of our Company, was transferred, free and clear of all charges and encumbrances to GTI Capital (earlier known as Baby Nova Capital Pte. Limited) at a consideration of USD 1.76 per Equity Share, aggregating to USD 8.85 million on March 31, 2012.

**(b) Shareholders agreement dated March 30, 2012, executed among our Company, GTI Capital, Jayant Davar, Monica Davar, Sandhar Estates Private Limited, YSG Estates Private Limited, Sanjeevni Impex Private Limited, Sandhar Enterprises, Sandhar Infosystems Limited, and Jubin Finance & Investments Limited (the “GTI Shareholders Agreement”)**

The GTI Shareholders Agreement was executed to set out the rights and obligations of the shareholders of our Company, pursuant to the investment by GTI Capital. The terms of the GTI Shareholders Agreement sets forth certain rights of GTI Capital, including, *inter alia*, the following:

- GTI Capital’s right to appoint a non-executive, non-retiring director on the Board;
- GTI Capital’s right to designate an observer to attend all meetings of the Board;
- The right of GTI Capital to decide on certain reserved matters which are not permitted to be acted upon without the written consent of GTI Capital. These rights, *inter alia*, include: (i) the issuance of new shares by the Company, varying the rights of any class of shares of the Company, undertaking any merger, demerger, amalgamation, acquisition or reconstitution, amending the Company’s charter documents, approving dividends, establishing new subsidiaries or joint ventures, appointing or removing any key managerial personnel, changing any accounting or reporting policies, and deciding any matter relating to listing of shares of our Company on any stock exchange;
- Right of GTI Capital to receive from our Company all information available to a Director;
- Pre-emptive rights in the event of issuance of new shares by our Company;
- GTI Capital’s right of first refusal in the event any of the promoters of the Company, or other Shareholders propose to transfer any shares held by such promoters or other Shareholders of our Company to a third party;
- GTI Capital’s tag-along right, whereby, in the event that the promoter of our Company, or any other Shareholder proposes to transfer any shares of our Company to a third party, GTI Capital will have the option to sell such number of shares determined in accordance with the GTI Shareholders Agreement to such third party;
- GTI Capital’s right to require the promoters to purchase, or the Company to buy-back, the shares of our Company held by GTI Capital, in case of material breach by our Company or the promoter; and
- GTI Capital’s right to require our Company to undertake an initial public offering.

By way of a share purchase agreement dated December 21, 2012, GTI Capital transferred the Equity Shares held by it in our Company to GTI, along with the rights attached to such Equity Shares. Thereafter, an amendment agreement to the GTI Shareholders Agreement dated September 28, 2015 was executed, *inter alios*, among GTI, our Company, and Jayant Davar. In accordance with the terms of the abovementioned amendment agreement, it was agreed that the GTI Shareholders Agreement will terminate upon listing of the Equity Shares pursuant to the Offer, and all the rights available to GTI by way of the GTI Shareholders Agreement, shall automatically stand terminated upon such listing. Subsequently, GTI, our Company, and Jayant Davar, among other parties, have entered into a second amendment agreement dated December 7, 2017, in accordance to the terms of which, the long-stop date for listing of Equity Shares on the stock exchanges has been extended to August 31, 2018.

**(c) Share purchase agreement dated August 31, 2011 between our Company and Stitch Overseas Private Limited (“Stitch Overseas”, and such share purchase agreement, the “SOPL Share Purchase Agreement”)**

The SOPL Share Purchase Agreement, effective on August 31, 2011, was executed between our Company and Stitch Overseas for the transfer of 1,195,000 equity shares held by our Company in Sandhar Tooling (“Purchase Shares”) for a consideration of ₹39.08 million. The Purchase Shares have been transferred to Stitch Overseas but remain subject to a right of first refusal in favour of our Company in the event that Stitch Overseas chooses to transfer its shareholding to a third party. As per the SOPL Share Purchase Agreement, Stitch Overseas is entitled to representation on the board of Sandhar Tooling as long as it continues to hold at least 20% of the equity share capital of Sandhar Tooling and there has been no breach of the SOPL Share Purchase Agreement.

**(d) Joint venture agreement dated February 5, 2014 between our Company and Han Sung (“Han Sung Joint Venture Agreement”).**

Our Company and Han Sung have executed the Han Sung Joint Venture Agreement to set up a joint venture

for manufacturing, assembling and distributing, in India, products such as press parts for application in relays, motors and tools, injection moulded parts for application in sensors, connectors, switches, vehicle relays, lamps and windshield wipers, switches and such others as mutually agreed (“**Products**”). Pursuant to the Han Sung Joint Venture Agreement, our Company and Han Sung have established Sandhar Han Sung Technologies Private Limited (“**Sandhar Hansung**”) as a joint venture enterprise.

As per the terms of the Han Sung Joint Venture Agreement, our Company and Han Sung will each hold 50% of the equity share capital of Sandhar Hansung and will have the right to nominate two directors each to the board of directors of Sandhar Hansung. Further, our Company and Han Sung are restricted from transferring their respective shareholding in Sandhar Hansung to any third parties for a period of 10 years from the date of the Han Sung Joint Venture Agreement (“**Lock-in Period**”). However, this restriction does not apply to transfers made to their respective subsidiaries, affiliates or associate companies. At the expiry of the Lock-in Period, either party may transfer its shareholding to a third party after providing an opportunity to the other party to acquire such shares.

As per the terms of the Han Sung Joint Venture Agreement, Han Sung has agreed to provide Sandhar Hansung: (i) technical know-how and knowledge including engineering relating to machinery, equipment and processes for the manufacture of the Products; (ii) training for employees of Sandhar Hansung; (iii) access to design and development expertise related to the Products; (iv) assistance in managing of global supply programme to the customers of Sandhar Hansung in the event that the Products are marketed and distributed outside India; (v) assistance in sourcing and supplying components and parts for the Products from South Korea and other facilities of Han Sung; and (vi) assistance to best navigate within the structure, rules, standards and processes of those clients that are well known to Han Sung.

Our Company has agreed to provide Sandhar Hansung: (i) technical know-how and knowledge including engineering relating to machinery, equipment and processes for the manufacture of Products; (ii) assistance to perform day-to-day management of Sandhar Hansung; (iii) access to design and development expertise related to Products; (iv) assistance in managing supply programme to customers of Sandhar Hansung within India; (v) assistance in sourcing and supplying components and parts for the Products from other facilities; (vi) assistance to best navigate within the structure, rules, standards and processes of those clients that are well known to our Company; and (vii) assistance to comply with regulations and requirements in India.

Our Company and Han Sung have agreed that during the term of the Han Sung Joint Venture Agreement, our Company and Han Sung will not directly or indirectly compete with the business of Sandhar Hansung. The Han Sung Joint Venture Agreement may be terminated by either party upon: (i) an order being made, or a resolution being passed, for winding up of the other party; (ii) receiver being appointed in respect of the assets and undertaking of the other party; or (iii) a material breach of the terms of the Han Sung Joint Venture Agreement being committed by the other party which has not been cured within 30 days of notice from the non-defaulting party.

*(e) Joint Venture Agreement dated February 21, 2008 between our Company and JBM Auto (the “Indo Toolings Joint Venture Agreement”).*

Our Company and JBM Auto executed the Indo Toolings Joint Venture Agreement for the operation and maintenance of the tool room and technical services centre being set up by Pithampur Auto Cluster Limited (“**PACL**”) at Indore, Madhya Pradesh (the “**TR & TS Centre**”). A bid submitted by the consortium of JBM Auto and our Company to undertake the operation and maintenance of the TR & TS Centre was accepted by PACL. Pursuant to the Indo Toolings Joint Venture Agreement, our Company and JBM Auto established Indo Toolings Private Limited (“**Indo Toolings**”) as a joint venture enterprise.

As per the terms of the Indo Toolings Joint Venture Agreement, our Company and JBM Auto will each hold 50% of the equity share capital of Indo Toolings and shall have the right to nominate two directors each to the board of directors of Indo Toolings (“**Indo Toolings Board**”). The CEO of Indo Toolings, whose appointment / removal shall be subjected to Indo Toolings Board shall be the manager of Indo Toolings.

Under the Indo Toolings Joint Venture Agreement, the principal business of Indo Toolings would be (i) operating and maintaining of TR & TS Centre; and (ii) to do such other things as may be ancillary to the above or mutually agreed between JBM Auto and our Company.

It has also been agreed that both JBM Auto and our Company shall, each provide Indo Toolings, the necessary

support and make available its know-how and expertise for the management and conduct of the affairs of Indo Toolings. JBM Auto shall mainly lend support in terms of sheet metal stamping dies and fixtures and our Company shall lend support for aluminium die casting moulds and plastic injection.

Under the Indo Toolings Joint Venture Agreement, our Company and JBM Auto are restricted from transferring their respective shareholding in Indo Toolings to any third parties for a period of 10 years from the date of the Indo Toolings Joint Venture Agreement (“**Lock-in Period**”). However, this restriction does not apply to transfers made to their respective subsidiaries, affiliates or associate companies. At the expiry of the Lock-in Period, either party may transfer its shareholding to a third party after providing an opportunity to the other party to acquire such shares.

The Indo Toolings Joint Venture Agreement may be terminated by either party upon (i) an order being made, or a resolution being passed for winding up of the other party; and (ii) a material breach of the terms of the Indo Toolings Joint Venture Agreement being committed by the other party which has not been rectified within 30 days of notice from the non-defaulting party.”

(f) *Shareholders’ Agreement dated March 14, 2008 (“PACL SHA”) between our Company, Pithampur Auto Clusters Limited (“PACL”), JBM Auto and Indo Toolings Private Limited (“Indo Toolings”).*

PACL is a company formed for development of an auto cluster and hazardous waste treatment and disposal facilities under the Industrial Infrastructure Up-gradation Scheme of the Government of India. PACL is setting up a Tool Room and Technical Service Centre in Pithampur in consultation with Central Manufacturing & Technology Institute, Bengaluru on contract and our Company together with JBM Auto (collectively, the “**Bidders**”) were found eligible for award of the aforesaid contract. The Bidders will operate the contract through Indo Toolings and have entered into an agreement dated March 14, 2008 setting out the terms for operation, maintenance and management of the facilities (the “**Principal Facilities Agreement**”). In terms of the Principal Facilities Agreement, it was agreed that the Bidders will contribute an amount not less than ₹60 million to the share capital of PACL. The PACL SHA has been executed to govern the rights and obligation with respect to the contribution to the share capital of PACL made by the Bidders in terms of the Principal Facilities Agreement.

In terms of the PACL SHA, the Bidders, either themselves or through affiliates or associates, shall subscribe to equity shares and preference shares of PACL to the extent of an amount not less than ₹60 million. The subscribers shall be allotted 0.4 million equity shares of ₹10 each and 5.6 million 4% redeemable cumulative Preference Shares of ₹10 each having no voting rights by PACL. The Preference Shares so allotted will be redeemed at par by PACL upon expiry of 10 years from the date of allotment of the Preference Shares or upon termination or expiry of the concession, whichever is earlier. This redemption shall be subject to the full repayment of secured loans for which PACL has provided security and the payment of all taxes and Government dues.

Pursuant to the subscription of equity shares and preference shares held by PACL in Indo Toolings, the shareholding pattern of Indo Toolings as on the date of this Red Herring Prospectus is as follows:

Sr. No.	Name of the shareholder	No. of preference shares of face value of ₹100 each	No. of equity shares of face value of ₹10 each	Percentage of total equity holding (%)
1.	Sandhar Technologies Limited	332,000	200,000	50.00
2.	JBM Auto	332,000	200,000	50.00
	<b>TOTAL</b>	<b>6,65,000</b>	<b>4,00,000</b>	<b>100.00</b>

In terms of the PACL SHA, in the event of a further issue of shares by PACL, the existing shareholders of PACL will be given priority to subscribe to such shares. The shares allotted by PACL under the PACL SHA are non-transferable and should be held by the allottee during the term of the PACL SHA. However, such shares may be transferred between the Bidders or their affiliates or associates. Upon completion of the term of the PACL SHA, the shares may be transferred by the allottee after providing a right of first refusal to the other shareholders of PACL.

Further, in terms of the PACL SHA, any breach of terms of the PACL SHA will result in the allottee being debarred by exercising its voting rights in PACL



- (g) *Share Subscription Agreement dated January 15, 2016 (“ECCO Green SSA”) between our Company, ECCO Green Energy Private Limited, DMRG Investment Private Limited and Tarun Agrawal.*

ECCO Green Energy Private Limited (now known as Sandhar ECCO Green Energy Private Limited) is involved in the business of design, engineering, installation and commissioning of solar power plants and manufacturing, selling, trading, importing, and exporting of components for solar power plant and solar products. Our Company has acquired 689,214 equity shares (50% of the shareholding of ECCO Green Energy Private Limited) of face value ₹10 each, amounting to ₹22.25 million, pursuant to the ECCO Green SSA.

- (h) *Shareholders Agreement dated March 31, 2016 (“ECCO Green SHA”) between Sandhar ECCO Green Energy Private Limited, our Company, DMRG Investment Private Limited, Arun Goyal and Tarun Agrawal.*

Pursuant to share subscription agreement dated January 15, 2016 our Company has entered into the ECCO Green SHA with DMRG, Arun Goyal (promoter of DMRG), Tarun Agrawal and Sandhar ECCO Green Energy Private Limited in order to regulate the ownership and management of Sandhar Ecco-Green Energy.

Pursuant to the terms of the ECCO Green SHA, Sandhar Ecco-Green Energy shall have four directors out of which our Company and DMRG shall have the right to nominate and keep appointed two directors and one director, respectively. Arun Goyal shall be the DMRG nominated director on the board of Sandhar Ecco-Green Energy and can be replaced with prior permission from our Company. Tarun Agrawal shall also continue to have a right to be a director on the board of Sandhar Ecco-Green Energy. Further, unless our Company agrees otherwise in writing, one of the directors nominated by our Company shall be the chairman of the board of Sandhar Ecco-Green Energy.

The parties are permitted to transfer the shares held by them pursuant to the condition that they transfer all the shares held by them. All rights under the ECCO Green SHA are available to the parties till the party holds 10% shareholding in Sandhar Ecco-Green Energy.

The ECCO Green SHA may be terminated upon: (i) an order being made, or a resolution being passed, for winding up of Sandhar Ecco-Green Energy, (ii) written termination of the ECCO Green SHA or (iii) the parties to the ECCO Green SHA and their permitted assigns ceasing to hold shares in Sandhar Ecco-Green Energy. Further, in case Sandhar Ecco-Green Energy, DMRG or Tarun Agrawal commit any breach of any terms of the ECCO Green SHA and such a breach is not rectified within a period of 30 days or any of such parties becomes insolvent and such event is not remedied within a period of 30 days, our Company may at its sole discretion require such breaching party to (i) sell all or any of their shares in Sandhar Ecco-Green Energy to our Company at 75% fair value, (ii) purchase all of our shares in Sandhar Ecco-Green Energy at 125% of the fair value or (iii) liquidate Sandhar Ecco-Green Energy.

- (i) *Joint venture agreement dated March 22, 2017 between our Company and Jinyoung Electro - Mechanics (“Jinyoung Joint Venture Agreement”).*

Our Company and Jinyoung Electro - Mechanics have entered into the Jinyoung Joint Venture Agreement to set up a joint venture for manufacturing, selling and assembling automobile parts including AVN panels and switches in India. Pursuant to the Jinyoung Joint Venture Agreement, our Company and Jinyoung Electro - Mechanics have established Jinyoung Sandhar Mechatronics Private Limited (“*Jinyoung Sandhar*”) as a joint venture enterprise.

As per the terms of the Jinyoung Joint Venture Agreement, our Company and Jinyoung Electro - Mechanics will each hold 50%, of the equity share capital of Jinyoung Sandhar and shall have equal voting rights. The board of directors shall consist of four members, both the parties have the right to nominate two directors each to the board of directors of Jinyoung Sandhar. The representative of the Jinyoung Sandhar shall be nominated by our Company and Jinyoung Electro – Mechanics, mutually for two years respectively

Our Company and Jinyoung Electro – Mechanics are restricted from transferring their respective shareholding in Jinyoung Sandhar to any third parties for a period of 10 years from the date of the Jinyoung Joint Venture Agreement (“**Lock-in Period**”). However, this restriction does not apply to transfers made to their respective subsidiaries, affiliates or associate companies. At the expiry of the Lock-in Period, either party may transfer its shareholding to a third party. The party proposing to transfer its shares shall ask the other party about its

intent before transferring the shares.

Under the Jinyoung Joint Venture Agreement, Jinyoung Electro - Mechanics has agreed undertake the following roles and duties: (i) Providing the most recent technology pursuant to a technology license agreement; (ii) training for employees of Jinyoung Sandhar; (iii) handling Jinyoung Sandhar's test evaluation, process, quality control and other requirement; (iv) assistance in managing business operational services, to the customers of Jinyoung Sandhar, if products are marketed and distributed outside India; (v) procuring parts and sourcing from South Korea or other places for Jinyoung Sandhar; and (vi) providing guidelines on Jinyoung Sandhar's structure, by – laws and standards.

Our Company has agreed to undertake the following roles and duties: (i) handling Jinyoung Sandhar's test evaluation, process, quality control and other requirement; (ii) assistance to perform day-to-day management of Jinyoung Sandhar; (iii) assistance in managing business operational services to the customers of Jinyoung Sandhar, if products are marketed and distributed outside India; (iv) procuring parts and sourcing from South Korea or other places for Jinyoung Sandhar; (v) providing guidelines on Jinyoung Sandhar's structure, by – laws and standards; and (vi) providing support in relation to Indian local regulations and requirements applicable to Jinyoung Sandhar.

Our Company and Jinyoung Electro - Mechanics have agreed that our Company and Jinyoung Electro - Mechanics will not directly or indirectly compete with the business of Jinyoung Sandhar. The Jinyoung Joint Venture Agreement may be terminated by either party upon: (i) an order being made after either party has closed its business; (ii) a receiver being appointed in respect of the assets and undertaking of the other party; or (iii) either party becoming bankrupt or bearing significant amount of debts

(j) ***Joint venture agreement dated May 18, 2017 between our Company and Daewha Fuel Pump Ind. Ltd (“Daewha Joint Venture Agreement”)***

Our Company and Daewha Fuel Pump Ind. Ltd. (“**Daewha Fuel Pump**”) have entered into the Daewha Joint Venture Agreement for manufacturing, selling and assembling, in India, fuel pumps, filters, starter motor and wiper blades and such other products as mutually agreed (“**Products**”). Pursuant to the Daewha Joint Venture Agreement, our Company and Daewha Fuel Pump have established Sandhar Daewha Automotive Systems Private Limited (“**Sandhar Daewha**”) as a joint venture enterprise.

As per the terms of the Daewha Joint Venture Agreement, our Company and Daewha Fuel Pump will each hold 50%, of the equity share capital of Sandhar Daewha and shall have equal voting rights. The board of directors shall consist of four members, both the parties have the right to nominate two directors each to the board of directors of Sandhar Daewha. The representative of the Sandhar Daewha, the CEO shall be appointed by the board of directors of Sandhar Daewha.

Our Company and Daewha Fuel Pump are restricted from transferring their respective shareholding in Sandhar Daewha to any third parties for a period of 10 years from the date of the Daewha Joint Venture Agreement (“**Lock-in Period**”). However, this restriction does not apply to transfers made to their respective subsidiaries, affiliates or associate companies. At the expiry of the Lock-in Period, either party may transfer its shareholding to a third party. The party proposing to transfer its shares shall ask the other party about its intent before transferring the shares

Under the Daewha Joint Venture Agreement, Daewha Fuel Pump has agreed to undertake the following roles and duties: (i) providing the most recent technology pursuant to a technology license agreement; (ii) training for employees of Sandhar Daewha; (iii) handling Sandhar Daewha's test evaluation, process, quality control and other requirement; (iv) assistance in managing business operational services to the customers of Sandhar Daewha if products are marketed and distributed outside India; (v) procuring parts and sourcing from Daewha or other places as requested by Sandhar Daewha; and (vi) providing guidelines on Sandhar Daewha's structure, by – laws and standards.

Our Company has agreed to undertake the following roles and duties: (i) handling Sandhar Daewha's test evaluation, process, quality control and other requirement; (ii) assistance to perform day-to-day management of Sandhar Daewha; (iii) assistance in managing business operational services to the customers of Sandhar Daewha if products are marketed and distributed outside India; (iv) procuring parts and sourcing from South Korea or other places for Sandhar Daewha; (v) providing guidelines on Sandhar Daewha's structure, by – laws and standards; and (vi) providing support in relation to Indian local regulations and requirements

applicable to Sandhar Daewha.

Our Company and Daewha Fuel Pump have agreed that our Company and Daewha Fuel Pump will not directly or indirectly compete with the business of Sandhar Daewha. The Daewha Joint Venture Agreement may be terminated by either party upon: (i) an order being made after either party has closed its business; (ii) a receiver being appointed in respect of the assets and undertaking of the other party; or (iii) either party becoming bankrupt or bearing significant amount of debts.

***(k) Joint venture agreement dated September 4, 2017 between our Company and Amkin Group Private Limited (“Amkin Joint Venture Agreement”)***

Our Company and Amkin Group Private Limited (“**Amkin Group**”) have entered into the Amkin Joint Venture Agreement for designing, manufacturing, marketing, selling and assembling, in India, helmet, helmet accessories and related parts, Sandhar Daewha safety headgear, riding protection accessories, storage box, pannier box and riding apparel (“**Products**”). Pursuant to the Amkin Joint Venture Agreement, our Company and Amkin Group have established Sandhar Amkin Industries Private Limited (“**Sandhar Amkin**”) as a joint venture enterprise.

As per the terms of the Amkin Joint Venture Agreement, our Company and Amkin Group will each hold 50%, of the equity share capital of Sandhar Amkin and shall have equal voting rights as may be required by the applicable laws. The board of directors shall consist of four members, both the parties have the right to nominate two directors each to the board of directors of Sandhar Amkin. Chairman shall be nominated by our Company and Amkin Group, mutually for two years respectively

Our Company and Amkin Group are restricted from transferring their respective shareholding in Sandhar Amkin to any third parties for a period of 10 years from the date of the Amkin Joint Venture Agreement (“**Lock-in Period**”). However, this restriction does not apply to transfers made to their respective subsidiaries, affiliates or associate companies. At the expiry of the Lock-in Period, either party may transfer its shareholding to a third party after providing an opportunity to the other party to acquire such shares.

Our Company and Amkin Group have agreed that our Company and Amkin Group will not directly or indirectly compete with the business of Sandhar Amkin. The Amkin Joint Venture Agreement may be terminated by either party upon: (i) an order being made, or a resolution being passed for winding up of the other party; (ii) a receiver being appointed in respect of the assets and undertaking of the other party; or (iii) a material breach of the terms of the Amkin Joint Venture Agreement being committed by the other party which has not been resolved within 30 days of notice from the non-defaulting party.

***(l) Joint venture agreement dated December 18, 2017 between our Company and Daeshin (“Daeshin Joint Venture Agreement”)***

Our Company and Daeshin have entered into the Daeshin Joint Venture Agreement to set up a joint venture (“**Proposed JV Company**”) for the manufacturing, assembly, and sale of gear shifters and parking breaks for the four-wheeler segment.

As per the terms of the Daeshin Joint Venture Agreement, our Company and Daeshin will each hold 50% of the equity share capital of the Proposed JV Company, and shall have equal voting rights as mandated by applicable laws. The board of directors of the Proposed JV Company shall consist of four members, comprising of two directors nominated by our Company, and two directors nominated by Daeshin. The chairman of the board of directors of the Proposed JV Company shall be appointed by our Company and Daeshin, for two years on a rotational basis. The first chairman of the board of directors of the Proposed JV Company shall be jointly appointed by our Company and Daeshin. The operations of the Proposed JV Company shall be conducted by a chief executive officer, whose appointment shall be made by an affirmative vote of the board of directors of the Proposed JV Company.

Further, in accordance with the terms of the Daeshin Joint Venture Agreement, our Company and Daeshin are restricted from transferring their respective shareholding in the Proposed JV Company to any third parties for a period of 10 years from the date of the Daeshin Joint Venture Agreement (“**Lock-in Period**”). However, the Lock-in Period does not apply to transfers of shareholding made by the Company or Daeshin to their respective subsidiaries, affiliates, or associate companies. At the expiry of the Lock-in Period, the Company or Daeshin may transfer their respective shareholding in the Proposed JV Company to a third party after

providing an opportunity to Daeshin or the Company, as the case may be, to acquire such shares.

Our Company and Daeshin have agreed that our Company and Daeshin will not directly or indirectly compete with the business of the Proposed JV Company. The Daeshin Joint Venture Agreement may be terminated by either our Company or Daeshin upon: (i) an order being made after either our Company or Daeshin has closed its business, (ii) a receiver being appointed by creditors or the courts in respect of the assets and undertaking of our Company or Daeshin, or (iii) our Company or Daeshin becoming bankrupt. The Daeshin Joint Venture Agreement may also be terminated by mutual agreement of our Company and Daeshin.

### **Subsidiaries and Joint Ventures**

Our Company has six Subsidiaries six Joint Ventures. For details, see “*Subsidiaries and Joint Ventures*” on page 213.

## OUR SUBSIDIARIES AND JOINT VENTURES

Our Company has three direct Subsidiaries, three step-down Subsidiaries, and six joint ventures as on the date of this Red Herring Prospectus. None of our Subsidiaries or Joint Ventures are listed on any stock exchange in India or overseas. None of our Subsidiaries or Joint Ventures have become sick companies under the meaning of SICA. Further, there are no accumulated profits or losses of our Subsidiaries that are not accounted for by our Company. None of our Subsidiaries or Joint Ventures are under winding up.

Details of our Subsidiaries are given below:

### 1. Sandhar Tooling Private Limited

#### *Corporate Information*

Sandhar Tooling was incorporated under the Companies Act, 1956 as ‘Sandhar Steady Stream Tooling Private Limited’ on February 26, 2002, in New Delhi. Subsequently the name was changed to ‘Sandhar Tooling Private Limited’ and a fresh certificate of incorporation, consequent upon change of name was issued by the RoC on February 4, 2011. Sandhar Tooling is primarily involved, *inter alia*, in the business of manufacturing, designing, and developing tools, moulds, dies, jigs, and fixtures.

#### *Capital Structure and Shareholding Pattern*

The authorised share capital of Sandhar Tooling is ₹70 million divided into 6,000,000 equity shares of face value of ₹10 each, and 100,000 preference shares of face value of ₹100 each. The paid-up capital of Sandhar Tooling is ₹60 million, divided into 6,000,000 equity shares of face value of ₹10 each.

The shareholding pattern of Sandhar Tooling as on the date of this Red Herring Prospectus is as follows:

Sr. No.	Name of the shareholder	No. of equity shares of face value of ₹10 each	Percentage of total equity shareholding (%)
1.	Sandhar Technologies Limited	4,795,000	79.92
2.	Jayant Davar	5,000	0.08
3.	Parveen Satija	5,000	0.08
4.	Stitch Overseas Private Limited	1,195,000	19.92
<b>TOTAL</b>		<b>6,000,000</b>	<b>100</b>

### 2. Sandhar Technologies Barcelona, S.L.

#### *Corporate Information*

ST Barcelona was incorporated on May 18, 2007 as a limited liability (sociedad limitada) company, and is registered under the laws of Spain. ST Barcelona has its registered office at Av. Cal Rubió, nº 46, Santa Margarida I els Monjos. Our Company acquired ST Barcelona with effect from July 9, 2007. The assets of the E1 unit of TECFISA which manufactured aluminium spindles or reel axles acting as seat belt retractors was bought by ST Barcelona. For details, see “*History and Certain Corporate Matters – Acquisition of Business, Mergers and Amalgamations*” on page 203. ST Barcelona is primarily involved in the business of manufacturing of aluminium spindles or reel axles, acting as seat belt retractors.

#### *Capital Structure and Shareholding Pattern*

The authorised share capital of ST Barcelona is €3.25 million divided into 3,248,403 equity shares of face value of €1 each. The paid-up capital of ST Barcelona is €3.25 million, divided into 3,248,403 shares of face value of €1 each.

The shareholding pattern of ST Barcelona as on the date of this Red Herring Prospectus is as follows:

Sr. No.	Name of the shareholder	No. of shares of face value of €1 each	Percentage of total equity holding (%)
1.	Sandhar Technologies	3,244,395	99.88

Sr. No.	Name of the shareholder	No. of shares of face value of €1 each	Percentage of total equity holding (%)
	Limited		
2.	Jayant Davar*	4,008	0.12
<b>TOTAL</b>		<b>3,248,403</b>	<b>100.00</b>

\*Jayant Davar holds shareholding in ST Barcelona as a nominee of our Company.

### 3. Sandhar Strategic Systems Private Limited

#### Corporate Information

Sandhar Strategic Systems was incorporated under the Companies Act, 2013, as ‘Sandhar Strategic Systems Private Limited’ on September 9, 2016, in New Delhi. Sandhar Strategic Systems is primarily involved in the business of, *inter alia*, manufacturing, building, repairing, refitting, inventing, experimenting, testing, originating, fabricating, sub-contracting, importing, exporting, dealing in, and the sale of all kind of vessels, warships, defence vessels including patrol vessels, gunboats, training vessels, frigates among other things. For details, see “*History and Certain Corporate Matters – Acquisition of Business, Mergers and Amalgamations*” on page 203.

#### Capital Structure and Shareholding Pattern

The authorised share capital of Sandhar Strategic Systems is ₹0.5 million divided into 50,000 equity Shares of ₹10 each. The paid-up capital of Sandhar Strategic Systems is ₹0.1 million divided into 10,000 equity shares of face value of ₹10 each.

The shareholding pattern of Sandhar Strategic Systems as on the date of this Red Herring Prospectus is as follows:

Sr. No.	Name of the shareholder	No. of equity shares of face value of ₹10 each	Percentage of total equity holding (%)
1.	Sandhar Technologies Limited	9,999	99.99
2.	Jayant Davar*	1	0.01
<b>TOTAL</b>		<b>10,000</b>	<b>100.00</b>

\*Jayant Davar holds shareholding as a nominee of our Company.

### 4. Sandhar Technologies Poland sp. z.o.o.

#### Corporate Information

ST Poland was incorporated under the laws of Poland on June 20, 2011. Subsequently, ST Poland was acquired as a subsidiary by ST Barcelona on August 6, 2012. ST Poland is primarily involved in the business of, *inter alia*, aluminium high pressure die cast parts for the automotive sector.

#### Capital Structure and Shareholding Pattern

The authorised share capital of ST Poland is PLN 35,000 divided into 700 equity shares of face value of PLN 50 each. The paid-up capital of ST Poland is PLN 35,000, divided into 700 equity shares of face value of PLN 50 each.

The shareholding pattern of ST Poland as on the date of this Red Herring Prospectus is as follows:

Sr. No.	Name of the shareholder	No. of equity shares of face value of PLN 50	Percentage of total equity holding (%)
1.	ST Barcelona	700	100.00
<b>TOTAL</b>		<b>700</b>	<b>100.00</b>

### 5. Sandhar Technologies De Mexico S. de RL de CV

#### Corporate Information

ST Mexico was incorporated under the laws of Mexico on February 27, 2014, in Mexico. ST Mexico is primarily involved in the business of, *inter alia*, manufacturing and trading in auto parts.

### **Capital Structure and Shareholding Pattern**

The authorised share capital of ST Mexico is MXN 65.50 million divided into three equity shares, and the paid-up share capital of ST Mexico is MXN 65.50 million, divided into three equity shares.

The shareholding pattern of ST Mexico is as follows:

<b>Sr. No</b>	<b>Name of the shareholder</b>	<b>No. of equity shares</b>	<b>Face value (MXN)</b>	<b>Percentage of total equity holding (%)</b>
1.	ST Barcelona	1	65,503,773.04	99.99
2.	Dharmendar Nath Davar*	1	1,500.00	Negligible
3.	Jayant Davar*	1	1,500.00	Negligible
<b>TOTAL</b>		<b>3</b>	<b>-</b>	<b>100</b>

\*Dharmendar Nath Davar and Jayant Davar hold shareholding as a nominees of the ST Barcelona.

## **6. Breniar Project S L**

### **Corporate Information**

Sandhar Breniar was incorporated under the laws of Spain on April 26, 2007. Sandhar Breniar is primarily involved, *inter alia*, in the business of manufacturing aluminium high pressure die cast parts for the automotive sector. Upon acquisition of ST Barcelona by our Company on July 9, 2007, Sandhar Breniar became our step-down Subsidiary.

### **Capital Structure and Shareholding Pattern**

The authorised share capital of Sandhar Breniar is €3,006 divided into 3,006 equity shares of face value of €1 each. The paid-up capital of Sandhar Breniar is €3,006 divided into 3,006 equity shares of face value of €1 each. Pursuant to a resolution of our Board dated November 18, 2017, the Board has approved the recommendation for initiating the voluntary liquidation of Sandhar Breniar.

The shareholding pattern of Sandhar Breniar is as follows:

<b>Sr. No</b>	<b>Name of the shareholder</b>	<b>No. of equity shares of face value of € 1 each</b>	<b>Percentage of total equity holding (%)</b>
1.	ST Barcelona	3,006	100.00
<b>TOTAL</b>		<b>3,006</b>	<b>100.00</b>

## **Details of our Joint Ventures**

### **1. Indo Toolings Private Limited**

#### **Corporate Information**

Indo Toolings was incorporated under the Companies Act, 1956 on February 22, 2008, in Gwalior. Indo Toolings is primarily involved in providing, *inter alia*, all kinds of tooling requirements, stamping tools, plastic injection moulds, pressure die casting dies, and fixtures. For details, see “*History and Certain Corporate Matter – Summary of Key Agreements*” on page 205.

#### **Capital Structure and Shareholding Pattern**

The authorised share capital of Indo Toolings is ₹75 million divided into 500,000 equity shares of face value of ₹10 each and 700,000 preference shares of face value ₹100 each. The paid-up capital of Indo Toolings is ₹70.50 million, divided into 400,000 equity shares of face value of ₹10 each, and 665,000 preference shares of face value of ₹100, each.

The shareholding pattern of Indo Toolings as on the date of this Red Herring Prospectus is as follows:

Sr. No.	Name of the shareholder	No. of preference shares of face value of ₹100 each	No. of equity shares of face value of ₹10 each	Percentage of total equity holding (%)
1.	Sandhar Technologies Limited	332,500	200,000	50.00
2.	JBM Auto	332,500	200,000	50.00
<b>TOTAL</b>		<b>6,65,000</b>	<b>4,00,000</b>	<b>100.00</b>

## 2. Sandhar Han Sung Technologies Private Limited

### Corporate Information

Sandhar Han Sung was incorporated under the Companies Act, 2013 on June 20, 2014, in Delhi. Sandhar Han Sung is primarily involved in the business of, *inter alia*, manufacturing of high precision press parts, insert moulded contact plates and switches. For details, see “History and Certain Corporate Matters – Summary of Key Agreements” on page 205.

### Capital Structure and Shareholding Pattern

The authorised share capital of Sandhar Han Sung is ₹ 250 million divided into 20,000,000 equity shares of face value of ₹10 each, and 5,000,000 preference shares of face value of ₹10 each. The paid-up capital of Sandhar Han Sung is ₹183.97 million divided into 13,709,432 equity shares of face value of ₹10 each, and 4,687,674 Preference Shares of face value of ₹10 each.

The shareholding pattern of Sandhar Han Sung as on the date of this Red Herring Prospectus is as follows:

Sr. No.	Name of the shareholder	No. of preference shares of face value of ₹10 each	No. of equity shares of face value of ₹10 each	Percentage of total equity holding (%)
1.	Sandhar Technologies Limited	2,343,837	6,854,716	50.00
2.	Han Sung	2,343,837	6,854,716	50.00
<b>TOTAL</b>		<b>4,687,674</b>	<b>13,709,432</b>	<b>100.00</b>

## 3. Jinyoung Sandhar Mechatronics Private Limited

### Corporate Information

Jinyoung Sandhar was incorporated under the Companies Act, 2013, on March 20, 2017 in Gurugram, Haryana. Jinyoung Sandhar is primarily involved in the business of, *inter alia*, dealing in car audio and navigation systems. For details, see “History and Certain Corporate Matters – Summary of Key Agreements” on page 205.

### Capital Structure and Shareholding Pattern

The authorised share capital of Jinyoung Sandhar is ₹300 million divided into 15,000,000 equity shares of face value of ₹10 each, and 15,000,000 preference shares of face value of ₹10 each. The paid-up capital of Jinyoung Sandhar is ₹113.79 million, divided into 4,993,976 equity shares of face value of ₹10 each, and 6,385,500 preference shares of face value of ₹10 each.

The shareholding pattern of Jinyoung Sandhar as on the date of this Red Herring Prospectus is as follows:

Sr. No.	Name of the shareholder	No. of preference shares of face value ₹10 each	No. of equity shares of face value of ₹10 each	Percentage of total equity holding (%)
1.	Sandhar Technologies Limited	3,192,750	2,496,988	50.00
2.	Jinyoung Electro - Mechanics Limited	3,192,750	2,496,988	50.00
<b>TOTAL</b>		<b>6,385,500</b>	<b>4,993,976</b>	<b>100.00</b>



#### 4. Sandhar Daewha Automotive Systems Private Limited

##### Corporate Information

Sandhar Daewha was incorporated under the Companies Act, 2013 on June 20, 2017 in Gurugram, Haryana. Sandhar Daewha is primarily involved in, *inter alia*, the business of manufacturing, selling and assembling fuel pumps, filters, starter motor and wiper blades in India, and such other products as mutually agreed. For details, see “*History and Certain Corporate Matters – Summary of Key Agreements*” on page 205.

##### Capital Structure and Shareholding Pattern

The authorised share capital of Sandhar Daewha is ₹50 million divided into 5,000,000 equity shares of face value of ₹10 each. The paid-up capital of Sandhar Daewha is ₹50 million divided into 5,000,000 equity shares of face value of ₹10 each.

The shareholding pattern of Sandhar Daewha as on the date of this Red Herring Prospectus is as follows:

Sr. No.	Name of the shareholder	No. of equity shares of face value of ₹10 each	Percentage of total equity holding (%)
1.	Sandhar Technologies Limited	3,245,100	50.00
2.	Daewha Fuel Pump Ind. Limited	3,245,100	50.00
<b>TOTAL</b>		<b>6,490,200</b>	<b>100.00</b>

#### 5. Sandhar Amkin Industries Private Limited

##### Corporate Information

Sandhar Amkin was incorporated under the Companies Act, 2013, on September 6, 2017 in Delhi. Sandhar Amkin is primarily involved in, *inter alia*, the business of designing, manufacturing, marketing, selling, and assembling, helmet, helmet accessories and related parts, visors, safety headgear, riding protection accessories, storage boxes, pannier boxes and riding apparel in India. For details, see “*History and Certain Corporate Matters – Summary of Key Agreements*” on page 205.

##### Capital Structure and Shareholding Pattern

The authorised share capital of Sandhar Amkin is ₹100 million divided into 10,000,000 equity shares of face value of ₹10 each. The paid-up capital of Sandhar Amkin is ₹2 million divided into 200,000 equity shares of face value of ₹10 each.

The shareholding pattern of Sandhar Amkin as on the date of this Red Herring Prospectus is as follows:

Sr. No.	Name of the shareholder	No. of equity shares of face value of ₹10 each	Percentage of total equity holding (%)
1.	Sandhar Technologies Limited	400,000	50.00
2.	Amkin Group Private Limited	400,000	50.00
<b>TOTAL</b>		<b>800,000</b>	<b>100.00</b>

#### 6. Sandhar ECCO Green Energy Private Limited (“Sandhar Ecco-Green Energy”)

##### Corporate Information

Sandhar Ecco-Green Energy was incorporated under the Companies Act, 1956, on May 27, 2013 in Delhi. The name of Sandhar Ecco-Green Energy was changed to ‘Sandhar ECCO Green Energy Private Limited’ pursuant to an investment made by our Company by way of a share subscription agreement dated January 16, 2016. Sandhar Ecco-Green Energy is primarily involved in the business of, *inter alia*, consulting, designing, engineering, installation, commissioning, and maintenance of solar power plants, and manufacturing, selling, trading, importing, and exporting of components for solar power plants and solar products. For details, see “*History and Certain Corporate Matters – Summary of Key Agreements*” on page 205.

### **Capital Structure and Shareholding Pattern**

The authorised share capital of Sandhar Ecco-Green Energy is ₹20 million divided into 2,000,000 equity shares of face value of ₹10 each. The paid-up capital of Sandhar Ecco-Green Energy is ₹13.78 million divided into 1,378,428 equity shares of face value of ₹10 each.

The shareholding pattern of Sandhar Ecco-Green Energy as on the date of this Red Herring Prospectus is as follows:

<b>Sr. No.</b>	<b>Name of the shareholder</b>	<b>No. of equity shares of face value of ₹10 each</b>	<b>Percentage of total equity holding (%)</b>
1.	Sandhar Technologies Limited	689,214	50.00
2.	DMRG Investment Private Limited	496,230	36.00
3.	Tarun Agrawal	192,984	14.00
<b>TOTAL</b>		<b>1,378,428</b>	<b>100.00</b>

### **Interest of the Subsidiaries or Joint Ventures in our Company**

None of our Subsidiaries or Joint Ventures hold any Equity Shares in our Company. Except as stated in the chapter “*Related Party Transactions*” on page 246, our Subsidiaries and Joint Ventures do not have any other interest in our Company’s business.

### **Common Pursuits**

All of our Subsidiaries and or Joint Ventures are engaged in activities similar to that of our Company. Our Company will adopt the necessary procedures and practices as permitted by law to address any conflict situations as and when they arise.

### **Sale of shares of our Subsidiaries**

Neither our Promoter, nor the members of our Promoter Group or our Directors or their relatives have sold or purchased securities of our Subsidiaries during the six months preceding the date of the Draft Red Herring Prospectus.

## OUR MANAGEMENT

### BOARD OF DIRECTORS

In terms of the Articles of Association, our Company is required to have not less than three Directors and not more than 12 Directors. As on the date of this Red Herring Prospectus, our Board comprises of 11 Directors. The composition of our Board of Directors is in compliance with the Companies Act, 2013, and the SEBI Listing Regulations.

The following table sets forth details regarding the Board of Directors as of the date of this Red Herring Prospectus

Sr. No.	Name, designation, address, occupation, nationality, term, and DIN	Age (years)	Other directorships
1.	<p><b>Dharmendar Nath Davar</b>  <i>Designation:</i> Chairman and Non-Executive, Non-Independent Director</p> <p><i>Address:</i>                      B-5/82, Safdarjung Enclave                      New Delhi – 110 029                      India</p> <p><i>Occupation:</i> Business</p> <p><i>Nationality:</i> Indian</p> <p><i>Term:</i> Liable to retire by rotation. The directorship commenced on July 2, 1994</p> <p><i>DIN:</i> 00002008</p>	83	<ul style="list-style-type: none"> <li>▪ Adyar Gate Hotels Limited;</li> <li>▪ Ansal Properties and Infrastructure Limited;</li> <li>▪ HEG Limited;</li> <li>▪ Hero Fincorp Limited;</li> <li>▪ Maral Overseas Limited;</li> <li>▪ OCL India Limited;</li> <li>▪ RSWM Limited; and</li> <li>▪ Titagarh Wagons Limited.</li> </ul>
2.	<p><b>Jayant Davar</b>  <i>Designation:</i> Co-Chairman and Managing Director</p> <p><i>Address:</i>                      50, Sultanpur Farms, Prakriti Marg                      Mehrauli Gurgaon Road                      New Delhi – 110 030                      India</p> <p><i>Occupation:</i> Business</p> <p><i>Nationality:</i> Indian</p> <p><i>Term:</i> For a period of five years, commencing on January 1, 2016</p> <p><i>DIN:</i> 00100801</p>	56	<ul style="list-style-type: none"> <li>▪ Breniar Projects, S.L;</li> <li>▪ Haridwar Estates Private Limited;</li> <li>▪ Huddletech Services Private Limited;</li> <li>▪ Jagran Prakashan Limited;</li> <li>▪ KDB Investments Private Limited;</li> <li>▪ Sandhar Infosystems Limited;</li> <li>▪ Sandhar Intelli-Glass Solutions Limited;</li> <li>▪ Sandhar Technologies Barcelona S.L;</li> <li>▪ Sandhar Technologies De Mexico S. de RL de CV;</li> <li>▪ Sandhar Technologies Poland</li> <li>▪ Sandhar Tooling Private Limited;</li> <li>▪ Raasaa Retail Private Limited; and</li> <li>▪ Vardhman Special Steels Limited.</li> </ul>
3.	<p><b>Arvind Joshi</b>  <i>Designation:</i> Whole-time Director</p> <p><i>Address:</i>                      G-39, Kirti Nagar                      2<sup>nd</sup> Floor,                      New Delhi – 110 015, India</p> <p><i>Occupation:</i> Professional</p> <p><i>Nationality:</i> Indian</p> <p><i>Term:</i> For a period of five years, commencing on June 1, 2013</p> <p><i>DIN:</i> 01877905</p>	51	<ul style="list-style-type: none"> <li>▪ Indo Toolings Private Limited;</li> <li>▪ Jinyoung Sandhar Mechatronics Private Limited;</li> <li>▪ Pithampur Auto Cluster;</li> <li>▪ Sandhar Amkin Industries Private Limited;</li> <li>▪ Sandhar Daewha Automotive Systems Private Limited;</li> <li>▪ Sandhar ECCO Green Energy Private Limited;</li> <li>▪ Sandhar Han Sung Technologies Private Limited;</li> <li>▪ Sandhar Strategic Systems Private Limited; and</li> <li>▪ Sandhar Technologies De Mexico S. de RL de CV.</li> </ul>
4.	<p><b>Monica Davar</b></p>	52	<ul style="list-style-type: none"> <li>▪ Sandhar Estates Private Limited; and</li> </ul>

Sr. No.	Name, designation, address, occupation, nationality, term, and DIN	Age (years)	Other directorships
	<p><b>Designation:</b> Non-Executive, Non-Independent Director</p> <p><b>Address:</b> 50, Sultanpur Farms, Prakriti Marg Mehrauli Gurgaon Road New Delhi – 110 030 India</p> <p><b>Occupation:</b> Business</p> <p><b>Nationality:</b> Indian</p> <p><b>Term:</b> Liable to retire by rotation. The directorship commenced on October 24, 1987</p> <p><b>DIN:</b> 00100875</p>		<ul style="list-style-type: none"> <li>▪ Supanavi Trading and Finance Consultants Private Limited.</li> </ul>
5.	<p><b>Mohan Lal Bhagat</b> <b>Designation:</b> Independent Director</p> <p><b>Address:</b> 24/B, New Road Alipore, Kolkata – 700 027 West Bengal, India</p> <p><b>Occupation:</b> Business</p> <p><b>Nationality:</b> Indian</p> <p><b>Term:</b> For a period of five years, commencing on July 4, 2014</p> <p><b>DIN:</b> 00699750</p>	82	<ul style="list-style-type: none"> <li>▪ Wires and Fabriks (S.A.) Limited.</li> </ul>
6.	<p><b>Ravinder Nagpal</b> <b>Designation:</b> Independent Director</p> <p><b>Address:</b> B-8/14, 1<sup>st</sup> floor, Vasant Vihar New Delhi – 110 057 India</p> <p><b>Occupation:</b> Business</p> <p><b>Nationality:</b> Indian</p> <p><b>Term:</b> For a period of five years commencing on July 4, 2014.</p> <p><b>DIN:</b> 00102970</p>	61	<ul style="list-style-type: none"> <li>▪ Hansraj Buildsmart Private Limited;</li> <li>▪ J-Land Business Solutions Private Limited;</li> <li>▪ Karanravi Consultancy Private Limited;</li> <li>▪ Manravi Distributors Private Limited;</li> <li>▪ Nagram Consultancy Private Limited;</li> <li>▪ Premier Microwaves Limited;</li> <li>▪ RRR Insurance Services Private Limited; and</li> <li>▪ Utsav Business Solutions Private Limited;</li> </ul>
7.	<p><b>Krishan Lal Chugh</b> <b>Designation:</b> Independent Director</p> <p><b>Address:</b> N-79, Panchsheel Park New Delhi – 110 017 India</p> <p><b>Occupation:</b> Business</p> <p><b>Nationality:</b> Indian</p> <p><b>Term:</b> For a period of five years commencing on July 4, 2014</p>	80	<ul style="list-style-type: none"> <li>▪ Fozal Power Private Limited;</li> <li>▪ Gati Limited;</li> <li>▪ Kullu Valley Power Private Limited; and</li> <li>▪ Solaryan Technologies Private Limited.</li> </ul>

Sr. No.	Name, designation, address, occupation, nationality, term, and DIN	Age (years)	Other directorships
	<i>DIN:</i> 00140124		
8.	<p><b>Arvind Kapur</b> <i>Designation:</i> Independent Director</p> <p><i>Address:</i> 181C, Western Avenue Sainik Farms, New Delhi – 110 062 India</p> <p><i>Occupation:</i> Business</p> <p><i>Nationality:</i> Indian</p> <p><i>Term:</i> For a period of five years commencing on July 4, 2014</p> <p><i>DIN:</i> 00096308</p>	67	<ul style="list-style-type: none"> <li>▪ AAK Manufacturing and Consultancy Private Limited;</li> <li>▪ ASN Properties Private Limited;</li> <li>▪ Haridwar Estates Private Limited;</li> <li>▪ Higain Investments Private Limited;</li> <li>▪ Kapsons Associates Investments Private Limited;</li> <li>▪ KDB Investments Private Limited;</li> <li>▪ Magna Rico Powertrain Private Limited;</li> <li>▪ Meraki Manufacturing and Finvest Advisors Private Limited;</li> <li>▪ Rico Auto Industries Inc. USA;</li> <li>▪ Rico Auto Industries Limited;</li> <li>▪ Rico Auto Industries (UK) Limited; and</li> <li>▪ Rico Investments Limited.</li> </ul>
9.	<p><b>Gaurav Dalmia</b> <i>Designation:</i> Nominee Director, Non-Independent and Non-Executive Director</p> <p><i>Address:</i> 20-F, PrithviRaj Road New Delhi – 110 062 India</p> <p><i>Occupation:</i> Business</p> <p><i>Nationality:</i> Indian</p> <p><i>Term:</i> Liable to retire by rotation</p> <p><i>DIN:</i> 00009639</p>	52	<ul style="list-style-type: none"> <li>▪ Ansal Landmark (Karnal) Township Private Limited;</li> <li>▪ Aayush Manufacturers and Financiers Private Limited;</li> <li>▪ Bajaj Corp Limited;</li> <li>▪ Khaitan Udyog Private Limited;</li> <li>▪ Landmark Land Holdings Private Limited;</li> <li>▪ Landmark Property Development Company Limited;</li> <li>▪ National Synthetics Limited;</li> <li>▪ OCL India Limited;</li> <li>▪ Raymond Apparel Limited; and</li> <li>▪ True North Corporate Private Limited.</li> </ul>
10.	<p><b>Arjun Sharma</b> <i>Designation:</i> Independent Director</p> <p><i>Address:</i> 27, Sunder Nagar New Delhi – 110003 India</p> <p><i>Occupation:</i> Business</p> <p><i>Nationality:</i> Indian</p> <p><i>Term:</i> For a period of five years commencing on May 24, 2016.</p> <p><i>DIN:</i> 00003306</p>	52	<ul style="list-style-type: none"> <li>▪ Alcove Middle east FZE;</li> <li>▪ Ambika Infrabuild Private Limited;</li> <li>▪ Canyon Estates Private Limited;</li> <li>▪ Indrama Buildcon Private Limited;</li> <li>▪ Indrama Buildwell Private Limited;</li> <li>▪ Indrama Infrastructure Management Services Private Limited;</li> <li>▪ Le Passage to India Tours and Travels Private Limited;</li> <li>▪ Samhi Hotels Private Limited;</li> <li>▪ Select Equity Advisory Services Private Limited;</li> <li>▪ Select Holiday Resorts Private Limited;</li> <li>▪ Select Infrastructure Private Limited;</li> <li>▪ Select Mall Management Private Limited; and</li> <li>▪ Versatile Food Courts Private Limited.</li> </ul>

#### *Relationship between the Directors*

Sr. No.	Name of the director	Related to	Nature of relationship
1.	Dharmendar Nath Davar	Jayant Davar	Son of Dharmendar Nath Davar
		Monica Davar	Daughter-in-law of Dharmendar Nath Davar
2.	Jayant Davar	Monica Davar	Wife of Jayant Davar
		Dharmendar Nath Davar	Father of Jayant Davar
3.	Monica Davar	Jayant Davar	Husband of Monica Davar
		Dharmendar Nath Davar	Father-in-law of Monica Davar

## Brief biographies of Directors

**Dharmendar Nath Davar** is the Chairman and Non-Executive, Non-Independent Director of our Company. He was first appointed as a Director on July 2, 1994. He has a bachelors' degree in commerce, and a masters' degree in arts (economics) from Delhi University\*. This apart, he is a certified associate by the Indian Institute of Banking and Finance\*. He started his career at the Punjab National Bank\*, and is a former chairman of the Industrial Finance Corporation of India. He has over five decades of experience in the fields of finance, banking, corporate laws, and management\*.

**Jayant Davar** is the Co-chairman and Managing Director of our Company. He is the founding Director, and is the Promoter of our Company. He holds a bachelors' degree in mechanical engineering from the Punjabi University, Patiala, and has successfully completed the owner / president management programme from the Harvard Business School. He was the chairman of the Confederation of Indian Industries, Northern Region, and has been the president of the Auto Component Manufacturers Association in the past. He has three decades of experience in the auto components sector. He was awarded the distinguished alumnus during the year 2009 from Thapar University, Patiala.

**Arvind Joshi** is the Whole-time Director of our Company. He was appointed as a Director on May 31, 2013. He was first appointed as the CFO and Company Secretary on December 4, 2006. He holds a bachelors' degree in science from the University of Calcutta, a bachelors' degree in law from the University of Delhi, and is an Associate Member of the Institute of Chartered Accountants of India, as well as the Institute of Company Secretaries of India. He has over 20 years of experience in managing corporate finance, legal, and commercial functions across diverse businesses and companies in India and overseas.

**Monica Davar** is a Non-Independent, Non-Executive Director of our Company. She was first appointed as a Director in 1987. She completed her pre-university studies in the commerce stream\*. She has over 20 years of experience in the auto components sector\*.

**Mohan Lal Bhagat** is an Independent Director of our Company. He was first appointed as an Independent Director of our Company on February 2, 1993. He holds a bachelors' degree in commerce from the University of Calcutta. He has 17 years of experience in the areas of financial and management consultancy.

**Ravinder Nagpal** is an Independent Director of our Company. He was appointed as an Independent Director of our Company in the year 2001. He is a practicing chartered accountant since 1980, certified by the ICAI. He has been a member of the Panel of Chartered Accountants for the Office of the Official Liquidator, Delhi. He has 32 years of experience in the areas of corporate restructuring and mergers and acquisition, due diligence, tax planning, and strategic advisory.

**Krishan Lal Chugh** is an Independent Director of our Company. He was appointed as an Independent Director of our Company on March 14, 2003. He has a bachelors' degree in mechanical engineering from Delhi College of Engineering\*. He is the Chairman Emeritus of ITC Group\*, and has been a past member of the Board of Governors, Administrative Staff College of India, Hyderabad\*. This apart, he has also been the past president of the All India Management Association\*, the alternate president of the Associated Chambers of Commerce and Industry of India\*, and the former director of the Central Board of Reserve Bank of India. He has over five decades in the areas of heavy industries, fast-moving consumer durables, and paper industries\*.

**Arvind Kapur** is an Independent Director of our Company. He was first appointed as an Independent Director of our Company on October 1, 2005. He holds a bachelors' degree in science from the University of Delhi, and has completed a president management programme from Harvard Business School. He was the erstwhile president of the Automotive Component Manufacturers Association, as well as the erstwhile chairman of CII – Haryana State Council, Northern Region. He is the managing director of RICO Auto Industries Limited, and has 35 years in the area of manufacturing of auto components.

**Gaurav Dalmia** is a Nominee Director of our Company appointed on the Board by GTI. He was appointed as a Director on March 30, 2012, pursuant to the terms of the shareholders' agreement dated March 30, 2012 executed *inter alios* among our Company and GTI Capital. He holds a masters' degree in business administration from the Columbia Business School, New York\*, and is the managing director of Landmark Property Development Company Limited. He has over 25 years of experience in the areas of financial and real estate investments\*. This apart, he is also a member of the boards of directors of several companies such as Bajaj Corp Limited and Khaitan Udyog Private Limited.

**Arjun Sharma** is an Independent Director of our Company. He was appointed as an Independent Director of our Company on May 24, 2016. He holds a bachelors' degree in commerce from University of Delhi. He is the chairman of Select Group, a business house that has diversified interests in retail industries, real estates, travel and tourism, hospitality, and private equity.

*\*Note: Certain statements in respect of educational qualifications or experience of such Directors included in this Red Herring Prospectus have been made relying on affidavits provided by the concerned Directors. For details, see "Risk Factors – 32. We do not have certain documents evidencing the biographies of certain of our Directors and Key Management Personnel in the section titled "Our Management" on page 219 of this Red Herring Prospectus.*

### **Confirmations**

None of our Directors is, or was a director of any listed company during the last five years preceding the date of the Draft Red Herring Prospectus, whose shares have been, or were suspended from being traded on BSE or NSE.

Except as stated below, none of our Directors is, or was a director of any listed company which has been, or was delisted from any stock exchange during the term of their directorship in such company:

Dharmendar Nath Davar

<b>Particulars</b>	<b>Details</b>
Name of the company	Mansingh Hotels & Resorts Limited
Name of the stock exchange(s) on which the securities of the company was listed	(i) Jaipur Stock Exchange Limited; and (ii) Delhi Stock Exchange
Date of delisting of the company on stock exchanges	(i) Jaipur Stock Exchange Limited: March 23, 2015; and (ii) Delhi Stock Exchange: November 19, 2014
Whether delisting was compulsory or voluntary	Compulsory
Reasons for delisting	Jaipur Stock Exchange and Delhi Stock Exchange were derecognised
Whether the company has been relisted	No
Date of relisting	Not applicable
Term of directorship in the company	August 13, 1994 to February 26, 2016

No proceedings / investigations have been initiated by SEBI against any company, the board of directors of which also comprise of 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 such director to become, or to help such director to qualify as a Director, or otherwise for services rendered by him / her or by the firm or company in which he / she is interested, in connection with the promotion or formation of our Company.

### **Terms of Appointment of Executive Directors**

The remuneration of the Executive Directors of our Company is pursuant to the terms of appointment contained below:

#### **1. Jayant Davar**

Jayant Davar was reappointed as the Co-Chairman and Managing Director of our Company with effect from January 1, 2016 for a period of five years, pursuant to resolutions passed by the Board and the Shareholders on November 9, 2015, and April 11, 2016, respectively. The following are the terms of appointment of Jayant Davar:

<b>Particulars</b>	<b>Remuneration</b>
Basic Salary	₹12 million per annum
Commission	4% of the net profits of our Company for each Financial Year
Perquisites	a) Residential rent free furnished accommodation; and

Particulars	Remuneration
	b) Expenses incurred on gas, electricity, water and furnishing subject to a ceiling of 10% of the salary.
Others	Provident fund, medical reimbursement, leave travel assistance, gratuity and leave encashment, club fee and personal accident insurance in accordance with the rules of our Company, and subject to provision of respective statutory enactment.

## 2. Arvind Joshi

Arvind Joshi was appointed as the whole-time Director of our Company with effect from June 1, 2013 for a period of five years, pursuant to resolutions passed by the Board and the Shareholders on May 31, 2013, and July 3, 2013, respectively. His remuneration was increased, pursuant to resolutions passed by the Board on March 3, 2017. The following are the terms of appointment of Arvind Joshi:

Particulars	Remuneration
Basic Salary	₹4.27 million per annum
Commission	0.5% of the yearly net profit
Perquisites	The expenditure by our Company on hiring furnished accommodation shall be subject to 50% of the basic salary. If Arvind Joshi has his own house, our Company shall pay house rent allowance at the rate of 50% of the basic pay. The expenditure incurred by our Company on gas, electricity, water and furnishings shall be subject to a ceiling of 5%.
Others	Provident fund, medical reimbursement, car with driver, leave travel assistance, gratuity and leave encashment, club fee and personal accident insurance in accordance with the rules of our Company, and subject to provision of respective statutory enactment.

### *Payment or benefit to Non-Executive Directors of our Company*

The sitting fees / other remuneration paid to the Non-Executive Directors in Fiscal 2017 are as follows:

Name of Director	Sitting Fees (₹)*	Commission (₹)
Dharmendar Nath Davar	250,000	125,000
Mohal Lal Bhagat	200,000	125,000
Ravinder Nagpal	460,000	125,000
Krishan Lal Chugh	320,000	125,000
Arvind Kapur	305,000	125,000
Gaurav Dalmia	220,000	125,000
Monica Davar	200,000	125,000
Arjun Sharma	200,000	125,000
<b>TOTAL</b>	<b>2,155,000</b>	<b>1,000,000</b>

\*Excluding reversal of service tax.

Other than as disclosed in the chapter “*Related Party Transactions*” on page 246, none of the beneficiaries of loans, advances and sundry debtors are related to the Directors of our Company.

### *Arrangements and understanding with major Shareholders*

One of our Directors, Gaurav Dalmia, has been appointed as a nominee Director pursuant to the shareholders’ agreement dated March 30, 2012 executed among our Company, GTI Capital, Jayant Davar, Monica Davar, Sandhar Estates Private Limited, YSG Estates Private Limited, Sanjeevni Impex Private Limited, Sandhar Enterprises, Sandhar Infosystems Limited, and Jubin Finance & Investments Limited. Other than as stated above, there are no arrangements or understanding with major Shareholders, customers, suppliers or any other entity, pursuant to which any of our Directors or key managerial personnel were selected as a Director or member of the senior management of our Company.

### *Bonus or profit sharing plan of the Directors*

Other than the commission payable to the Co-Chairman and Managing Director, and the Whole-time Director as stated above in “*Our Management – Terms of Appointment of Executive Directors*”, none of the Directors are entitled to bonuses or commissions in accordance with policies of our Company.



### ***Service Contracts***

Except in respect of statutory benefits upon termination of their employment in our Company or on retirement, no Director of our Company has entered into a service contract with our Company, pursuant to which they are entitled to any benefits upon termination of employment.

### ***Benefits upon termination***

Except statutory benefits upon termination of their employment in our Company or retirement, no officer of our Company, including the Directors and the Key Management Personnel, are entitled to any benefits upon termination of employment.

### ***Loans availed by our Directors from our Company***

None of the Directors of our Company have availed any loan from our Company.

### ***Remuneration paid or payable from subsidiary and associate company***

No remuneration has been paid, or is payable, to the Directors of our Company by the Subsidiaries or associate companies of our Company during Fiscal 2017.

### ***Shareholding of Directors***

Other than as stated below none of the Directors of our Company hold any Equity Shares of our Company on the date of this Red Herring Prospectus is set forth below:

<b>Name of Director</b>	<b>Number of Equity Shares held</b>	<b>Percentage Shareholding (%)</b>
Jayant Davar	31,306,426*	61.20
Monica Davar	2,622,725	5.13
Dharmendar Nath Davar	839,582	1.64

\*90,909 Equity Shares are held by Jayant Davar in his capacity as proprietor of Sandhar Enterprises.

### ***Shareholding of Directors in Subsidiaries and Group Entities***

Other than as stated below, none of our Directors hold any shares in any of our subsidiaries:

<b>Name of Director</b>	<b>Name of the Subsidiary</b>	<b>Number of equity shares held</b>	<b>Percentage Shareholding (%)</b>
Jayant Davar	ST Barcelona*	4,008	0.12%
	ST Mexico**	1,500	0.004%
	Sandhar Tooling	5,000	0.08%
	Sandhar Strategic Systems *	1	0.01%
	Sandhar Daewha *	1	0.01%
Dharmendar Nath Davar	ST Mexico**	1,500	0.004%

\*Jayant Davar holds shareholding as a nominee of our Company.

\*\*Jayant Davar and Dharmendar Nath Davar holds shareholding as a nominee of ST Barcelona.

### ***Appointment of relatives of Directors to any office or place of profit***

Apart from Jayant Davar, who is Co-Chairman and Managing Director of our Company, none of the relatives of our Directors currently hold any office, or place of profit in our Company.

### ***Borrowing Powers of Board***

In accordance with the Articles of Association, the Board may, from time to time, at its discretion, by a resolution passed at a meeting of the Board, accept deposits from members either in advance of calls or otherwise, and generally raise or borrow or secure the payment of any sum or sums of money for the purpose of our Company. Provided however, where the money to be borrowed together with the money already borrowed (apart from temporary loan obtained from our Company's bankers in the ordinary course of business) exceeds the aggregate

of the paid up capital of our Company and its free reserves (not being reserves set apart for any specific purpose) the Board shall not borrow such moneys without the consent of our Shareholders in a General Meeting. The Shareholders have, pursuant to the resolution passed at the AGM dated July 9, 2014 fixed the borrowing power of the Board at ₹6,000 million.

## **CORPORATE GOVERNANCE**

The provisions relating to corporate governance prescribed under the SEBI Listing Regulations will be applicable to us immediately upon listing of the Equity Shares on the Stock Exchanges. We are in compliance with the requirements of applicable regulations, including the SEBI Listing Regulations, the Companies Act, 2013 and the SEBI ICDR Regulations, in respect of corporate governance including constitution of the Board and committees thereof. The corporate governance framework is based on an effective independent Board, separation of the Board's supervisory role from the executive management team and constitution of the Board committees and formulation of policies, each as required under law, including the SEBI Listing Regulations.

Our Board has been constituted in compliance with the Companies Act, 2013, the SEBI Listing Regulations and in accordance with best practices in corporate governance. The Board functions either as a full board, or through various committees constituted to oversee specific operational areas. The executive management of our Company provides the Board of Directors periodic reports on the performance of the Company

Currently, the Board has 11 Directors, of which Dharmendar Nath Davar, Chairman of the Board is a Non-Executive Director. In compliance with the requirements of regulation 17 of the SEBI Listing Regulations, our Company has two Executive Directors and nine Non-Executive Directors, including six Independent Directors, on the Board. Further, in compliance with the regulation 17 of the SEBI Listing Regulations, we also have a woman director on our Board.

### ***Committees of the Board***

#### *i. Audit Committee*

The members of the Audit Committee are:

<b>Sr. No.</b>	<b>Name</b>	<b>Designation</b>	<b>Designation in the Committee</b>
1.	Ravinder Nagpal	Independent Director	Chairman
2.	Arvind Kapur	Independent Director	Member
3.	Gaurav Dalmia	Nominee Director, Non-Independent and Non-Executive	Member

The Audit Committee was constituted by a meeting of the Board of Directors held on May 31, 2010, and the composition was altered by a circular resolution of the Board of Directors on February 21, 2018. Our Company Secretary is the secretary of the Audit Committee. The scope and function of the Audit Committee is in accordance with Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI Listing Regulations and its terms of reference include the following:

1. Overseeing our Company's financial reporting process and disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommending to the Board the appointment, re-appointment and replacement, remuneration and terms of statutory auditor and the fixation of audit fee;
3. Review and monitor the auditor's independence and performance, and effectiveness of audit process
4. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
5. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
  - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013, as amended;
  - b. Changes, if any, in accounting policies and practices and reasons for the same;

- c. Major accounting entries involving estimates based on the exercise of judgment by management;
  - d. Significant adjustments made in the financial statements arising out of audit findings;
  - e. Compliance with listing and other legal requirements relating to financial statements;
  - f. Disclosure of any related party transactions; and
  - g. Qualifications in the draft audit report.
6. Reviewing, with the management, the quarterly, half-yearly and annual financial statements before submission to the Board for approval;
  7. 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 utilised for purposes other than those stated in the offer document/ prospectus/ notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter. This also includes monitoring the use/application of the funds raised through the proposed initial public offer of our Company;
  8. Approval or any subsequent modification of transactions of our Company with related parties;
  9. Scrutiny of inter-corporate loans and investments;
  10. Valuation of undertakings or assets of our Company, wherever it is necessary;
  11. Evaluation of internal financial controls and risk management systems;
  12. Establish a vigil mechanism for directors and employees to report their genuine concerns or grievances
  13. Reviewing, with the management, the performance of statutory and internal auditors, and adequacy of the internal control systems;
  14. Reviewing the adequacy of internal audit function if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
  15. Discussion with internal auditors on any significant findings and follow up there on;
  16. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
  17. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
  18. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors;
  19. Reviewing the functioning of the whistle blower mechanism;
  20. Approval of appointment of chief financial officer or any other person heading the finance function or discharging that function after assessing the qualifications, experience and background, etc. of the candidate; and
  21. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

The powers of the Audit Committee shall include the power to:

1. To investigate any activity within its terms of reference;
2. To seek information from any employee;
3. To obtain outside legal or other professional advice; and
4. To secure attendance of outsiders with relevant expertise, if it considers necessary.

The Audit Committee shall mandatorily review the following information:

1. Management discussion and analysis of financial condition and results of operations;
2. Statement of significant related party transactions (as defined by the Audit Committee), submitted by the management;
3. Management letters / letters of internal control weaknesses issued by the statutory auditors;
4. Internal audit reports relating to internal control weaknesses; and
5. The appointment, removal and terms of remuneration of the chief internal auditor.

The Audit Committee is required to meet at least four times in a year under Regulation 18 of the SEBI Listing Regulations.

*ii. Nomination and Remuneration Committee*

The members of the Nomination and Remuneration Committee are:

<b>Sr. No.</b>	<b>Name</b>	<b>Designation</b>	<b>Designation in the committee</b>
1.	Krishan Lal Chugh	Independent Director	Chairman
2.	Arjun Sharma	Independent Director	Member
3.	Ravinder Nagpal	Independent Director	Member

The Nomination and Remuneration Committee was originally constituted as “Remuneration Committee” by a meeting of the Board of Directors held on July 23, 2005. The name of the committee and the terms of reference were changed on May 23, 2014. The composition of the committee was last changed on November 9, 2015, and subsequently altered by a circular resolution on February 21, 2018. The terms of reference include the following:

1. Formulate 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;
2. Formulation of criteria for evaluation of Independent Directors and the Board;
3. Devising a policy on Board diversity;
4. Identify persons who qualify to become directors or who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every director’s performance. Our company shall disclose the remuneration policy and the evaluation criteria in its Annual report;
5. Analysing, monitoring and reviewing various human resource and compensation matters;
6. 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;
7. Determine 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;

8. Reviewing and approving compensation strategy from time to time in the context of the then current Indian market in accordance with applicable laws; and
9. Perform 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.

iii. *Stakeholders' Relationship Committee*

The members of the Stakeholders' Relationship Committee are:

Sr. No.	Name	Designation	Designation in the committee
1.	Dharmendar Nath Davar	Chairman and Non-Executive, Non-Independent Director	Chairman
2.	Jayant Davar	Co-chairman and Managing Director	Member
3.	Arvind Joshi	Whole-time Director	Member

The Stakeholders' Relationship Committee was constituted by the Board of Directors at their meeting held on September 3, 2015. The scope and function of the Stakeholders' Relationship Committee is in accordance with Section 178 of the Companies Act, 2013. This Committee is responsible for the redressal of shareholder grievances. The terms of reference of the Stakeholders' Relationship Committee of our Company include the following:

1. Considering and resolving the grievances of security holders of the Company, including complaints related to transfer of shares, non receipt of balance sheet, non-receipt of declared dividends, balance sheets of the Company or any other documents or information to be sent by the Company to its shareholders;
2. Investigating complaints relating to allotment of shares, approval of transfer or transmission of shares, debentures or any other securities;
3. Giving effect to all transfer/ transmission of shares and debentures, dematerialization of shares and rematerialisation of shares, split and issue of duplicate/consolidated share certificates, allotment and listing of shares, buy back of shares, compliance with all the requirements related to shares, debentures and other securities from time to time;
4. Oversee the performance of the registrars and transfer agents of the Company and to recommend measures for overall improvement in the quality of investor services and also to monitor the implementation and compliance of the code of conduct for prohibition of insider trading pursuant to the SEBI (Prohibition of Insider Trading) Regulations, 2015, and other related matters as may be prescribed under the equity listing agreement and as may be delegated by the Board of Directors.

iv. *Corporate Social Responsibility Committee*

The members of the Corporate Social Responsibility Committee are:

Sr. No.	Name	Designation	Designation in the committee
1.	Jayant Davar	Co-chairman and Managing Director	Chairman
2.	Arvind Kapur	Independent Director	Member
3.	Gaurav Dalmia	Nominee Director, Non-Independent and Non-Executive Director	Member
4.	Arvind Joshi	Whole-time Director	Member

The Corporate Social Responsibility Committee was constituted by our Board on March 14, 2013, and the composition was altered by a circular resolution on February 21, 2018. The scope and functions of the Corporate Social Responsibility Committee is in accordance with Section 135 of the Companies Act, 2013. The terms and reference of the Corporate Social Responsibility Committee include the following:

1. Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by our Company as per the Companies Act, 2013.
2. Review and recommend the amount of expenditure to be incurred on activities to be undertaken by our

Company.

3. Monitor the Corporate Social Responsibility Policy of our Company and its implementation from time to time; and
4. Any other matter as the Corporate Social Responsibility Committee may deem appropriate after approval of the Board of Directors or as may be directed by the Board of Directors from time to time.

### Interest of Directors

Our Directors are interested to the extent of remuneration and perquisites paid to them for services rendered as an officer or employee of our Company. Further, the Non-Executive Directors may also be interested to the extent of fees payable to them and / or the commission payable to them for attending meetings of the Board of Directors, or a committee thereof as well as to the extent of any reimbursement of expenses payable to them.

The Directors may also be regarded as interested in the Equity Shares, if any, held by them or their relatives or by the entities in which they are associated as promoters, directors, partners, proprietors or trustees or that may be subscribed by or allotted to the companies, firms, ventures, trusts in which they are interested as promoters, directors, partners, proprietors, members or trustees pursuant to the Offer.

Jayant Davar, who is also our Promoter, has an interest in the promotion of our Company. All of the Directors 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. Jayant Davar is also a shareholder of our Subsidiary, Sandhar Tooling holding 0.08% of the equity share capital of Sandhar Tooling.

Our Company has acquired a land in Industrial Park, Haridwar, Uttarakhand, ad measuring 30,086 sq. mts., from Haridwar Estates Private Limited, which is a part of our Promoter Group, for a consideration of ₹89.55 million. This apart, our Company is in the process of registering the acquisition of an additional 5,100 sq. mts., of land in Industrial Park, Haridwar, Uttarakhand, from Haridwar Estates Private Limited for a consideration of ₹9.95 million, in addition to tax deducted at source and stamp duty amounting to ₹1.27 million. Apart from the above, our Directors have no interest in any property acquired or proposed to be acquired by our Company within the preceding two years from the date of the Draft Red Herring Prospectus.

Our Directors have no interest in any transaction by our Company for acquisition of land, construction of building or supply of machinery.

Further, some of our Directors are also directors on the boards, or members of certain Promoter Group companies, and may be deemed to be interested to the extent of the payments made by our Company, if any, to these Promoter Group companies. For the payments that are made by our Company to certain Promoter Group companies, see “*Related Party Transactions*” on page 246.

Our Company has entered into a leave and licence agreement dated February 25, 2017, with Jayant Davar for the lease of the property located at Block – E61, Block E -62, and Block E – 63, Plot #4, Ansals Palm Udyog, Sector 18, Gurugram – 122 015, Haryana, for a monthly rental consideration of ₹50,000. The abovementioned agreement is valid up to January 31, 2018.

Further, Gaurav Dalmia is a Nominee Director of GTI, and has been appointed pursuant to the shareholders’ agreement dated March 30, 2012 executed among our Company, GTI Capital, Actis Auto Investments Limited, and Actis Auto Components Investment Limited, and is interested to the extent of his appointment as Nominee, Non-Independent and Non-Executive Director of GTI.

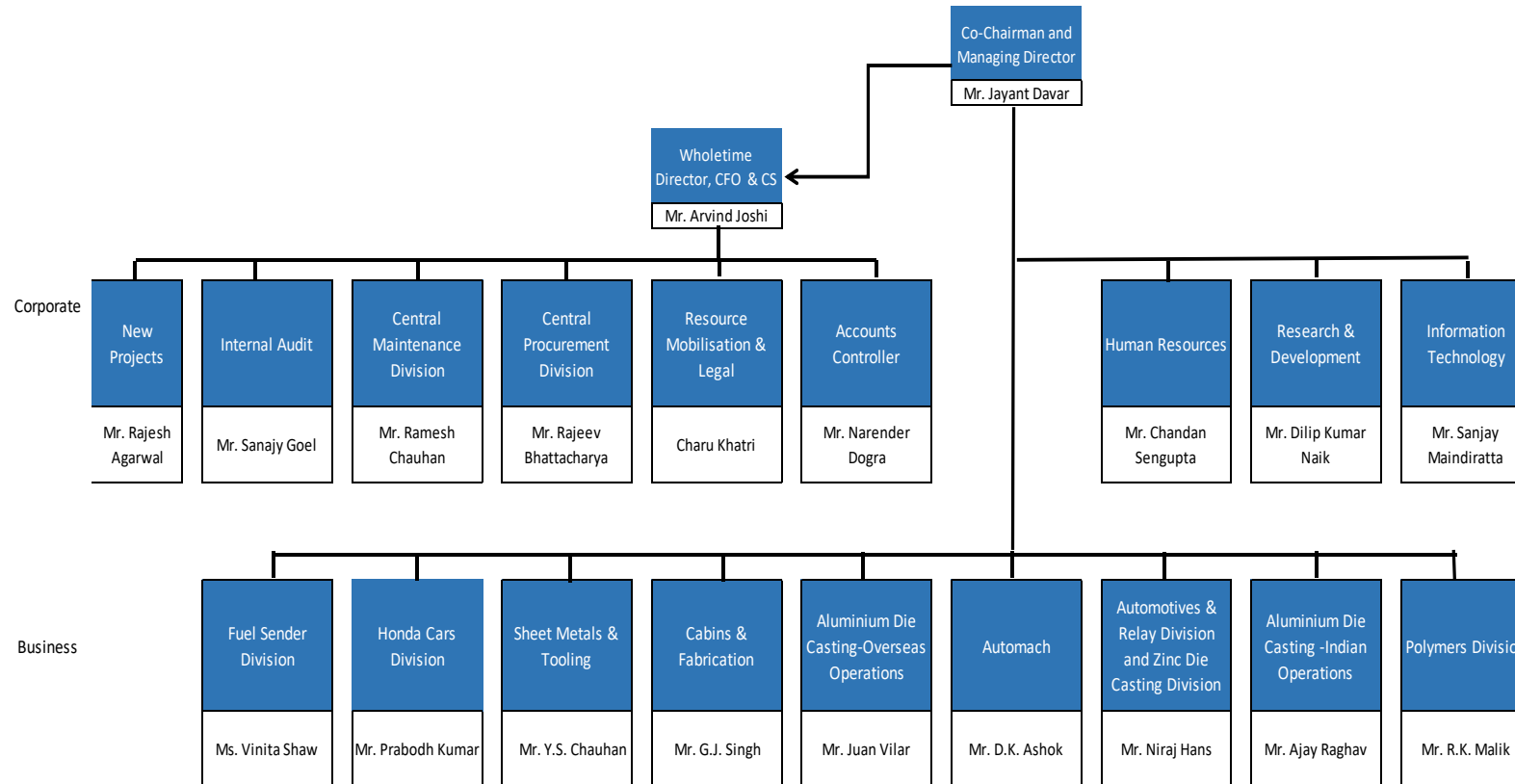
Except as disclosed above and in the chapter “*Related Party Transactions*” on page 246, the Directors do not have any other interest in the business of our Company.

### Changes in Directors of our Company during the last three years

Name	Date of change	Nature of change	Reason
SP Wahi	November 9, 2015	Resignation as an Independent Director	Resignation
Arjun Sharma	May 24, 2016	Appointment as an Independent Director	Appointment

<b>Name</b>	<b>Date of change</b>	<b>Nature of change</b>	<b>Reason</b>
Chandra Mohan	November 29, 2017	Resignation as an Independent Director	Resignation
Arvind Pande	February 16, 2018	Resignation as an Independent Director	Resignation

## Management Organisation Chart





## KEY MANAGEMENT PERSONNEL

The details of the Key Management Personnel, other than the Executive Directors, as of the date of this Red Herring Prospectus, are as follows:

**Jayant Davar** is the Co-Chairman and Managing Director of our Company. For details, see, “*Our Management – Brief Biographies of Directors*” on page 222.

**Arvind Joshi** is the Whole-time Director of our Company. For details, see, “*Our Management – Brief Biographies of Directors*” on page 222.

**Niraj Hans** is the Chief Operating Officer of our Company. He holds a diploma in production engineering from Government Polytechnic, Jhajjar, and a bachelors’ degree in mechanical engineering from the Indian Institute of Engineers, Kolkata, and post-graduate diploma in business management from the Institute of Management Technology, Ghaziabad. He joined our Company on January 2, 2012. Prior to joining our Company, he was associated with Fiat Partecipazioni India Private Limited. He has 28 years of work experience in the area of automobile manufacturing, and is currently responsible for the automotive division of our Company. The gross remuneration paid to him during Fiscal 2017 was ₹6.32 million.

**D K Ashok** is a consultant to our Company, and is responsible for the automach vertical of our Company. He retired as the chief operating officer (automach division) in Fiscal 2016. He holds a masters’ degree in science from the Bangalore University, and a post-graduate diploma in business administration from the Bharti Vidya Bhavan College, Bengaluru. He joined our Company as a consultant on August 1, 2015. Prior to joining our Company, he was associated with Kar Mobiles Limited. He has 40 years of work experience in the area of automobile manufacturing. The gross remuneration paid to him during Fiscal 2017 was ₹5.81 million.

**Juan Vilar** is the Managing Director of ST Barcelona. He holds a postgraduate diploma in general management from the Open University of California. He joined TECFISA in the year 1996. In 2007, subsequent to the acquisition of TECFISA’s assets by ST Barcelona, Juan Vilar came to be associated with us. He has 24 years of work experience in the area of automobile manufacturing. The gross remuneration paid to him during Fiscal 2017 was €0.12 million.

**Yatendra Singh Chauhan** is the Chief Operating Officer of Sandhar Tooling. He holds a diploma in tools and mould making from the Institute of Tool Room Training, a post-graduate diploma in material management from the Annamalai University, and a bachelors’ degree in technology (mechanical) from CMJ University, Meghalaya. He joined our Company on May 1, 2009. Prior to joining our Company, he was associated with Minda Furuwaka Electric Private Limited. He has 30 years of work experience in the area of automobile manufacturing. He is currently responsible for the tooling division of our Company. The gross remuneration paid to him during Fiscal 2017 was ₹6.49 million.

**Ram Karan Malik** is the Chief Operating Officer of our Company. He holds a diploma in tool and die making from the Tool Room and Training Centre. He has previously been associated with Shankar Wirelinks (India) Private Limited. He has over 17 years of work experience in the area of automobile manufacturing. He joined our Company on November 29, 1999. He is currently responsible for the plastics division of our Company. The gross remuneration paid to him in Fiscal 2017 was ₹6.58 million.

**Chandan Sengupta** is the Senior Vice President (Human Resources) of our Company. He holds a bachelors’ degree in commerce from Moti Lal Nehru College, University of Delhi, and a post-graduate diploma in personnel management and industrial relations from the Institute of Industrial Relations and Personnel Management, Delhi. He joined our Company on February 18, 2008. Prior to joining our Company, he was associated with Jindal Poly Films Limited. He has over 32 years of work experience in the area of human resource management. He is currently responsible for the human resources management function of our Company. The gross remuneration paid to him during Fiscal 2017 was ₹6.33 million.

**Rajeev Bhattacharya** is the Senior Vice President (Central Procurement Division) of our Company. He holds a bachelors’ degree in mechanical engineering from the Kanpur University, and a post-graduate degree in management from the Indira Gandhi National Open University. He joined our Company on April 7, 2014. Prior to joining our Company, he was associated with Premium Transmission Limited. He has over 37 years of work experience in the area of automobile manufacturing. He is currently responsible for the central procurement division of our Company. The gross remuneration paid to him during Fiscal 2017 was ₹5.53 million.

**Gurvinder Jeet Singh** is the Deputy Chief Operating Officer of our Company. He holds a diploma in tool and mould making from the Institute of Tool Room Training, Uttar Pradesh. He joined our Company on March 7, 2005. Prior to joining our Company, he was associated with Schefenacker – Mothersons Limited. He has over 20 years of work experience in the area

of automobile manufacturing. He is currently responsible for the cabins and fabrications division of our Company. The gross remuneration paid to him during Fiscal 2017 was ₹4.69 million.

**Dilip Kumar Naik** is the Vice President of Sandhar Centre for Innovation and Development. He holds a bachelors' degree in mechanical engineering from the Delhi University, and masters' degree in business administration from the Kurukshetra University. He joined our Company on January 15, 2009. Prior to joining our Company, he was associated with Technico Kongsberg Automotive India Limited. He has 27 years of work experience in the area of automobile manufacturing. He is currently responsible for the research and technology development division of our Company. The gross remuneration paid to him during Fiscal 2017 was ₹5.52 million.

**Ramesh Chauhan** is the Assistant Vice President of our Company. He holds a diploma in electrical engineering from Government Polytechnic, Sirsa, and a bachelors' degree in technology (electrical engineering) from the Janardhan Rai Nagar Rajasthan Vidyapeeth University. He joined our Company on March 24, 2014. Prior to joining our Company, he was associated with Lactec JMBH – Gurugram. He has 30 years of work experience in the area of automobile manufacturing. He is currently responsible for the centralized maintenance division of our Company. The gross remuneration paid to him during Fiscal 2017 was ₹4.25 million.

**Ajay Kumar Raghav** is the Assistant Vice President (Operations) of our Company. He holds a masters' degree in business administration from the Sam Higginbottom Institute of Agriculture, Technology and Sciences, and a diploma in mechanical engineering from the Aligarh Muslim University. He joined our company on March 6, 2007. Prior to joining our Company, he was associated with Kiran Udyog Private Limited. He has 27 years of work experience in the area of automobile manufacturing. He is currently responsible for the aluminum die casting division of our Company. The gross remuneration paid to him during Fiscal 2017 was ₹4.47 million.

**Prabhod Kumar** is the Deputy General Manager of our Company. He holds a diploma in mechanical engineering from the State Board of Technical Education, Bihar. He joined our Company on September 30, 2013. Prior to joining our Company, he was associated with Tata Motors Limited. He has 22 years of work experience in the area of automobile manufacturing. He is currently responsible for the Honda Cars division of our Company. The gross remuneration paid to him during Fiscal 2017 was ₹2.61 million.

**Narender Kumar Dogra** is the Senior General Manager of our Company. He holds a bachelors' degree in arts from the Himachal Pradesh University, and a masters' degree in business administration from the Institute of Advanced Studies in Education University, Rajasthan. He joined our Company on December 1, 1992. Prior to joining our Company, he was associated with Delhi Strong Pack Private Limited. He has 29 years of work experience in the area of accounting and taxation. He is currently responsible for the accounting and taxation activities of our Company. The gross remuneration paid to him during Fiscal 2017 was ₹3.20 million.

**Sanjay Goel**, is the General Manager of our Company. He is an associate member of the Institute of Internal Auditors of India, and an associate of the Institute of Chartered Accountants of India. He joined our company on August 16, 2010. Prior to joining our Company, he was associated with Indiabulls Housing Finance Limited. He has 24 years of work experience in the area of accounts audit and taxation. He is currently responsible for the internal audit function and accounting activities of our Company. The gross remuneration paid to him during Fiscal 2017 was ₹3.37 million.

**Rajesh Agarwal** is the Deputy General Manager of our Company. He has a bachelors' degree in commerce from the University of Rajasthan, and is an associate of the Institute of Chartered Accountants of India. He joined our Company on August 17, 2015. Prior to joining our Company, he was associated with Lords Chloro Alkali Limited. He has 12 years of work experience in the areas of finance and accounts. He is currently responsible for the finance, accounting and taxation activities of new projects of our Company. The gross remuneration paid to him during Fiscal 2017 was ₹2.12 million.

**Charu Khatri** is the Assistant General Manager of our Company. She holds a bachelors' degree, and a masters' degree in commerce from the University of Bikaner, and a post-graduate diploma in business management from the Maharishi Arvind Institute of Science and Management. She also holds a bachelors' degree in law from the Maharaja Ganga Singh University, Bikaner. This apart, she has also completed a programme on empowerment for women leaders in India from the Overseas Human Resources and Industry Development Association. She joined our Company on February 3, 2009. Prior to joining our Company, she was associated with ICICI Lombard. She has over nine years of work experience in the areas of finance and corporate strategy. She is currently responsible for resource mobilisation and mergers and acquisitions of our Company. She was awarded a certificate of achievement from YES Bank Limited for being amongst the top 10 in the 'Most Promising Future CFO – Women Leaders category'. The gross remuneration paid to her during Fiscal 2017 was ₹1.97 million.

**Sanjay Maindiratta** is the Senior General Manager of our Company. He holds a bachelors' degree in commerce from the Pune University. He joined our Company on February 7, 1998. Prior to joining our Company, he was associated with Oshu International Limited. He has 23 years of work experience in the areas of accounts and information technology. He is currently

responsible for the information technology division our Company. The gross remuneration paid to him during Fiscal 2017 was ₹3.16 million.

**Vinita Shaw** is the Deputy General Manager of our Company. She holds a post-graduate diploma in personnel management from the National Institute of Personnel Management, Kolkata, and has completed a programme on empowerment for women leaders in India from the Overseas Human Resources and Industry Development Association. She joined our Company on April 14, 2009. Prior to joining our Company, she was associated with Spicer India Limited. She has over 18 years of work experience in the area of business development. She is currently responsible for the fuel sender division of our Company. The gross remuneration paid to her during Fiscal 2017 was ₹3.16 million.

None of the Key Management Personnel are related to each other.

Except D K Ashok, who is a consultant engaged by our Company, and Juan Vilar, who is a permanent employee of our Subsidiary, ST Barcelona, all our Key Management Personnel are permanent employees of our Company.

#### ***Service Contracts***

Except in respect of statutory benefits upon termination of their employment in our Company or on retirement, no Key Management Personnel of our Company has entered into a service contract with our Company, pursuant to which they are entitled to any benefits upon termination of employment.

#### ***Shareholding of Key Management Personnel***

Except Jayant Davar, as of the date of this Red Herring Prospectus, none of the Key Management Personnel hold any Equity Shares in our Company or any of our Subsidiaries.

#### ***Bonus or profit sharing plan of the Key Management Personnel***

None of the Key Management Personnel are party to any bonus or profit sharing plan of our Company, other than the performance linked incentives given to Key Management Personnel

#### ***Interests of Key Management Personnel***

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 in the ordinary course of business. 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 Equity Shares held by them in our Company, if any.

None of the Key Management Personnel have been paid any consideration of any nature from our Company or Subsidiary on whose rolls they are employed, 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.

#### ***Changes in the Key Management Personnel***

<b>Name</b>	<b>Date of change</b>	<b>Nature of change</b>	<b>Reason</b>
Sudhir Kumar Rana	February 3, 2018	Resignation as Vice President (Operations)	Resignation

#### ***Payment or Benefit to officers of our Company***

Except as disclosed below, no non-salary amount or benefit has been paid or given within the two preceding years (including loans), nor is intended to be paid or given to any of our Company's Key Management Personnel and the Directors:

Loan of ₹0.50 million to Prabhod Kumar in Fiscal 2018.

#### ***Employee Stock Option Scheme***

The Company does not have any employee stock option plan in existence as on the date of this Red Herring Prospectus.


## OUR PROMOTER AND PROMOTER GROUP

The Promoter of our Company is Jayant Davar. As on the date of this Red Herring Prospectus, our Promoter directly holds 31,306,426 Equity Shares (inclusive of the 90,909 Equity Shares held by him in his capacity as sole proprietor of Sandhar Enterprises), representing 61.20% of the pre-Offer issued, subscribed, and paid-up capital of our Company.

For details, see the section titled “*Capital Structure – History of the Equity Share Capital held by our Promoter*” on page 88.

### PROMOTER OF OUR COMPANY

#### *Jayant Davar*

	<p>Jayant Davar, aged 56 years, is the Co-Chairman and Managing Director of our Company. He is a resident Indian national. For details, see “<i>Our Management – Board of Directors</i>” on page 219.</p> <p>The voter identification number of Jayant Davar is YR12443157, and his driving license number is DL0919940124744.</p>
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Our Company confirms that the permanent account number, bank account number, and passport number of Jayant Davar have been submitted to the Stock Exchanges at the time of filing of the Draft Red Herring Prospectus with the Stock Exchanges

### INTERESTS OF PROMOTER

Our Promoter is interested in our Company to the extent of his shareholding, dividend received by him on such shareholding, and the remuneration / commission and reimbursement of expenses payable to him in his capacity as the Co-Chairman and Managing Director of our Company. Further, Jayant Davar is also a director on the board of, or is a member of, or partner in some of our Subsidiaries, Associates, Promoter Group and Group Entities, as the case may be, and may be deemed to be interested to the extent of the payments made by our Company, if any, to such of our Subsidiaries, Associates, Promoter Group, and Group Entities, as the case may be.

For details relating to the payments made by our Company to certain Group Entities, please see “*Related Party Transactions*” on page 246.

Except for the following, our Promoter is not interested in any property acquired, or proposed to be acquired by the Company within two years of the date of filing of the Draft Red Herring Prospectus, in the construction of any building by the Company, and / or in the supply of any machinery to the Company:

Our Company has acquired a land in Industrial Park, Haridwar, Uttarakhand, ad measuring 30,086 sq. mts., from Haridwar Estates Private Limited, which is a part of our Promoter Group, for a consideration of ₹89.55 million. This apart, our Company is in the process of registering the acquisition of an additional 5,100 sq. mts., of land in Industrial Park, Haridwar, Uttarakhand, from Haridwar Estates Private Limited for a consideration of ₹9.95 million, in addition to tax deducted at source and stamp duty expenses amounting to ₹1.27 million.

Except as disclosed above, and under “*Related Party Transactions*” on page 246, our Company has not entered into any contracts, agreements or arrangements during the preceding two years from the date of the Draft Red Herring Prospectus or proposes to enter into any such contract in which our Promoter is directly or indirectly interested, and no payments have been made to him in respect of the contracts, agreements or arrangements which are proposed to be made with him. For further details of related party transactions, as per Accounting Standard 18, see “*Related Party Transactions*” on page 246.

Other than our Subsidiaries, Associates, Promoter Group, and Group Entities, our Promoter does not have any interest in any venture that is involved in any activities similar to those conducted by our Company.

Our Promoter is not related to any sundry debtors of our Company as on September 30, 2017.

### PAYMENT OR BENEFITS TO PROMOTER OR PROMOTER GROUP

Except as stated above, and otherwise as disclosed in the section “*Related Party Transactions*” on page 246, there has been no payment or benefit to our Promoter or Promoter Group by our Company during the two years prior to the filing of the Draft Red Herring Prospectus, nor is there any intention to pay or give any benefit to our Promoter or Promoter Group as on the

date of this Red Herring Prospectus.

## COMMON PURSUITS

Other than as disclosed above, our Promoter does not have any interest in any venture that is involved in 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 interest as and when they arise.

## COMPANIES WITH WHICH OUR PROMOTER HAS DISASSOCIATED IN THE LAST THREE YEARS

Our Promoter has not disassociated himself from any company during the last three years preceding the date of the Draft Red Herring Prospectus.

## CHANGE IN THE MANAGEMENT AND CONTROL OF OUR COMPANY

Our Promoter is the original promoter of our Company, and there has been no change in the management or control of our Company.

## GUARANTEES

Except as stated in “*History and Certain Corporate Matters*” on page 196, our Promoter has not given any guarantee to a third party as of the date of this Red Herring Prospectus.

## OTHER CONFIRMATIONS

Our Promoter and the relatives of our Promoter or related parties, as the case may be, has not been declared as wilful defaulters by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the RBI, or any other government authority. Further, there are no violations of securities laws committed by our Promoter and members of the Promoter Group in the past, and no proceedings for violation of securities laws are pending against them.

The Promoter and members of the Promoter Group have not been prohibited from accessing or operating in capital markets under any order or direction passed by SEBI, or any other regulatory or governmental authority.

Our Promoter is not, and has not been in the past, 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 or any other regulatory or governmental authority.

Except as disclosed in “*Outstanding Litigation and Material Developments*” on page 450, there is no litigation or legal action pending or taken by any ministry, department of the Government or statutory authority during the last 5 years preceding the date of the Offer against our Promoter.

Our Promoter is not interested in any entity which holds any intellectual property rights that are used by our Company.

Our Promoter has not taken any unsecured loans which may be recalled by the lenders at any time.

There have been no sales or purchases between our Company and Promoter Group where such sale or purchase exceeded in value in the aggregate of 10% of the total sales or purchase of our Company

## PROMOTER GROUP OF OUR COMPANY

In addition to the Promoter named above, the following individuals and entities form part of the Promoter Group:

### (a) *Natural persons who are part of the Promoter Group*

Sr. No.	Name of the relative	Relation with the Promoter
1.	Monica Davar	Spouse
2.	Dharmendar Nath Davar	Father
3.	Santosh Davar	Mother
4.	Neel Jay Davar	Son
5.	Poonam Juneja	Sister
6.	Shobha Kumar	Spouse's Mother

Sr. No.	Name of the relative	Relation with the Promoter
7.	Rajinder Kumar	Spouse's Father
8.	Rahul Kumar	Spouse's Brother
9.	Sonia Banatwala	Spouse's Sister

**(b) Bodies corporate forming part of the Promoter Group**

*Companies*

1. Haridwar Estates Private Limited;
2. Indian Interior Concepts Private Limited;
3. Jubin Finance & Investment Limited;
4. KDB Investments Private Limited;
5. Meridian Enterprises Private Limited;
6. R K Associates Private Limited;
7. R K Flora Private Limited;
8. Raasaa Retail Private Limited;
9. Sandhar Estates Private Limited;
10. Sandhar Infosystems Limited;
11. Sanjeevni Impex Private Limited;
12. Sandhar Intelli-glass Solutions Limited;
13. VNM Polymers Private Limited; and
14. YSG Estates Private Limited.

*Partnerships*

1. Shorah Realty LLP; and
2. Swaran Enterprises.

*Sole Proprietorships*

1. Sandhar Enterprises

## OUR GROUP ENTITIES

As per the SEBI ICDR Regulations, for the purpose of identification of 'group entities', our Company has considered such entities covered under the applicable accounting standard, i.e., Accounting Standard 18, issued by the Institute of Chartered Accountants of India ("AS 18") as per the Restated Consolidated Summary Statements, and other entities considered material by our Board. Pursuant to a resolution of our Board dated November 18, 2017, for the purpose of disclosure in the Draft Red Herring Prospectus, this Red Herring Prospectus, and the Prospectus, apart from entities covered under AS 18 in terms of the Restated Consolidated Summary Statements (with the exception of our Subsidiaries), an entity shall be considered material and disclosed as a Group Entity of our Company if such company is (i) is a member of the promoter group of the company and (ii) has entered into one or more transactions with such company during the last completed financial year / period, which individually or cumulatively in value exceeds 10% of the total consolidated revenue of the Company for that financial year / period as per Restated Consolidated Summary Statements as disclosed in the Offer Documents.

For avoidance of doubt, it is clarified that the Subsidiaries have not been considered as Group Entities for the purpose of disclosure in this Red Herring Prospectus.

Unless otherwise specified, all information in this section is as of the date of this Red Herring Prospectus.

The details of our Group Entities are provided below:

### OUR GROUP ENTITIES

The following entities are identified as Group Entities of our Company:

#### *Companies*

1. Haridwar Estates Private Limited;
2. Jubin Finance & Investment Limited
3. KDB Investments Private Limited;
4. Sandhar Estates Private Limited;
5. Sandhar Infosystems Limited;
6. Sanjeevni Impex Private Limited;
7. Raasaa Retail Private Limited;
8. Sandhar Intelli-glass Solutions Limited; and
9. YSG Estates Private Limited;

#### *Partnerships*

1. Swaran Enterprises

#### *Sole Proprietorships*

1. Sandhar Enterprises

### DETAILS OF OUR TOP FIVE GROUP ENTITIES

#### *(a) Sandhar Estates Private Limited ("Sandhar Estates")*

##### *Corporate Information*

Sandhar Estates was incorporated under the Companies Act, 1956 on July 12, 2000 in Delhi. Sandhar Estates is primarily engaged in the business of, *inter alia*, buying, exchange, purchase, and acquisition of immovable property

##### *Interest of our Promoter*

Our Promoter holds 1,030,000 equity shares of face value of ₹10 each, aggregating to 52.02% of the issued and paid-up equity share capital of Sandhar Estates

##### *Financial Performance*

The following information has been derived from the audited financial statements of Sandhar Estates for the last three Financial Years:

(₹ in million, except per share data)

Particulars	For the Financial Year		
	2017	2016	2015
Equity capital (face value of ₹10)	19.80	19.80	19.80
Revenue from operations	NIL	NIL	NIL
Sales / turnover	10.93	10.87	7.34
Profit / (Loss) after tax	1.77	2.87	(0.80)
Reserves (excluding revaluation reserves) and Surplus	52.67	50.89	48.03
Basic earnings per share	0.89	1.45	(0.4)
Diluted earnings per share	0.89	1.45	(0.4)
Net Asset Value per share	36.6	35.7	34.3

**(b) YSG Estates Private Limited (“YSG Estates”)**

*Corporate Information*

YSG Estates Private Limited was incorporated under the Companies Act, 1956 on December 3, 2001 in Delhi. YSG Estates is primarily engaged in the business of, *inter alia*, construction of civil, mechanical, electrical, and all other types of erection commissioning projects

*Interest of our Promoter*

Our Promoter holds 25,000 equity shares of face value of ₹10 each, aggregating to 71.43% of the issued and paid up equity share capital of YSG Estates

*Financial Performance*

The following information has been derived from the audited financial statements of YSG Estates for the last three Financial Years:

(₹ in million, except per share data)

Particulars	For the Financial Year		
	2017	2016	2015
Equity capital (face value of ₹10)	0.35	0.35	0.35
Revenue from operations	NIL	NIL	NIL
Sales / turnover	4.76	9.26	8.28
Profit / (Loss) after tax	3.62	7.78	6.46
Reserves (excluding revaluation reserves) and Surplus	50.66	47.04	39.26
Basic earnings per share	103.34	222.36	184.63
Diluted earnings per share	103.34	222.36	184.63
Net Asset Value per share	1457.43	1354.09	1131.73

**(c) Sanjeevni Impex Private Limited (“Sanjeevni Impex”)**

*Corporate Information*

Sanjeevni Impex was incorporated under the Companies Act, 1956 on June 22, 2000 in Delhi. Sanjeevni Impex, *inter alia*, primarily carries on business as dealers, contractors, agents, suppliers, stockists, representatives, importers, exporters, and consultants for consumer durable products.

*Interest of our Promoter*

Our Promoter holds 7,500 equity shares of face value of ₹10 each, aggregating to 75% of the issued and paid up equity share capital of Sanjeevni Impex.

*Financial Performance*

The following information has been derived from the audited financial statements of Sanjeevni Impex for the last three Financial Years:



(₹ in million, except per share data)

Particulars	For the Financial Year		
	2017	2016	2015
Equity capital (face value of ₹10)	0.10	0.10	0.10
Revenue from operations	NIL	NIL	NIL
Sales / turnover	4.03	7.47	4.73
Profit / (Loss) after tax	3.90	7.04	4.36
Reserves (excluding revaluation reserves) and Surplus	36.22	32.32	25.28
Basic earnings per share	389.86	704.2	436.4
Diluted earnings per share	389.86	704.2	436.4
Net Asset Value per share	3631.94	3242.08	2537.88

**(d) Sandhar Infosystems Limited (“Sandhar Infosystems”)**

*Corporate Information*

Sandhar Infosystems was incorporated under the Companies Act, 1956 on July 17, 2000 in Delhi. Sandhar Infosystems is primarily engaged, *inter alia*, in the business of developing, hosting, and operating dedicated portals on various subjects whether interactive or otherwise, and developing and trading on electronic commerce, multimedia, web page and designing, internet, and the business of providing and seeking platform for inter-linked activities mutually beneficial to the web linked providers.

*Interest of our Promoter*

Our Promoter holds 29,300 equity shares of face value of ₹10 each, aggregating to 58.60% of the issued and paid up equity share capital of Sandhar Infosystems.

*Financial Performance*

The following information has been derived from the audited financial statements of Sandhar Infosystems for the last three Financial Years:

(₹ in million, except per share data)

Particulars	For the Financial Year		
	2017	2016	2015
Equity capital (face value of ₹10)	0.50	0.50	0.50
Revenue from operations	NIL	NIL	NIL
Sales / turnover	2.11	3.75	2.62
Profit / (Loss) after tax	2.75	3.60	2.48
Reserves (excluding revaluation reserves) and Surplus	29.13	26.38	22.78
Basic earnings per share	54.94	71.94	49.65
Diluted earnings per share	54.94	71.94	49.65
Net Asset Value per share	592.57	537.64	465.70

**(e) Raasaa Retail Private Limited (“Raasaa Retail”)**

*Corporate Information*

Raasaa Retail was incorporated under the Companies Act, 1956 on September 19, 2007, in Delhi. Raasaa Retail is primarily engaged in the business of, *inter alia*, buying, selling, distributing / trading, importing, and exporting all kinds of fashion goods and fashion accessories.

*Interest of our Promoter*

Our Promoter holds 25,000 equity shares of face value of ₹10 each, aggregating to 83.33% of the issued and paid up equity share capital of Raasaa Retail.

*Financial Performance*

The following information has been derived from the audited financial statements of Raasaa Retail for the last three Financial Years:

(₹ in million, except per share data)

Particulars	For the Financial Year		
	2017	2016	2015
Equity capital (face value of ₹10)	0.30	0.30	0.30
Revenue from operations	NIL	NIL	NIL
Sales / turnover	6.74	5.62	9.53
Profit / (Loss) after tax	4.65	2.90	9.47
Reserves (excluding revaluation reserves) and Surplus	16.53	11.87	8.98
Basic earnings per share	155.04	96.54	315.76
Diluted earnings per share	155.04	96.54	315.76
Net Asset Value per share	560.85	405.80	309.26

## OTHER GROUP ENTITIES

### (a) *KDB Investments Private Limited (“KDB”)*

#### *Corporate Information*

KDB was incorporated under the Companies Act, 1956 on May 4, 2001 in Delhi. KDB is an investment company, primarily engaged in the business of, *inter alia*, buying, underwriting, investing, acquiring, holding and dealing in shares, stocks, debentures, bonds, debenture-stocks etc.

#### *Interest of our Promoter*

Our Promoter holds 83,340 equity shares of face value ₹10, aggregating to 33.34% of the issued and paid up equity share capital of KDB.

### (b) *Jubin Finance & Investment Limited (“Jubin Finance”)*

#### *Corporate Information*

Jubin Finance was incorporated under the Companies Act, 1956 on August 8, 1995 at Delhi. Jubin Finance is primarily engaged in the business of, *inter alia*, investment and to buy, underwrite, invest in, acquire and hold shares, stocks, debentures, debenture-stock, bonds, notes, obligation and securities issued or guaranteed by any company, government, etc.

#### *Interest of our Promoter*

Our Promoter holds 100 equity shares in Jubin Finance & Investment Limited, aggregating to 0.03% of the issued and paid up equity share capital of Jubin Finance .

### (c) *Swaran Enterprises*

Swaran Enterprises is a partnership firm. Santosh Davar, member of our Promoter Group and mother of our Promoter is a partner of Swaran Enterprises and contributes 50% of the capital of Swaran Enterprises. Our Promoter does not any interest in Swaran Enterprises.

## LOSS MAKING GROUP ENTITIES

### (a) *Sandhar Intelli-glass Solutions Limited (“Sandhar Intelli-glass”)*

#### *Corporate Information*

Sandhar Intelli-glass was incorporated on November 17, 2003 at Delhi. Sandhar Intelli-glass is primarily engaged in the business of, *inter alia*, manufacturing, processing, designing, crafting, buying, selling, importing, exporting and / or otherwise dealing in all types of glass and mirror, including but not limited to smart glass or switchable glass such as electrochromic, photochromic, thermochromic, suspended particle, micro-blind and polymer dispersed liquid crystal, Low-E (low emissive), solar-controlled smart glasses etc.

#### *Interest of our Promoter*

Our Promoter holds 20,100 equity shares of face value ₹10, aggregating to 40.20% of the issued and paid up equity share capital of Sandhar Intelli-glass.

## Financial Performance

The operating results of Sandhar Intelli-glass for the last three fiscal years are as follows:

(in ₹ million, except share data)

Sr. No.	Particulars	For the year ended		
		31-Mar-17	31-Mar-16	31-Mar-15
1.	Equity Capital (face value of ₹10)	0.50	0.50	0.50
2.	Reserves (excluding revaluation reserves) and surplus	(3.75)	(0.62)	(0.03)
3.	Sales / turnover	-	-	-
4.	Profit / (Loss) after tax	(3.13)	(0.59)	(0.02)
5.	Earning Per Share (in ₹)	(62.57)	(11.79)	(0.38)
6.	Net asset value per share (in ₹)	(64.93)	(2.36)	9.43

### (b) Haridwar Estates Private Limited (“Haridwar Estates”)

#### Corporate Information

Haridwar Estates was incorporated under the Companies Act, 1956 on August 6, 2007 at Delhi. Haridwar Estates is primarily engaged in the business of, *inter alia*, purchasing, acquiring, take on lease, hire or exchange immovable property, including industrial, commercial, and agricultural or farm lands, plots etc.

#### Interest of our Promoter

Our Promoter holds 5,000 equity shares of face value ₹10, aggregating to 11.11% of the issued and paid up equity share capital of Haridwar Estates.

## Financial Performance

The operating results of Haridwar Estates for the last three fiscal years are as follows:

(in ₹ million, except share data)

Sr. No.	Particulars	For the year ended		
		31-Mar-17	31-Mar-16	31-Mar-15
1.	Equity Capital (face value of ₹10)	0.45	0.45	0.45
2.	Reserves (excluding revaluation reserves) and surplus	(40.87)	(40.80)	(40.52)
3.	Sales / turnover	0.99	0	(202.60)
4.	Profit / (Loss) after tax	(0.07)	(0.28)	(10.31)
5.	Earnings Per Share (in ₹)	(1.54)	(6.14)	(229.2)
6.	Net asset value per share (in ₹)	(898.2)	(896.6)	(890.5)

### (c) Sandhar Enterprises

Sandhar Enterprises is a sole proprietorship of Jayant Davar.

Sandhar Enterprises had a negative net-worth in fiscal year 2017. The operating results of Sandhar Enterprises for the last three fiscal years are as follows:

(in ₹ million, except share data)

Sr. No.	Particulars	For the year ended		
		31-Mar-17	31-Mar-16	31-Mar-15
1.	Investment of our Promoter	(1.65)	0.22	0.93
2.	Reserves (excluding revaluation reserves) and surplus	-	-	-
3.	Sales / turnover	0.61	0.72	1.06
4.	Profit / (Loss) after tax	(1.21)	(0.69)	(0.95)

## NATURE AND EXTENT OF INTEREST OF GROUP ENTITIES

### (a) In the promotion of our Company

Except as disclosed below, none of our Group Entities have any interest in the promotion, or other interests in our Company:

- Sandhar Estates Private Limited holds 0.68% of the Equity Share Capital of our Company.
- YSG Estates Private Limited holds 3.25% of the Equity Share Capital of our Company.
- Jubin Finance & Investment Limited holds 1.12% of the Equity Share Capital of our Company.

- Sandhar Infosystems Limited holds 1.55% of the Equity Share Capital of our Company.
- Sanjeevni Impex Private Limited holds 3.26% of the Equity Share Capital of our Company.

**(b) *In the properties acquired or proposed to be acquired by our Company in the past two years before filing the Draft Red Herring Prospectus with SEBI***

Except as disclosed below, none of our Group Entities are interested in the properties acquired or proposed to be acquired by our Company in the two years preceding the filing of the Draft Red Herring Prospectus:

- Our Corporate Office has been leased to us from Jubin Finance & Investment Limited.
- Our erstwhile registered office was leased to us from YSG Estates Private Limited.
- The residence of our Managing Director has been leased to us from Sandhar Estates Private Limited.

**(c) *In transactions for acquisition of land, construction of building and supply of equipment***

Except as disclosed below, none of our Group Entities are interested in any transactions for the acquisition of land, construction of building or supply of machinery:

Our Company has acquired a land in Industrial Park, Haridwar, Uttarakhand, ad measuring 30,086 sq. mts., from Haridwar Estates Private Limited, which is a part of our Promoter Group, for a consideration of ₹89.55 million. This apart, our Company is in the process of registering the acquisition of an additional 5,100 sq. mts., of land in Industrial Park, Haridwar, Uttarakhand, from Haridwar Estates Private Limited for a consideration of ₹9.95 million, in addition to tax deducted at source and stamp duty expenses amounting to ₹1.27 million.

**COMMON PURSUITS AMONG THE GROUP ENTITIES WITH OUR COMPANY**

There are no common pursuits between any of our Group Entities and our Company.

**BUSINESS TRANSACTIONS WITHIN THE GROUP ENTITIES AND SIGNIFICANCE ON THE FINANCIAL PERFORMANCE OF OUR COMPANY**

For more information, see “*Related Party Transactions*” on page 246.

**SIGNIFICANT SALE / PURCHASE BETWEEN GROUP ENTITIES AND OUR COMPANY**

None of our Group Entities are involved in any sales or purchase with our Company where such sales or purchases exceed in value in the aggregate of 10% of the total sales or purchases of our Company.

**BUSINESS INTEREST OF GROUP ENTITIES**

None of our Group Entities have any business interest in our Company.

**DEFUNCT GROUP ENTITIES**

None of our Group Entities remain defunct, and no application has been made to the RoC for striking off the name of any of our Group Entities during the five years preceding the date of filing of the Draft Red Herring Prospectus with SEBI. None of our Group Entities fall under the definition of sick companies under SICA, and none of them are under winding up. Further, none of our Group Entities have a negative net-worth.

**LOSS MAKING GROUP ENTITIES**

Except Sandhar Enterprises, Sandhar Intelli-glass Solutions Limited and Haridwar Estates Private Limited, none of our Group Entities are loss making.

**LITIGATION**

Except as disclosed in the chapter “*Outstanding Litigation and Material Developments*” on page 450, there is no litigation pending, or threatened against any of our Group Entities

**CONFIRMATIONS**

- (a) None of the securities of our Group Entities are listed on any stock exchange, and none of our Group Entities have made any public or rights issue of securities in the preceding three years.
- (b) None of the Group Entities have been debarred from accessing the capital market for any reasons by SEBI, or any other regulatory authorities.
- (c) None of the Group Entities have been identified as wilful defaulters by any bank, financial institution or consortium thereof in accordance with the guidelines for wilful defaulters issued by the RBI.
- (d) None of our Group Entities have outstanding unsecured loans, which may be recalled by the lenders at any time.

## **RELATED PARTY TRANSACTIONS**

For details of the related party disclosures, as per the requirements under Accounting Standard 18 '*Related Party Disclosures*' issued by the Institute of Chartered Accountants in India and as reported in the Restated Financial Statements, see "*Financial Statements – Restated Consolidated Financial Information – Annexure XXX – Restated Consolidated Statement of Related Party Transactions*" on page 322, and "*Financial Statements – Restated Standalone Financial Information – Annexure XXIX – Restated Unconsolidated Statement of Related Party Transactions*" on page 401.

## 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, 2013. 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, capital requirements, and surpluses, contractual restrictions, 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 the 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 448. Our Company may also pay interim dividends from time to time.

As per the Restated Unconsolidated Summary Statements, details of dividends declared and paid by our Company are set out in the table below\*:

Particular	Period				
	Fiscal 2017	Fiscal 2016	Fiscal 2015	Fiscal 2014	Fiscal 2013
<b><i>Final Dividend</i></b>					
Rate of final Dividend on Equity Shares (%)	15	35	92	100	38
<b><i>Interim Dividend</i></b>					
Rate of Interim Dividend on Equity Shares (%)	10	15	NIL	NIL	NIL

\* By way of a resolution dated December 19, 2017, our Board approved an interim dividend to our Shareholders, at a rate of 10% on the Equity Shares. Further, by way of a resolution dated March 7, 2018, our Board approved an interim dividend to our Shareholders, at a rate of 10% on the Equity Shares.

The amount paid as dividends in the past is not necessarily indicative of our dividend policy or dividend amount, if any, in the future and there is no guarantee that any dividends will be declared or paid or that the amount thereof will not be decreased in future.

**SECTION V: FINANCIAL INFORMATION**

**FINANCIAL STATEMENTS**

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To,  
The Board of Directors  
Sandhar Technologies Limited  
Plot No. 13, Sector 44  
Gurugram, Haryana

Dear Sirs,

- 1) We have examined the attached Restated Consolidated Financial Information of Sandhar Technologies Limited (the “Holding Company” or the “Company”) and its subsidiaries (collectively referred to as the “Group”) and its jointly controlled entities which comprise of the Restated Consolidated Summary Statement of Assets and Liabilities as at 30 September 2017, 31 March 2017, 31 March 2016, 31 March 2015, 31 March 2014 and 31 March 2013, the Restated Consolidated Summary Statement of Profits and Losses and the Restated Consolidated Summary Statement of Cash Flows for the six months period ended 30 September 2017 and for each of the years ended 31 March 2017, 31 March 2016, 31 March 2015, 31 March 2014 and 31 March 2013, the Consolidated Summary Statement of Significant Accounting Policies, read together with the annexures and notes thereto and Other Restated Consolidated Financial Information explained in paragraph 8 below, for the purpose of inclusion in the offer document prepared by the Holding Company in connection with its proposed initial public offer (the “IPO”). The Restated Consolidated Financial Information has been approved by the Board of Directors of the Holding Company 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”) read with Rules 4 to 6 of Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended (“the Rules”); 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”).
- 2) The preparation of the Restated Consolidated Financial Information is the responsibility of the Management of the Holding Company for the purpose 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 Holding Company complies with the Act, the Rules and ICDR Regulations.
- 3) We have examined such Restated Consolidated Financial Information after taking into consideration:
  - (a) The terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter dated 23 October 2017 in connection with the IPO; and
  - (b) The Guidance Note on Reports in Company Prospectuses (Revised 2016) issued by the Institute of Chartered Accountants of India (‘ICAI’), (“The Guidance Note”).

- 4) The Holding Company proposes to make an IPO which comprises of a fresh issue of equity shares and an offer for sale by certain shareholders of existing equity shares of Rs. 10 each at such premium, arrived at by book building process, as may be decided by the Company's Board of Directors.
- 5) The Restated Consolidated Financial Information has been compiled by the Management from the audited Consolidated Financial Statements of the Group and its jointly controlled entities as at 30 September 2017, 31 March 2017, 31 March 2016, 31 March 2015, 31 March 2014 and 31 March 2013 and for the six months period ended 30 September 2017 and for each of the years ended 31 March 2017, 31 March 2016, 31 March 2015, 31 March 2014 and 31 March 2013, prepared in accordance with accounting principles generally accepted in India at the relevant time. Consolidated Financial Statements for the six months period ended 30 September 2017 and for each of the years ended 31 March 2017 and 31 March 2016 have been approved by the Board of Directors on 18 November 2017, 25 May 2017, 24 May 2016, respectively. Consolidated Financial Statements for each of the financial years ended 31 March 2015, 31 March 2014 and 31 March 2013 were approved by the Board of Directors on 4 August 2015.

Audit of the Consolidated Financial Statements of the Group and its jointly controlled entities for the financial years ended 31 March 2017, 31 March 2016, 31 March 2015, 31 March 2014 and 31 March 2013 was conducted by the predecessor auditors of the Company, M/s S.R. Batliboi & Co. LLP, Chartered Accountants and accordingly reliance has been placed on the Restated Consolidated Financial Information examined by them for the said years. The financial report included for these years are based solely on the report submitted by them.

Predecessor auditors have also confirmed that the Restated Consolidated Financial Information:

- (i) has been prepared after incorporating adjustments for the changes in accounting policies and estimates retrospectively in respective financial years to reflect the same accounting treatment as per changed accounting policy for all the reporting periods;
  - (ii) has 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 qualifications requiring adjustments;
- 6) We did not audit the Financial Statements of certain subsidiaries and jointly controlled entities for the six months period ended 30 September 2017, whose share of total assets, total revenues, net cash inflows and net profit, included in the Restated Consolidated Financial Information, for the six months period is tabulated below:

<b>(Amount in Rs. Million)</b>	
<b>Particulars</b>	<b>30 September 2017</b>
Total Assets	3,130.93
Revenues	1,310.74
Net cash inflows	8.68
Net share in profit	0.37

These Financial Statements have been audited by another firm of Chartered Accountants, 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.

These other auditors have confirmed that the Restated Consolidated Financial Information:

- (i) has been prepared after incorporating adjustments for the changes in accounting policies and estimates retrospectively in respective financial years to reflect the same accounting treatment as per changed accounting policy for all the reporting periods;
  - (ii) has 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 qualifications requiring adjustments;
- 7) In accordance with the requirements of Section 26 of Part I of Chapter III of the Act, read with Rules 4 to 6 of the Rules, the ICDR Regulations and the Guidance Note, read together with paragraph 5 above (including reliance placed on the report of the predecessor auditor as referred to in paragraph 5 above), we report that:
- (a) The Restated Consolidated Summary Statement of Assets and Liabilities of the Group and its jointly controlled entities, including as at 31 March 2017, 31 March 2016, 31 March 2015, 31 March 2014 and 31 March 2013 examined and reported by M/s S. R. Batliboi & Co. LLP, Chartered Accountants ('predecessor auditors') on which reliance has been placed by us, and as at 30 September 2017 examined by us, as set out in Annexure I to the Restated Consolidated Financial Information, have been arrived at after making adjustments and regrouping/reclassifications as in our opinion were appropriate and more fully described in Annexure V – Statement of Restatement Adjustments to Consolidated Financial Statements and Notes to Statement of Restatement Adjustments to Consolidated Financial Statements. As a result of these adjustments, the amounts reported in the above mentioned Statement are not necessarily the same as those appearing in the audited Consolidated Financial Statements of the Group and its jointly controlled entities as at and for each of the relevant financial years.
  - (b) The Restated Consolidated Summary Statement of Profits and Losses of the Group and its jointly controlled entities, including for each of the years ended 31 March 2017, 31 March 2016, 31 March 2015, 31 March 2014 and 31 March 2013 examined and reported by M/s S. R. Batliboi & Co. LLP, Chartered Accountants on which reliance has been placed by us, and for the six months period ended 30 September 2017 examined by us, as set out in Annexure II to the Restated Consolidated Financial Information, have been arrived at after making adjustments and regrouping/reclassifications as in our opinion were appropriate and more fully described in Annexure V – Statement of Restatement Adjustments to Consolidated Financial Statements and Notes to Statement of Restatement Adjustments to Consolidated Financial Statements. As a result of these adjustments, the amounts reported in the above mentioned statement are not necessarily the same as those appearing in the audited Consolidated Financial Statements of the Group and its jointly controlled entities as at and for each of the relevant financial years.
  - (c) The Restated Consolidated Summary Statement of Cash Flows of the Group and its jointly controlled entities, including for each of the years ended 31 March 2017, 31 March 2016, 31 March 2015, 31 March 2014 and 31 March 2013 examined and reported by M/s S. R. Batliboi & Co. LLP, Chartered Accountants on which reliance has been placed by us and for the six months period ended 30 September 2017 examined by us, as set out in Annexure III to the Restated Consolidated Financial Information, have been arrived at after making adjustments and regrouping/reclassifications as in our opinion were appropriate and more fully described in Annexure V – Statement of Restatement Adjustments to Consolidated Financial Statements and Notes to Statement of Restatement Adjustments to Consolidated Financial Statements. As a result of these adjustments, the amounts reported in the above mentioned statement are not necessarily the same as those

appearing in the audited Financial Statements of the Group and its jointly controlled entities as at and for each of the relevant financial years.

- (d) Based on the above and according to the information and explanations given to us, and also as per the reliance placed on the report of the predecessor auditor as referred to in Para 5, we further report that:
- (i) As explained in Annexure V to the Restated Consolidated Financial Information, the Restated Consolidated Financial Information has been prepared after incorporating adjustments for the changes in accounting policies and estimates retrospectively in respective financial years to reflect the same accounting treatment as per changed accounting policy for all the reporting periods;
  - (ii) As explained in Annexure V to the Restated Consolidated Financial Information, the Restated Consolidated Financial Information has been made after incorporating adjustments for the material amounts in the respective financial years to which they relate;
  - (iii) The Restated Consolidated Financial Information does 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 Other Restated Consolidated Financial Information of the Group and its jointly controlled entities as set out in the annexures prepared by the Management and approved by the Board of Directors on 18 November 2017 for the six months period ended 30 September 2017 and reliance has been placed upon the report of the predecessor auditor for each of the years ended 31 March 2017, 31 March 2016, 31 March 2015, 31 March 2014 and 31 March 2013 :
- (i) Restated Consolidated Statement of Share capital, enclosed as Annexure VI;
  - (ii) Restated Consolidated Statement of Reserves and Surplus, enclosed as Annexure VII;
  - (iii) Restated Consolidated Statement of Long-term borrowings and Short-term borrowings, enclosed as Annexure VIII;
  - (iv) Restated Consolidated Statement of Deferred tax liability and asset, enclosed as Annexure X
  - (v) Restated Consolidated Statement of Long-term provisions, enclosed as Annexure XI;
  - (vi) Restated Consolidated Statement of Short-term provisions, enclosed as Annexure XI;
  - (vii) Restated Consolidated Statement of Trade payables, enclosed as Annexure XII;
  - (viii) Restated Consolidated Statement of Other current liabilities, enclosed as Annexure XII;
  - (ix) Restated Consolidated Statement of Property Plant and Equipment and Intangible assets, enclosed as Annexure XIII;
  - (x) Restated Consolidated Statement of Non-current investment, enclosed as Annexure XIV;
  - (xi) Restated Consolidated Statement of Long-term Loans and advances and Other non-current assets, enclosed as Annexure XV;
  - (xii) Restated Consolidated Statement of Inventories, enclosed as Annexure XVI;
  - (xiii) Restated Consolidated Statement of Trade receivables, enclosed as Annexure XVII;
  - (xiv) Restated Consolidated Statement of Cash and Bank balances, enclosed as Annexure XVIII;
  - (xv) Restated Consolidated Statement of Short-term Loans and advances and Other current assets, enclosed as Annexure XIX;
  - (xvi) Restated Consolidated Statement of Revenue, enclosed as Annexure XX;
  - (xvii) Restated Consolidated Statement of Other income, enclosed as Annexure XXI;
  - (xviii) Restated Consolidated Statement of cost of raw material and components consumed, enclosed as Annexure XXII;

- (xix) Restated Consolidated Statement of Changes in inventories of finished goods and work-in-progress, enclosed as Annexure XXIII;
- (xx) Restated Consolidated Statement of Employee benefit expenses, enclosed as Annexure XXIV;
- (xxi) Restated Consolidated Statement of Other expenses, enclosed as Annexure XXV;
- (xxii) Restated Consolidated Statement of Finance costs, enclosed as Annexure XXVI;
- (xxiii) Restated Consolidated Statement of Contingent liabilities, enclosed as Annexure XXVII;
- (xxiv) Restated Consolidated Statement of Capital commitments, enclosed as Annexure XXVIII;
- (xxv) Restated Consolidated Statement of Segment information, enclosed as Annexure XXIX;
- (xxvi) Restated Consolidated Statement of Related party transactions, enclosed as Annexure XXX;
- (xxvii) Capitalisation Statement, enclosed as Annexure XXXI;
- (xxviii) Statement of Dividend paid, enclosed as Annexure XXXII;
- (xxix) Restated Consolidated Statement of Accounting Ratios, enclosed as Annexure XXXIII;

According to the information and explanations given to us, and also as per the reliance placed on the report of the predecessor auditor as referred to in Para 5 above, in our opinion, the Restated Consolidated Financial Information including the above mentioned Other Restated Consolidated Financial Information contained in Annexures IV to XXXIII, read with the Consolidated Summary Statement of Significant Accounting Policies disclosed in Annexure IV, are prepared after making adjustments and regroupings as considered appropriate as disclosed in Annexure V and have been prepared in accordance with Section 26 of Part I of Chapter III of the Act, read with Rules 4 to 6 of the Rules, ICDR Regulations and the Guidance Note.

- 9) We have not audited or reviewed any Consolidated Financial Statements of the Group and its jointly controlled entities as of any date or for any period subsequent to 30 September 2017. Accordingly, we express no opinion on the Financial Position, Results of the Operations or Cash Flow of the Group and its jointly controlled entities as of any date or for any period subsequent to 30 September 2017.
- 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 other firm of Chartered Accountants, 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 offer document 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 IPO. 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 & Co. LLP**

*Chartered Accountants*

ICAI firm registration number: 101248W/W-100022

**Shashank Agarwal**

*Partner*

Membership No.: 095109

Place: Gurugram

Date: 18 November 2017

**Sandhar Technologies Limited**

**Annexure I - Restated Consolidated Summary Statement of Assets and Liabilities**

(All amounts in Rupees million, except share data and unless otherwise stated)

	Particulars	Annexure	As at 30 September 2017	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013
	<b>Equity and liabilities</b>							
<b>A</b>	<b>Shareholders' funds</b>							
	Share capital	VI	511.55	511.55	511.55	102.31	93.74	93.74
	Reserves and surplus	VII	2,795.69	2,501.79	2,224.76	2,489.66	1,977.43	1,699.37
	<b>Total of Shareholders' funds</b>		<b>3,307.24</b>	<b>3,013.34</b>	<b>2,736.31</b>	<b>2,591.97</b>	<b>2,071.17</b>	<b>1,793.11</b>
	Share application money pending allotment	IV	-	-	-	-	14.76	-
	Minority Interest		25.55	22.15	18.48	15.50	14.31	13.00
<b>B</b>	<b>Non-current liabilities</b>							
	Long-term borrowings	VIII and IX	1,918.19	2,092.47	1,945.05	1,667.53	1,262.29	1,328.07
	Deferred tax liabilities	X	81.69	83.19	79.74	105.98	144.92	140.40
	Long term provisions	XI	9.50	8.17	5.78	-	1.96	1.37
	Other Long Term Liabilities		104.18	50.78	57.19	-	-	-
	<b>Total of Non-current liabilities</b>		<b>2,113.56</b>	<b>2,234.61</b>	<b>2,087.76</b>	<b>1,773.51</b>	<b>1,409.17</b>	<b>1,469.84</b>
<b>C</b>	<b>Current liabilities</b>							
	Short-term borrowings	VIII and IX	2,104.11	1,832.64	1,246.84	1,422.86	1,482.84	895.32
	Trade Payables		-	-	-	-	-	-
	• Dues of micro and small enterprises	XII	189.38	149.72	122.65	124.42	136.26	100.20
	• Dues of trade payable other than micro and small enterprises	XII	2,963.35	2,212.60	2,127.43	2,124.49	1,700.48	1,522.85
	Other current liabilities	XII	1,414.30	1,138.01	1,219.04	978.84	991.42	863.88
	Short term provisions	XI	236.06	138.33	95.02	129.24	81.13	45.61
	<b>Total of current liabilities</b>		<b>6,907.20</b>	<b>5,471.30</b>	<b>4,810.98</b>	<b>4,779.85</b>	<b>4,392.13</b>	<b>3,427.86</b>
	<b>Total A+B+C</b>		<b>12,353.55</b>	<b>10,741.40</b>	<b>9,653.53</b>	<b>9,160.83</b>	<b>7,901.54</b>	<b>6,703.81</b>
	<b>Assets</b>							
<b>D</b>	<b>Non-current assets</b>							
	Tangible assets							
	Property, Plant and Equipment	XIII	6,124.57	5,838.74	5,143.22	4,607.00	4,115.01	3,770.33
	Intangible assets	XIII	109.27	119.64	134.53	154.81	69.35	45.75
	Capital work in progress		696.70	292.49	552.21	404.73	262.90	204.67
			<b>6,930.54</b>	<b>6,250.87</b>	<b>5,829.96</b>	<b>5,166.54</b>	<b>4,447.26</b>	<b>4,020.75</b>
	Goodwill on consolidation		4.55	5.26	6.72	0.17	6.83	11.87
	Non-current investment	XIV	30.35	31.19	31.11	30.20	30.20	30.20
	Deferred tax assets	X	13.41	9.95	6.10	3.15	0.43	3.73
	Long-term loans and advances	XV	230.65	157.01	163.10	161.92	292.59	178.49
	Other non-current assets	XV	3.01	7.49	-	1.94	0.20	21.31
	<b>Total of non-current assets</b>		<b>7,212.51</b>	<b>6,461.77</b>	<b>6,036.99</b>	<b>5,363.92</b>	<b>4,777.51</b>	<b>4,266.35</b>
<b>E</b>	<b>Current Assets</b>							
	Current investment		25.00	10.00	10.00	-	0.03	37.11
	Inventories	XVI	1,935.29	1,670.63	1,598.22	1,571.97	1,298.55	1,165.59
	Trade receivables	XVII	2,643.43	2,093.32	1,666.77	1,876.39	1,514.21	980.40
	Cash and bank balances	XVIII	60.86	73.02	60.38	72.66	27.02	63.21
	Short-term loans and advances	XIX	453.61	303.45	274.63	252.00	282.37	183.89
	Other current assets	XIX	22.85	129.21	6.54	23.89	1.85	7.26
	<b>Total of current assets</b>		<b>5,141.04</b>	<b>4,279.63</b>	<b>3,616.54</b>	<b>3,796.91</b>	<b>3,124.03</b>	<b>2,437.46</b>
	<b>Total D+E</b>		<b>12,353.55</b>	<b>10,741.40</b>	<b>9,653.53</b>	<b>9,160.83</b>	<b>7,901.54</b>	<b>6,703.81</b>

**Notes:**

To be read with the notes to the Restated Consolidated Summary Statements as appearing in Annexure IV and Statement of Restatement Adjustments to Restated Consolidated Financial Information appearing in Annexure V, and all the other Annexures from Annexure VI to Annexure XXXIII.

**For and behalf of Board of Directors of Sandhar Technologies Limited**

(Jayant Davar)  
Co Chairman & Managing Director

(Arvind Joshi)  
Whole time director, Company Secretary & CFO

**Sandhar Technologies Limited**

**Annexure II - Restated Consolidated Summary Statement of Profits and Losses**

(All amounts in Rupees million, except share data and unless otherwise stated)

Particulars	Annexure	For the period / year ended					
		30-Sep-17	31-Mar-17	31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13
<b>Revenue</b>							
Revenue from operations (gross)	XX	10,290.30	17,649.58	16,436.78	16,061.71	13,698.11	12,599.29
Less: Excise duty	XX	396.25	1,380.88	1,304.59	1,241.19	1,048.10	999.78
<b>Revenue from operations (Net)</b>		<b>9,894.05</b>	<b>16,268.70</b>	<b>15,132.19</b>	<b>14,820.52</b>	<b>12,650.01</b>	<b>11,599.51</b>
Other income	XXI	11.90	66.60	46.68	52.91	38.84	23.44
<b>Total Revenue</b>		<b>9,905.95</b>	<b>16,335.30</b>	<b>15,178.87</b>	<b>14,873.43</b>	<b>12,688.85</b>	<b>11,622.95</b>
<b>Expenses</b>							
Cost of raw material and components consumed	XXII	5,984.44	9,602.19	9,025.56	9,114.58	7,688.33	7,349.62
Change in inventories of finished goods and work-in-progress	XXIII	(65.40)	(90.67)	(12.70)	(37.88)	43.22	(154.98)
Employee benefits expenses	XXIV	1,300.54	2,353.63	2,018.43	1,842.81	1,602.22	1,561.53
Other expenses	XXV	1,650.72	2,945.42	2,687.76	2,509.53	2,153.20	1,912.60
<b>Total Expenses</b>		<b>8,870.30</b>	<b>14,810.57</b>	<b>13,719.05</b>	<b>13,429.04</b>	<b>11,486.97</b>	<b>10,668.77</b>
<b>Earnings before interest, tax, depreciation, amortization (EBITDA) and exceptional items</b>		<b>1,035.65</b>	<b>1,524.73</b>	<b>1,459.82</b>	<b>1,444.39</b>	<b>1,201.88</b>	<b>954.18</b>
Net depreciation and amortization expense	XIII	336.67	602.76	551.52	523.71	393.69	359.20
Interest income	XXI	(2.74)	(4.97)	(4.87)	(3.66)	(3.58)	(15.66)
Finance costs	XXVI	200.76	427.39	423.52	410.03	394.11	356.39
<b>Profit before Exceptional items and tax</b>		<b>500.96</b>	<b>499.55</b>	<b>489.65</b>	<b>514.31</b>	<b>417.66</b>	<b>254.25</b>
Exceptional items		-	5.05	37.43	-	-	-
<b>Profit before tax</b>		<b>500.96</b>	<b>494.50</b>	<b>452.22</b>	<b>514.31</b>	<b>417.66</b>	<b>254.25</b>
<b>Tax expense</b>							
<b>Current tax</b>							
Pertaining to the profit for the current period/year		160.21	105.61	133.23	144.31	95.79	63.45
Less: MAT Credit entitlement		-	(5.79)	(0.08)	-	(25.61)	(14.66)
Adjustment of tax relating to earlier year		-	(0.50)	14.36	8.02	11.41	-
Less: MAT credit entitlement relating to earlier year		-	-	(2.05)	-	-	-
Net Current tax expenses		160.21	99.32	145.46	152.33	81.59	48.79
Deferred tax charge/(credit)	X	(4.97)	(0.40)	(30.72)	(22.04)	3.68	13.62
<b>Total tax expenses</b>		<b>155.24</b>	<b>98.92</b>	<b>114.74</b>	<b>130.29</b>	<b>85.27</b>	<b>62.41</b>
<b>Restated profit after tax</b>		<b>345.72</b>	<b>395.58</b>	<b>337.48</b>	<b>384.02</b>	<b>332.39</b>	<b>191.84</b>
Less: Minority Share in Profits		3.40	3.67	2.98	1.20	1.30	1.26
<b>Net Profit transferred to Reserve and Surplus</b>		<b>342.32</b>	<b>391.91</b>	<b>334.5</b>	<b>382.82</b>	<b>331.09</b>	<b>190.58</b>
<b>Earnings per equity shares (Rs.)</b>							
(Par value of Rs. 10 per share)							
Basic (Rs.)		6.69	7.66	6.54	7.52	6.58	3.79
Diluted (Rs.)		6.69	7.66	6.54	7.52	6.58	3.79

**Notes:**

To be read with the notes to the Restated Consolidated Summary Statements as appearing in Annexure IV and Statement of Restatement Adjustments to Restated Consolidated Financial Information appearing in Annexure V, and all the other Annexures from Annexure VI to Annexure XXXIII.

**For and behalf of Board of Directors of Sandhar Technologies Limited**

(Jayant Davar)  
Co Chairman & Managing Director

(Arvind Joshi)  
Whole time director, Company Secretary & CFO



**Sandhar Technologies Limited**  
**Annexure III - Restated Consolidated Summary Statement of Cash Flows**

(All amounts in Rupees million, except share data and unless otherwise stated)

Particulars	For the period/ year ended					
	30-Sep-17	31-Mar-17	31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
<b>Restated Profit before tax</b>	500.96	494.50	452.22	514.31	417.66	254.25
<b>Non-cash adjustments to reconcile profit before tax to net cash flow</b>						
Depreciation/amortization	336.67	602.76	551.52	523.71	393.69	359.20
Provision for doubtful debts and advances	0.18	0.33	0.60	1.82	29.09	1.74
Share Issue Expenses	-	(29.15)	29.15	-	-	-
Loss/(profit) on sale of Property, plant and equipment	(0.96)	(26.93)	(0.54)	(2.27)	6.82	15.35
Unrealized foreign exchange (gain)/loss	6.20	(9.80)	1.42	(8.42)	(5.13)	0.38
Interest expense	200.76	427.39	423.52	410.03	394.11	356.39
Interest income	(2.74)	(4.97)	(4.87)	(3.66)	(3.58)	(15.66)
Dividend income	-	-	-	(0.02)	(0.29)	(0.75)
<b>Operating profit before working capital changes</b>	<b>1,041.07</b>	<b>1,454.15</b>	<b>1,453.02</b>	<b>1,435.50</b>	<b>1,232.37</b>	<b>970.90</b>
<b>Movements in working capital:</b>						
Decrease/(Increase) in trade receivables	(550.29)	(426.88)	209.06	(363.99)	(563.11)	138.66
Decrease/(Increase) in inventories	(264.65)	(72.42)	(26.25)	(273.42)	(132.95)	(174.26)
Decrease/(Increase) in long-term loans and advances and other non-current assets	2.12	(14.13)	(0.98)	(11.80)	(9.73)	(7.60)
Decrease/(Increase) in short-term loans and advances and other current assets	(42.00)	(116.34)	(51.50)	(15.82)	(70.58)	3.01
Increase/(Decrease) in trade payables	785.59	120.32	0.51	416.20	219.00	168.53
Increase/(Decrease) in long-term provisions	(40.83)	1.48	5.78	(1.96)	0.59	(19.34)
Increase/(Decrease) in short-term provisions	92.76	34.86	2.39	31.23	6.03	33.43
Increase/(Decrease) in other current liabilities	145.16	37.78	7.79	(104.86)	135.85	(109.56)
<b>Cash generated from operations</b>	<b>1,168.93</b>	<b>1,018.82</b>	<b>1,599.82</b>	<b>1,111.08</b>	<b>817.47</b>	<b>1,003.77</b>
Income taxes paid, net of refunds	(61.11)	(89.01)	(162.60)	(115.34)	(68.78)	(71.05)
<b>Net cash inflow from operating activities ( A )</b>	<b>1,107.82</b>	<b>929.81</b>	<b>1,437.22</b>	<b>995.74</b>	<b>748.69</b>	<b>932.72</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
Purchase of Property, plant and equipment, including intangible assets, capital work in progress and capital advances	(969.73)	(1,100.88)	(1,074.97)	(1,113.08)	(903.77)	(1,184.95)
Proceeds from sale of Property, plant and equipment	2.05	34.35	7.27	7.02	3.20	8.39
Investments in bank deposits (having original maturity of more than three months)	(5.07)	10.75	9.35	(25.72)	40.62	(43.04)
Purchase of non-current investments in subsidiaries	-	(0.10)	(0.91)	-	-	-
Purchase of current investments	(14.15)	(0.48)	(10.00)	-	-	(37.11)
Proceeds from sale/maturity of current investments	-	0.49	0.00	0.03	37.07	-
Dividends received	-	-	-	0.02	0.29	0.75
Interest received	2.42	6.13	4.40	2.80	6.00	13.10
<b>Net cash used in investing activities ( B )</b>	<b>(984.48)</b>	<b>(1,049.74)</b>	<b>(1,064.86)</b>	<b>(1,128.93)</b>	<b>(816.59)</b>	<b>(1,242.86)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>						
Proceeds from long-term borrowings	391.90	1,075.00	1,051.33	1,038.25	698.00	1,093.73
Repayment of long-term borrowings	(365.00)	(996.79)	(647.73)	(575.15)	(826.62)	(383.11)
Proceeds from equity share capital	-	-	-	315.24	14.76	-
Proceeds from/(repayment of) short-term borrowings (net of repayment/proceeds)	85.33	586.73	(176.80)	(59.98)	587.53	(22.23)
Interest paid	(205.62)	(423.76)	(421.74)	(408.15)	(390.72)	(352.68)
Dividends paid on equity shares	(51.46)	(77.63)	(179.95)	(94.64)	(93.74)	(35.75)
Corporate distribution tax on dividend	(10.48)	(15.99)	(37.36)	(16.70)	(15.93)	(6.19)
Capital subsidy received	-	-	-	4.02	-	3.00
Receipts arising on business acquisition	-	-	-	-	8.55	-
<b>Net cash flow from/(used) in financing activities ( C )</b>	<b>(155.33)</b>	<b>147.56</b>	<b>(412.25)</b>	<b>202.89</b>	<b>(18.17)</b>	<b>296.77</b>
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>(31.99)</b>	<b>27.63</b>	<b>(39.89)</b>	<b>69.70</b>	<b>(86.07)</b>	<b>(13.37)</b>

Particulars	For the period/ year ended					
	30-Sep-17	31-Mar-17	31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13
Impact on Cash flow on account of Foreign currency translation	14.76	(4.25)	36.96	(50.09)	69.57	9.03
<b>Cash and cash equivalents at the beginning of the year</b>	<b>60.41</b>	<b>37.03</b>	<b>39.96</b>	<b>20.35</b>	<b>36.85</b>	<b>41.19</b>
<b>Components of cash and cash equivalents</b>						
Cash on hand	1.15	1.79	1.83	1.36	1.31	1.66
Cheques on hand	20.20	0.07	0.17	0.76	-	5.95
With banks - on current account	22.06	23.17	34.22	12.26	29.50	33.58
- on deposit account	17.00	12.00	3.74	5.97	6.04	-
<b>Cash and cash equivalents at the end of the period/ year</b>	<b>43.18</b>	<b>60.41</b>	<b>37.03</b>	<b>39.96</b>	<b>20.35</b>	<b>36.85</b>
<b>Components of cash and cash equivalents</b>						
Cash on hand	1.43	1.15	1.79	1.83	1.36	1.31
Cheques on hand	-	20.20	0.07	0.17	0.76	-
With banks - on current account	31.75	22.06	23.17	34.22	12.26	29.50
- on deposit account	10.00	17.00	12.00	3.74	5.97	6.04
<b>Total Cash and cash equivalents</b>	<b>43.18</b>	<b>60.41</b>	<b>37.03</b>	<b>39.96</b>	<b>20.35</b>	<b>36.85</b>

**Notes:**

- To be read with the notes to the Restated Consolidated Summary Statements as appearing in Annexure IV and Statement of Restatement Adjustments to Restated Consolidated Financial Information appearing in Annexure V, and all the other Annexures from Annexure VI to Annexure XXXIII.
- The above Statement has been prepared in accordance with the "Indirect method" as set out in the Accounting Standard (AS-3) on "Cash Flow Statement", specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- As per Section 135 of the Companies Act, 2013, a Corporate Social Responsibility ("CSR") Committee has been constituted by the Group and its jointly controlled entities and following amounts were spent in cash by the Group and its jointly controlled entities on CSR activities.

Particulars	30-Sep-17	31-Mar-17	31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13
Amount spent in cash on CSR activities	5.29	9.37	4.37	6.32	Not applicable	Not applicable

**For and behalf of Board of Directors of Sandhar Technologies Limited**

(Jayant Davar)  
Co Chairman & Managing Director

(Arvind Joshi)  
Whole time director, Company Secretary & CFO

## **Sandhar Technologies Limited**

### **Annexure IV – Notes to Restated Consolidated Summary Statement of Assets and Liabilities, Statement of Profit and Loss and Statement of Cash Flows.**

#### **1. Corporate Information**

Sandhar Group (Sandhar Technologies Limited “the Parent Company” and its subsidiaries together referred to as “the Group”) and its jointly controlled entities are primarily engaged in the business of manufacture and assembly of automotive components such as locksets, mirrors and various sheet metal components for two wheelers and four wheelers, designing and manufacturing of moulds, dies and dies parts, machine tools and jigs and fixtures and fabrication and assembly and construction, agri-farm and railways products.

#### **2. Basis of preparation**

The Restated Consolidated Financial Information relate to the Group and its jointly controlled entities and has been specifically prepared for inclusion in the document to be filed by the Group and its jointly controlled entities with the Security and Exchange Board of India (‘SEBI’), Registrar of Companies (‘ROC’) and relevant Stock exchange(s), as may be required 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 consist of the Restated Consolidated Summary Statement of Assets and Liabilities of the Group and its jointly controlled entities as at 30 September 2017, 31 March 2017, 2016, 2015, 2014 and 2013, the related Restated Consolidated Summary Statement of Profit and Loss and the related Restated Consolidated Summary Statement of Cash Flows for each of the period from 1 April 2017 to 30 September 2017 and years ended 31 March 2017, 2016, 2015, 2014, 2013 (hereinafter collectively referred to as “Restated Consolidated Summary Statement”).

These Restated Consolidated Financial Information has been prepared to comply in all material respects with the requirements of Section 26 read with applicable provisions within Rules 4 to 6 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 to the Companies Act, 2013 (‘the 2013 Act’); and the SEBI (Issue of Capital and Disclosure Requirements) Regulations 2009 (“the SEBI Regulations”) notified by SEBI on 26 August 2009, as amended from time to time. The 2013 Act and the SEBI Regulations require the information in respect of the assets and liabilities and profit and loss of the Group and its jointly controlled entities for each for the six months period ended 30 September 2017 and for the five years immediately preceding the issue of the Prospectus. These Restated Consolidated Financial Information were reviewed by the Audit Committee on 18 November 2017 and subsequently approved by the Board of Directors of the Company in their meeting held on 18 November 2017.

These Restated Consolidated Financial Information of the Group and its jointly controlled entities has been prepared and presented under the historical cost convention on the accrual basis of accounting and comply with the Accounting Standards issued under the Companies (Accounting Standards) Rules, 2006 which continue to apply under Section 133 of the 2013 Act [which has superseded Section 211 (3C) of the Companies Act, 1956 w.e.f. 12 September 2013], the Companies (Accounting Standards) (Amendment) Rules, 2016 and other pronouncements of the Institute of Chartered Accountants of India (‘ICAI’), and the provisions of the 2013 Act to the extent notified and applicable.

The accounting policies have been consistently applied by the Group and its jointly controlled entities for all the period/ years presented other than those disclosed under point ‘4.2 (a) Component Accounting and (b) Amalgamation Accounting’ section and are consistent with those used in the year ended 31 March 2017.

These Restated Consolidated Financial Information has 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 consolidated 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 period/ years to which they relate irrespective of the period/ year in which the event triggering the profit or loss occurred, if any;
- iv. Adjustment to the profit or loss 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 profit or loss 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 consolidated financial statements of the Company as at and for the year ended 30 September 2017 and the requirements of the SEBI Regulations, if any;
- vi. The resultant impact of tax due to the aforesaid adjustments, if any.

### 3. Principles of Consolidation

The Restated Consolidated Financial Information relates to the Group and its jointly controlled entities. The Restated Consolidated Financial Information has been prepared on the following basis:

- a. The consolidated financial statements of the Parent Company and its subsidiary companies have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions resulting in unrealized profits or losses, if any, as per Accounting Standard 21 – "Consolidated Financial Statements" notified under section 133 of the Companies Act, 2013, to the extent applicable. The results of operations of a subsidiary are included in the consolidated financial statements from the date on which the parent subsidiary relationship came into existence. The subsidiary companies which are included in the consolidation and the Parent Company's holding therein are as under:

S. No.	Name of the Subsidiary Company	Nature of relation	Ownership in % either directly or through subsidiaries						Country of Incorporation
			30 Sep 2017	2016-17	2015-16	2014-15	2013-14	2012-13	
1	Sandhar Tooling Private Limited (STPL)	Subsidiary	79.92	79.92	79.92	79.92	79.92	79.92	India
2	Sandhar Technologies Barcelona S.L. (STB)	Subsidiary	100	100	100	100	100	100	Spain
A	Breniar Project, SL (BP)	Step Down Subsidiary	100	100	100	100	100	100	Spain
B	Sandhar Technologies Poland sp. Zoo (STP)	Step Down Subsidiary	100	100	100	100	100	100	Poland
C	Sandhar Technologies de Mexico S de RL de CV (STM)	Step Down Subsidiary	100	100	100	100	N.A.	N.A.	Mexico
3	PT Sandhar Indonesia (PTSI)	Subsidiary (ceased operations w.e.f 29 August 2016)	100	100	100	100	100	100	Indonesia
4.	Sandhar Euro Holdings B.V. (SHBV)	Subsidiary (ceased operations w.e.f 2 January 2017)	-	-	100	100	100	100	Netherlands
5.	Sandhar Strategic Systems Private Limited	Subsidiary	99.99	99.99	-	-	-	-	India
6	Sandhar Daewha Automotive Systems Private Limited	Subsidiary	99.99	-	-	-	-	-	India

- b. Joint Venture Company- In accordance with "Accounting Standard 27 – Financial Reporting of Interests in Joint Ventures", issued under the Companies (Accounting Standards) Rules, 2006 which continue to apply under Section 133 of the Companies Act, 2013 [which has superseded Section 211 (3C) of the Companies Act, 1956 w.e.f. 12 September 2013], the Companies (Accounting Standards) (Amendment) Rules, 2016, notified by Ministry of Corporate Affairs, the Parent Company has prepared the accompanying consolidated financial statements by including the Parent Company's proportionate interest in the Joint Venture's assets, liabilities, income, expenses and other relevant information. Details of Joint Venture Companies are as follows:

S. No.	Name of the Joint Venture Company	JV Partner	% Share in JV						Country of Incorporation
			30 Sep 2017	2016-17	2015-16	2014-15	2013-14	2012-13	
1	Indo Toolings Private Limited (ITPL)	JBM Auto Limited	50	50	50	50	50	50	India
2	Sandhar Caama Components Private Limited (SCCPL) (till June 30, 2015) #	Mr. Ashim Talwar & Mrs. Charoo Talwar	Nil	Nil	Nil	50	50	50	India
3	Sandhar Han Sung Technologies Private Limited (SHTPL)	Han Sung Imp Co. Limited	50	50	50	50	N.A.	N.A.	India
4	Sandhar Ecco Green Energy Private Limited	DMRG Investment Private Limited and Tarun Agarwal	50	50	50	N.A.	N.A.	N.A.	India
5	Jinyoung Sandhar Mechatronics Private Limited (incorporated as on 20th March 2017)	Jinyoung Electro-Mechanics Co. Ltd.	50	N.A.	N.A.	N.A.	N.A.	N.A.	India
6	Sandhar Amkin Industries Private Limited (incorporated as on 6th September 2017)	Amkin Group Private Limited	50	N.A.	N.A.	N.A.	N.A.	N.A.	India

# The Holding Company sold its stake in the entity during the financial year ended 31 March 2015.

- c. In case of foreign subsidiaries, being non-integral operations, items in consolidated statement of profit and loss are converted at the period average rate which approximates the rate prevailing at the date of transactions. All assets and liabilities are converted at the rates prevailing at the end of the period/ year. Share capital has been converted at the historical rate prevailing at the date of investment. Reserves and Surplus is the balance derived from Statement of Profit and Loss for each period/ year, hence has been converted at average exchange rate for the period. Any exchange difference arising on consolidation is recognized in the "Foreign Currency Translation Reserve". Further, these financial statements have been audited under the local laws of respective countries and also as per the Indian GAAP for the purpose of consolidation.
- d. The excess of cost to the Group and its jointly controlled entities of its investments in the subsidiary companies/ joint ventures, over its share of equity of the subsidiary companies/ joint ventures, at the date on which the investments are made, is recognized as 'Goodwill' being an asset in the consolidated financial statements. Goodwill arising on consolidation is tested for impairment by the management on an annual basis. Alternatively where the share of equity in the subsidiary, as on the date of investment is in excess of cost of investment of the Group and its jointly controlled entities, it is recognized as 'Capital Reserve' and included under the head 'Reserves and Surplus' in the consolidated financial statements.
- Goodwill on amalgamation / acquisition of business is amortised over a period of five years on a straight line basis.
- e. Minorities' interest in net profits of consolidated subsidiary companies for the period is identified and adjusted against the income in order to arrive at the net income attributable to the shareholders of the Group and its jointly controlled entities. Minorities' share of net assets is identified and presented in the consolidated Balance Sheet separately. Where accumulated losses attributable to the minorities are in excess of their equity, in the absence of the contractual obligation on the minorities, the same is accounted for by the holding company.
- f. As far as possible, the consolidated financial statements is prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented, to the extent possible, in the same manner as the Parent Company's unconsolidated financial statements.
- g. The consolidated financial statements of the subsidiaries and joint ventures used in the consolidation are drawn up to the same reporting date as that of the Parent Company.

#### 4. Change in Accounting estimates

##### 4.1 Change in the Accounting estimates

a) **Useful lives/depreciation rate:**

Till the year ended 31 March 2014, depreciation rates prescribed under Schedule XIV were treated as minimum rates and the Group and its jointly controlled entities was not allowed to charge depreciation at lower rates even if such lower rates were justified by the estimated useful life of the asset. Schedule II Part C to the 2013 Act prescribes useful lives for property, plant and equipment which, in many cases, are different from the useful lives prescribed under the erstwhile Schedule XIV. However, Schedule II allows companies to use higher/ lower useful lives and residual values if such useful lives and residual values can be technically supported and justification for difference is disclosed in the financial statements.

Considering the applicability of Schedule II, the management has re-estimated useful lives and residual values of all its property, plant and equipment. The management believes that depreciation rates currently used fairly reflect its estimate of the useful lives and residual values of property, plant and equipment, though these rates in certain cases are different from lives prescribed under Schedule II there is no material impact of the same.

b) **Component accounting:**

During the previous year i.e., with effect from 1 April 2015, the Group and its jointly controlled entities has adopted component accounting as required under Schedule II to the Companies Act, 2013. The Group and its jointly controlled entities was previously not identifying components of property, plant and equipment separately for depreciation purposes; rather, a single useful life/ depreciation rate was used to depreciate each item of property, plant and equipment.

Due to application of Schedule II to the 2013 Act, the Group and its jointly controlled entities has changed the manner of depreciation for its property, plant and equipment. Now, the Group and its jointly controlled entities identifies and determines cost of each component/part of the asset separately, if the component/part has a cost which is significant to the total cost of the asset having useful life that is materially different from that of the remaining asset. These components are depreciated over their useful lives, the remaining asset is depreciated over the life of the principal asset. However, it does not have any impact on the Restated Consolidated Summary Statement of Profit and Loss for the year ended 31 March 2015.

#### 5. Summary of significant accounting policies

a. **Current-non-current classification**

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013.

**Assets**

An asset is classified as current when it satisfies any of the following criteria:

- a. it is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle;
- b. it is held primarily for the purpose of being traded;
- c. it is expected to be realised within 12 months after the reporting date; or
- d. it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

**Liabilities**

A liability is classified as current when it satisfies any of the following criteria:

- a. it is expected to be settled in the Company's normal operating cycle;
- b. it is held primarily for the purpose of being traded;
- c. it is due to be settled within 12 months after the reporting date; or
- d. the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current assets/ liabilities include the current portion of non-current assets/ liabilities respectively. All other assets/ liabilities are classified as non-current.

**Operating cycle**

Operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. The Company considers its operating cycle to be within one year.

### **5.1. Presentation and disclosure**

With effect from 31 March 2012, the Revised Schedule VI under the Companies act, 1956 came into effect and accordingly, the Consolidated Financial Statements pertaining to the years ended 31 March 2013 and 2014 were prepared.

Further with effect from 1 April 2014, Schedule III has been notified under the Companies act, 2013 for the preparation and presentation of the Restated Consolidated Financial Information and accordingly, the Restated Consolidated Financial Information pertaining to the year ended 31 March 2015 has been prepared. The adoption of Schedule III/Revised Schedule VI does not impact recognition and measurement principles followed for preparation of the Restated Consolidated Financial Information. However, it has impact on presentation and disclosure made in the Restated Consolidated Financial Information. The Company has prepared the Restated Consolidated Summary Statements along with the relevant notes in accordance with the requirements of Schedule III to the Companies Act, 2013.

### **5.2. Use of estimates**

The preparation of these Restated Consolidated Financial Information in conformity with Indian GAAP requires the Management to make judgments, estimates and assumptions that effect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting year. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in current and future periods.

### **5.3 Property, Plant and Equipment and Depreciation**

#### **a) Property Plant and Equipment ("PPE")**

PPE are stated at cost, net of accumulated depreciation and accumulated impairment losses, (if any). The cost comprises the purchase price, borrowing costs if capitalization criteria are met and directly attributable cost of bringing the asset to its working conditions for the intended use. The cost of PPE acquired in an amalgamation in the nature of purchase is their fair value as at the date of amalgamation. Each part of an item of PPE with a cost that is significant in relation to the total cost of the item is depreciated separately. This applies mainly to components for machinery. Any trade discounts, recoverable taxes and rebates are deducted in arriving at the purchase price.

Subsequent expenditure related to an item of PPE is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing PPE, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period/ year during which such expenses are incurred.

The Group and its jointly controlled entities does not adjust exchange differences arising on translation/settlement of long-term foreign currency monetary items pertaining to the acquisition of a depreciable asset to the cost of the asset but charges the same to the Restated Consolidated Summary Statement of Profit and Loss in the period/ year in which such gain/loss arises.

Gains or losses arising from de-recognition of PPE are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Restated Consolidated Summary Statement of Profit and Loss when the asset is derecognized.

Advances paid towards acquisition of PPE outstanding at each Balance Sheet date, are shown under long-term loans and advances and cost of assets not ready for intended use before the period/ year end, is shown as capital work-in-progress.

#### **b) Depreciation on PPE**

The Group and its jointly controlled entities identifies and determines cost of an asset significant to the total cost of asset having useful life that is materially different from that of the remaining life. Depreciation on fixed assets is calculated on a straight-line basis using the rates arrived at based on the useful lives estimated by the management. The identified components depreciated over the useful life, the remaining asset depreciated over the useful life of the principal asset. The Group and its jointly controlled entities has used the following rates for its entities to provide depreciation on its fixed assets.

<b>Nature of PPE</b>	<b>Category in PPE Schedule</b>	<b>Useful life estimated by the management (years) from April 01, 2014</b>
Factory buildings	Buildings	30
Other buildings	Buildings	60
Temporary erection	Buildings	1
Carpeted/ RCC Roads	Buildings	10
Tube wells	Buildings	5
Plant and machinery	Plant and equipment	7.5 – 20
Electrical installations	Plant and equipment	10 – 25
Office equipment	Office Equipment	5
Racks and bins	Plant and equipment	10
Computers	Office equipment	3-4
Furniture and fixtures	Furniture and fixtures	10-20
Cars	Vehicles	6
Non Commercial vehicles	Vehicles	6
Commercial vehicles	Vehicles	8
Tools, Moulds and Dies	Plant and equipment	5-6

Leasehold land is amortized on a straight line basis over the period of the lease ranges between (89-99 years).

The management of the Parent Company has estimated, supported by an independent technical assessment from a chartered engineer, the useful lives of the following classes of assets:

<b>Nature of PPE</b>	<b>Useful lives estimated by the management (years)</b>	<b>Remarks</b>
Temporary Erection	1	Lower life than prescribed in Schedule II of Companies Act 2013
Computers (Servers and networks)	3	
Non Commercial Vehicles	6	

In case of Sandhar Technologies Barcelona S.L., the costs of acquisition of equipment, systems or installations for the elimination, reduction or control of the possible environment impacts of the business are capitalized as property, plant and equipment. The rest of the expenses are accounted as expenses for the respective period/ year. Any possible environmental liability required as per local statute is covered by insurance.



**c) Intangible Assets**

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Intangible assets are assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortization period is changed accordingly. If there has been a significant change in the expected pattern of economic benefits from the asset, the amortization method is changed to reflect the changed pattern. Such changes are accounted for in accordance with AS-5 Net Profit or Loss for the Period, Prior Period items and changes in Accounting Policies.

**Technical knowhow**

Amounts paid towards technical know-how fees for specifically identified projects/products being development expenditure incurred towards product design is carried forward based on assessment of benefits arising from such expenditure. Such expenditure is amortized over the period of expected future sales from the related product, i.e. the estimated period of 60 to 72 months based on past trends, commencing from the month of commencement of commercial production.

**Software**

Software purchased by the Group and its jointly controlled entities is amortized on a straight line basis i.e. non-standard software (customized) in four years and standard software (non-customized) in five years.

Gains or losses arising from de-recognition of an intangible asset is measured as the difference between the net disposal proceeds and the carrying amount of the asset and is recognized in the Restated Consolidated Summary Statement of Profit and Loss when the intangible asset is derecognized.

**d) Borrowing costs**

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

**e) Impairment of PPE and Intangible assets**

The Group and its jointly controlled entities assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group and its jointly controlled entities estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

Impairment losses are recognized in the Restated Consolidated Summary Statement of Profit and Loss. The impairment loss is reversed to the extent that the assets carrying amount does not exceed the carrying value that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized. Such a reversal is recognized in the Restated Consolidated Summary Statement of Profit and Loss.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

**5.4. Government grants and subsidies**

Grants and subsidies from the Government are recognized when there is reasonable assurance that (i) the Group and its jointly controlled entities will comply with the conditions attached to them, and (ii) the grant/subsidy will be received.

When the grant or subsidy relates to revenue, it is recognized as income on a systematic basis in the Restated Consolidated Summary Statement of Profit and Loss over the periods necessary to match them with the related costs, which they are intended to compensate. Where the grant relates to an asset, it is recognized as deferred income and released to income in equal amounts over the expected useful life of the related asset.

Where the Group and its jointly controlled entities receives non-monetary grants, the asset is accounted for on the basis of its acquisition cost. In case a non-monetary asset is given free of cost, it is recognized at a nominal value.

Government grants of the nature of promoters' contribution are credited to capital reserve and treated as a part of the shareholders' funds.

## 5.5. Investments

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties. If an investment is acquired, or partly acquired, by the issue of shares or other securities, the acquisition cost is the fair value of the securities issued.

Current investments are carried in the Restated Consolidated Summary Statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the Restated Consolidated Summary Statement of Profit and Loss.

## 5.6. Inventories

Inventories are valued as under:

Raw materials, components, stores and spares

Lower of cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Companies in the Group and its jointly controlled entities, except for Indo Tooling Private Limited (ITPL), adopts First-in-first-out (FIFO) method for valuing raw materials, components, stores and spares (Grouped under Raw materials and Stores in the financial statements). ITPL adopt weighted average method for valuing raw materials, components, stores and spares. Amount of raw materials, components, stores and spares pertaining to ITPL, so valued and included in the Consolidated Financial Information out of the total value of inventory for Raw materials and Stores, is not material for Group and its jointly controlled entities.

Work-in-progress and finished goods

Lower of cost and net realizable value. Cost includes direct materials, labor and a portion of manufacturing overheads based on normal operating capacity. For the years ended 31 March 2017, 2016, 2015, 2014 and 2013, Excise duty liability was included in the valuation of closing inventory of Finished Goods (FG). Cost of work-in-progress (WIP) and FG is based on FIFO method except for ITPL which adopt weighted average method. Amount of WIP and FG pertaining to ITPL, so valued and included in the Consolidated Financial Information out of the total value of inventory for WIP and FG, is not material for Group and its jointly controlled entities.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

## 5.7. Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and its jointly controlled entities and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized:

### Sale of goods

Revenue from sale of goods is recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer, on delivery of the goods and no significant uncertainty exists regarding the collection of the consideration. Effect of price revision on sale is accounted on the basis of acknowledgement/confirmations received from the customers. The Group and its jointly controlled entities collects sales taxes and value added taxes (VAT) on behalf of the Government and, therefore, these are not economic benefits flowing to the Group and its jointly controlled entities. Hence, they are excluded from revenue. Excise duty deducted from revenue (gross)

is the amount that is included in the revenue (gross) and not the entire amount of liability arising during the period. Sale of moulds are recognized when they are received and accepted by the customer.

Goods and Service Tax ("GST") has been implemented with effect from 1 July 2017 which replaces Excise Duty and other input taxes (Sales tax act and Value added taxes). As per the requirement of Accounting Standard – 9, Revenue Recognition ("AS-9") the revenue for the three-month period beginning from 1 July 2017 to 30 September 2017 is reported net of GST.

#### **Income from services**

Job work and development charges are recognized upon full completion of the job work and development services and when all the significant risks and rewards of ownership of the goods have been passed to the buyer, on delivery of the goods and no significant uncertainty exists regarding the collection of the consideration.

#### **Interest**

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "other income" in the Restated Consolidated Summary Statement of Profit and Loss.

#### **Dividend**

Companies in the Group recognize dividend income when the Group and its jointly controlled entities's right to receive dividend is established by the reporting date.

### **5.8. Foreign currency translation**

#### **Foreign currency transactions and balances**

##### **(i) Initial recognition**

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

##### **(ii) Conversion**

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

##### **(iii) Exchange differences**

Exchange differences arising on a monetary item that, in substance, form part of the Group and its jointly controlled entities's net investment in a non-integral foreign operation is accumulated in a foreign currency translation reserve in the Restated Consolidated Financial Information until the disposal of the net investment, at which time they are recognized as income or as expenses.

Exchange differences arising on the settlement of monetary items not covered above, or on reporting such monetary items of Group and its jointly controlled entities at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise.

In case of foreign subsidiaries, being non-integral operations, items in consolidated statement of profit and loss are converted at the period average rate which approximates the rate prevailing at the date of transactions. All assets and liabilities are converted at the rates prevailing at the end of the period/ year. Share capital has been converted at the historical rate prevailing at the date of investment. Reserves and Surplus is the balance derived from Statement of Profit and Loss for each period/ year, hence has been converted at average exchange rate for the period. Any exchange difference arising on consolidation is recognized in the "Foreign Currency Translation Reserve". Further, these financial statements have been audited under the local laws of respective countries and also as per the Indian GAAP for the purpose of consolidation

##### **(iv) Forward exchange contracts entered into to hedge foreign currency risk of an existing assets /liability not intended for trading or speculation purposes**

The premium or discount arising at the inception of forward exchange contracts is amortized and recognized as an expense or income over the life of the contract. Exchange differences on such contracts are recognized in the Restated Consolidated Summary of Profit and Loss in the year in which the exchange rates change. Any profit or loss arising on cancellation or renewal of forward exchange contract is also recognized as income or as expense for the year.

#### **(v) Derivative Instruments and hedge accounting**

Apart from forward exchange contracts taken to hedge existing assets or liabilities, the Group and its jointly controlled entities also uses derivatives to hedge its foreign currency risk exposure relating to firm commitments and highly probable transactions. In accordance with the Guidance Note on Accounting for Derivative Contracts issued by the Institute of Chartered Accountants of India, the Group and its jointly controlled entities should recognize all derivative contracts at the balance sheet date on fair value and provide for losses / recognize income in respect of such outstanding derivative contracts at the balance sheet date by marking them to market. The contracts are aggregated category-wise, to determine the net gain/loss.

### **5.9. Employee benefits**

#### **India**

##### **Short term employee benefits**

All employee benefits payable wholly within twelve months of receiving employee services are classified as short-term employee benefits. These benefits include salaries and wages, bonus and ex-gratia. The undiscounted amount of short-term employee benefits to be paid in exchange for employee services is recognized as an expense as the related service is rendered by employees.

##### **Post-employment benefits**

##### **Defined contribution plans**

A defined contribution plan is a post-employment benefit plan under which an entity pays specified contributions to a separate entity and has no obligation to pay any further amounts. The Company makes specified monthly contributions towards employee provident fund to Government administered provident fund scheme which is a defined contribution plan. The Company's contribution is recognized as an expense in the Restated Consolidated Summary Statement of Profit and Loss during the period in which the employee renders the related service.

##### **Defined benefit plans**

The Company provides for gratuity, a defined benefit plan (The Gratuity plan) to employees. Liability with regard to Gratuity plan is accrued based on actuarial valuation, based on projected unit credit method at the balance sheet date, carried out by an independent actuary. Actuarial gain and losses comprises experience adjustments and the effect of changes in the actuarial assumptions and are recognized immediately in the Restated Consolidated Summary Statement of Profit and Losses as income or expense. Gratuity fund benefits are administered by a trust for this purpose.

##### **Compensated absences**

The employees can carry-forward a portion of the unutilized accrued compensated absences and utilize it in future service periods or receive cash compensation on termination of employment. Since the compensated absences do not fall due wholly within twelve months after the end of the period in which the employees render the related service and are also not expected to be utilized wholly within twelve months after the end of such period, the benefit is classified as a long-term employee benefit. The Company records an obligation for such compensated absences in the period in which the employee renders the services that increase this entitlement. The obligation is measured on the basis of independent actuarial valuation using the projected unit credit method.

As per the compensated absence encashment policy, the Parent Company does not have an unconditional right to defer the compensated absence of employees, accordingly the entire compensated absence obligation as determined by an independent actuary has been classified as current liability as at the period end.

##### **Termination benefits**

Termination benefits are recognized as an expense when, as a result of a past event, the Company has a present obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

#### **Europe**

In case of Sandhar Technologies Barcelona S.L. according the sector social agreement (Convenio Siderometalúrgico de la provincia de Barcelona) the Company pays 2 additional payrolls in June and December. The 2 additional payments, as well as the holiday payroll are provisioned every month on accrual basis.

## 5.10. Income taxes

Tax expense comprises current and deferred tax. Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-Tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the Group and its jointly controlled entities companies operate. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognized directly in equity is recognized in equity and not in the Restated Consolidated Summary of Profit and Loss.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date. Deferred income tax relating to items recognized directly in equity is recognized in equity and not in the Restated Consolidated Summary of Profit and Loss.

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the Group and its jointly controlled entities has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

In the situations where any Company within the Group and its jointly controlled entities is entitled to a tax holiday under the Income-tax Act, 1961 enacted in India or the tax laws prevailing in the respective tax jurisdictions where it operates, no deferred tax (asset or liability) is recognized in respect of timing differences which are reversed during the tax holiday period, to the extent such Company's gross total income is subject to the deduction during the tax holiday period. Deferred tax in respect of timing differences which reverse after the tax holiday period is recognized in the year in which the timing differences originate. However, such Company restricts recognition of deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized. For recognition of deferred taxes, the timing differences which originate first are considered to reverse first.

At each reporting date, such Company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax asset to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The carrying amount of deferred tax assets are reviewed at each reporting date. The Group and its jointly controlled entities writes-down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set-off current tax assets against current tax liabilities and the deferred tax assets and deferred taxes relate to the same taxable entity and the same taxation authority.

Minimum alternate tax (MAT) paid in a year is charged to the Statement of Profit and Loss as current tax. The Group and its jointly controlled entities recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Group and its jointly controlled entities will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Group and its jointly controlled entities recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement." The Group and its jointly controlled entities reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the Group and its jointly controlled entities does not have convincing evidence that it will pay normal tax during the specified period.

## 5.11. Segment reporting

### Identification of segments

The Group and its jointly controlled entities is primarily engaged in the business of manufacture of auto components for two wheeler, four wheelers and commercial vehicle industry, which are governed by the same set of risks and returns but subject to the geographical industry trends and hence the Group and its jointly controlled entities's business activities fall within a single primary business segment. The principal geographical segments are classified as India, Europe and others since there are different risks and returns of the geographies.

### Segment accounting policies

The accounting principles consistently used in the preparation of the Consolidated Financial Statements and consistently applied to record revenue and expenditure in individual segments are as set out in the Consolidated Financial Statements on significant accounting policies.

### **5.12. Earnings per share**

Basic earnings/ (loss) per share are calculated by dividing the net profit/ (loss) for the period/ year attributable to equity shareholders by the weighted average number of equity shares outstanding during the period/ year. The weighted average number of equity shares outstanding during the period is adjusted for events of bonus issue and share split. For the purpose of calculating diluted earnings/ (loss) per share, the net profit/ (loss) for the period/ year attributable to equity shareholders and the weighted average number of shares outstanding during the period/ year are adjusted for the effects of all dilutive potential equity shares except where the results will be anti-dilutive. The dilutive potential equity shares are deemed converted as of the beginning of the period, unless they have been issued at a later date.

### **5.13. Provisions**

A provision is recognized when the Group and its jointly controlled entities has a present obligation as a result of past event. It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

Where the Group and its jointly controlled entities expects some or all of a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the Restated Consolidated Summary Statement of Profit and Loss, net of any reimbursement.

#### **Warranty provision**

Provision for warranty related cost is recognized when the product is sold or service provided, provision is based on historical experience. The estimates of such warranty related cost are reviewed periodically and revisions are made, as and when required..

### **5.14. Leases**

#### **Where the Company is lessee**

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the Restated Unconsolidated Summary Statement of Profit and loss.

### **5.15. Contingent liabilities**

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group and its jointly controlled entities or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. The Group and its jointly controlled entities does not recognize a contingent liability but discloses its existence in the Restated Consolidated Financial Information.

### **5.16. Cash and Cash equivalents**

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

### **5.17. Measurement of EBITDA**

The Company has elected to present earnings before interest, tax depreciation and amortization (EBITDA) as a separate line item on the face of the Restated Consolidated Summary Statement of Profit and Loss. The Company measures EBITDA on the basis of profit/(loss). In its measurement, the Group and its jointly controlled entities does not include depreciation and amortization expense, interest income, finance costs and tax expense.

### **5.18 Amalgamation accounting:**

The Company treats an amalgamation in the nature of merger if it satisfies all the following criteria:

- i. All the assets and liabilities of the transferor Company become, after amalgamation, the assets and liabilities of the transferee Company.
- ii. Shareholders holding not less than 90% of the face value of the equity shares of the transferor Company (other than the equity shares already held therein, immediately before the amalgamation, by the transferee Company

or its subsidiaries or their nominees) become equity shareholders of the transferee Company.

iii. The consideration for amalgamation receivable by those equity shareholders of the transferor Company who agree to become shareholders of the transferee Company is discharged by the transferee Company wholly by the issue of equity shares, except that cash may be paid in respect of any fractional shares.

iv. The business of the transferor Company is intended to be carried on, after the amalgamation, by the transferee Company.

v. The transferee Company does not intend to make any adjustment to the book values of the assets and liabilities of the transferor Company, except to ensure uniformity of accounting policies.

All other amalgamations are in the nature of purchase.

The Company accounts for all amalgamations in the nature of merger using the pooling of interest method. The application of this method requires the Company to recognize any non-cash element of the consideration at fair value. The Company recognizes assets, liabilities and reserves, whether capital or revenue, of the transferor Company at their existing carrying amounts and in the same form as at the date of the amalgamation. The balance in the statement of profit and loss of the transferor Company is transferred to the general reserve. The difference between the amount recorded as share capital issued, plus any additional consideration in the form of cash or other assets, and the amount of share capital of the transferor Company is adjusted in reserves.

An amalgamation in the nature of purchase is accounted for using the purchase method. The cost of an acquisition/ amalgamation is measured as the aggregate of the consideration transferred, measured at fair value. Other aspects of accounting are as below:

(i) The assets and liabilities of the transferor Company are recognized at their fair values at the date of amalgamation. The reserves, whether capital or revenue, of the transferor Company, except statutory reserves, are not recognized.

(ii) Any excess consideration over the value of the net assets of the transferor Company acquired is recognized as goodwill. If the amount of the consideration is lower than the value of the net assets acquired, the difference is treated as capital reserve.

(iii) The goodwill arising on amalgamation is amortized to the statement of profit and loss on a systematic basis over its useful life not exceeding five years.

#### **Amalgamation in the year 2012-13:**

During the year ended 31 March 2013, The Hon'ble High Court of Delhi, on 2 May 2013 sanctioned scheme of amalgamation ('the scheme') under section 391 to 394 of the Companies Act, 1956. In accordance with the scheme, Mag Engineering Private Limited (Transferor Company) merged with the Company with effect from 1 April 2012 (the appointed date). Besides simplifying the corporate structure, the amalgamation is expected to channelize synergies and lead to better utilization of available resources and result in greater economies of scale.

The scheme became effective on 9 May 2013 upon filing of the order of the aforesaid Hon'ble High Court date 2 May 2013 with the Registrar of Companies, Delhi and Haryana.

The Salient features of the scheme are as follows:

- a) The entire equity paid up capital of Mag Engineering Private Limited stand fully cancelled.
- b) With effect from the appointed date, the undertaking of the transferor Company, stand succeeded/ transferred to and vested in the Company on a going concern basis so as to become the assets or liabilities of the Company.
- c) The amalgamation has been accounted as per the scheme which is in accordance with the purchase method as described in Accounting Standard-14 " Accounting for amalgamation" notified by the Company (Accounting Standard) Rule, 2006 with effect from the appointed date of the scheme being 1 April 2012 and recognized assets and liabilities acquired at fair value.
- d) Mag Engineering Private Limited stands dissolved without being wound up from the effective date.
- e) From the effective date i.e. 9 May 2013, the authorised share capital stood increase by Rs. 50 Million consisting of equity share of Rs. 2 each without any further act or deed on the part of the Company and the Memorandum of Association and Article of Association of the Company stand amended accordingly without any further act or deed on the part of the Company.
- f) The amount by which the fair values of the assets and liabilities of the transferor company exceeded the purchase consideration paid by the Company has been credited to Capital Reserve. The fair value of the assets and liabilities acquired and resultant capital reserve is as follows:

<b>Particulars</b>	<b>Rs.in Million</b>
<b>LIABILITIES</b>	
<b>Non-current liabilities</b>	
(a) Long-term borrowings	67.50
<b>Current liabilities</b>	-
(b) Trade payables	82.65
(c) Other current liabilities	41.13
(d) Short-term provisions	18.47
<b>Total liabilities (A)</b>	<b>209.75</b>
<b>ASSETS</b>	
<b>Non-current assets</b>	-
(a) Fixed assets	896.27
(b) Long-term loans and advances (Security Deposit)	2.38
(c) Deferred tax assets (net)	3.87
<b>Current assets</b>	-
(a) Inventories	60.37
(b) Trade receivables	152.28
(c) Cash and cash equivalents	55.30
(d) Short-term loans and advances	3.55
(e) Other current assets	2.85
<b>Total assets (B)</b>	<b>1,176.87</b>
<b>Net amount (B-A) = (C )</b>	<b>967.12</b>
<b>Purchase consideration (D)</b>	<b>710.31</b>
<b>Capital reserve (C-D)</b>	<b>256.81</b>



## Notes to accounts

### A. Leases

#### Operating Lease: Company as lessee

The Group and its jointly controlled entities has taken various office premises under operating lease agreements. These are cancellable in nature and are renewable by mutual consent on mutually agreed terms. There are no restrictions imposed by lease agreement and there are no sub-leases also.

### B. Gratuity

The Indian entities under the Group and its jointly controlled entities have defined benefit plan i.e. gratuity. Every employee who has completed at least five years of service gets a gratuity on departure at 15 days of last drawn salary for each completed year of service. The scheme is funded with insurance companies in the form of qualifying insurance policies in case of the employees of the Parent Company whereas in the case of other Indian entities under the Group and its jointly controlled entities the gratuity plan is not funded.

The following tables summarise the components of net benefit expense recognised in the Restated Consolidated Summary Statement of Profit and Loss and the funded status and amounts recognised in the balance sheet for the above plan.

#### Net employee benefit expense recognized in employee cost

(Rs. in Million)

Particulars	30 September 2017	31 March 2017	31 March 2016	31 March 2015	31 March 2014	31 March 2013
Current service cost	10.56	20.66	16.98	14.64	10.84	11.14
Interest cost on benefit obligation	6.27	10.68	9.08	7.41	6.08	4.50
Expected return on plan assets	(5.60)	(8.98)	(7.48)	(5.72)	(5.80)	(4.16)
Net actuarial gain (loss) recognized during the period/ year	(3.44)	5.74	(1.12)	9.56	(3.96)	4.83
Net benefit expense	7.79	28.09	17.50	25.89	7.16	16.31
Actual return on plan assets	6.88	12.08	8.98	(10.81)	(2.32)	(6.18)

#### Benefit asset/liability

(Rs. in Million)

Particulars	30 September 2017	31 March 2017	31 March 2016	31 March 2015	31 March 2014	31 March 2013
Present value of defined benefit obligation	177.31	167.40	132.81	114.49	81.68	75.83
Fair value of plan assets	147.26	139.90	112.29	93.54	71.48	68.27
Plan asset / (liability)	(30.04)	(27.50)	(20.51)	(20.95)	(10.20)	(7.56)

#### Changes in the present value of defined obligation are as follows:

(Rs. in Million)

Particulars	30 September 2017	31 March 2017	31 March 2016	31 March 2015	31 March 2014	31 March 2013
Defined benefit obligation at the beginning of the year	167.40	132.81	114.49	81.68	75.83	46.83
Adjusted on account of amalgamation	-	-	(0.28)	-	-	9.32
Current service cost	10.56	20.66	16.98	14.64	10.84	11.14
Interest cost	6.27	10.68	9.08	7.41	6.08	4.50

Actuarial (gain)/losses on obligation	(2.16)	8.84	0.38	14.66	(7.45)	6.85
Benefit paid	(4.76)	(5.58)	(7.85)	(3.90)	(3.62)	(2.81)
Defined benefit obligation at year end	177.31	167.40	132.81	114.49	81.68	75.83

**Changes in the fair value of plan assets are as follows:**

(Rs. in Million)

Particulars	30 September 2017	31 March 2017	31 March 2016	31 March 2015	31 March 2014	31 March 2013
Opening fair value of plan assets	139.90	112.29	93.54	71.48	68.27	45.15
Adjusted on account of amalgamation	-	-	-	-	-	6.89
Expected return	5.60	8.98	7.48	5.72	5.80	4.16
Contributions by employer	5.00	21.00	17.50	14.95	4.00	11.39
Benefits paid	(4.52)	(5.47)	(7.72)	(3.70)	(3.11)	(1.34)
Actuarial gain/(loss)	1.28	3.10	1.49	5.09	(3.48)	2.02
Closing fair value of plan assets	147.26	139.90	112.29	93.54	71.48	68.27

**The Group and its jointly controlled entities expects to contribute the following amount in the next years:**

(Rs. in Million)

Particulars	30 September 2017	31 March 2017	31 March 2016	31 March 2015	31 March 2014	31 March 2013
Contribution	27.45	26.80	16.20	21.68	16.30	13.80

**The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:**

(Rs. in Million)

Particulars	30 September 2017	31 March 2017	31 March 2016	31 March 2015	31 March 2014	31 March 2013
Investment with insurers	100%	100%	100%	100%	100%	100%

**The principal assumptions used in determining gratuity benefit obligation for the Group and its jointly controlled entities's plans are shown below:**

(Rs. in Million)

Particulars	30 September 2017	31 March 2017	31 March 2016	31 March 2015	31 March 2014	31 March 2013
Mortality table (LIC)	IALM (2006-08)	IALM (2006-08)	IALM (2006-08)	1994-96 duly modified	1994-96 duly modified	1994-96 duly modified
Discount rate	7.42%	7.43% to 7.96%	7.81% to 8.06%	7.95% to 9%	8.5% to 9.10%	8% to 8.5%
Expected rate of return on plan assets	8%	8%	8%	8%	8.5%	8%
Rate of escalation in salary	8%	8%	8-10%	8%	6.5% to 8%	5.5% to 8%

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

Amounts for the current period and previous five years are as follows:

(Rs. in Million)

Gratuity	30 September 2017	31 March 2017	31 March 2016	31 March 2015	31 March 2014	31 March 2013
Defined benefit obligation at end of the period/ year	177.31	167.40	132.81	114.49	81.68	75.83
Plan assets at end of the period/ year	147.26	139.90	112.29	93.54	71.48	68.27
Plan assets/(liability) (net)	(30.05)	(27.50)	(20.48)	(20.95)	(10.20)	(7.56)
<b>On plan liability</b>						
Actuarial gain / (loss) on obligation	2.16	(8.84)	(0.38)	(14.66)	(3.46)	(6.85)
Experience gain / (loss) adjustments on plan liability	3.43	0.71	(1.91)	0.61	(3.54)	(6.81)
<b>On plan assets</b>						
Actuarial gain / (loss) on plan assets	1.28	3.10	1.49	5.09	(3.14)	2.02
Experience gain / (loss) adjustments on plan liability	1.28	3.10	1.49	4.74	(3.14)	2.02

### C. Research and Development (R&D) Expenses

The Parent Company has incurred following expenditure on its research and development Centre at Gurgaon approved and recognized by the Ministry of Science & Technology, Government of India.

#### a. Capital Expenditure

(Rs. in Million)

Particulars	30 September 2017	31 March 2017	31 March 2016	31 March 2015	31 March 2014	31 March 2013
Capital expenditure	0.04	0.22	2.76	2.37	0.98	5.18

#### b. Revenue Expenditure

(Rs. in Million)

Particulars	30 September 2017	31 March 2017	31 March 2016	31 March 2015	31 March 2014	31 March 2013
Employee benefits expenses	17.66	24.84	19.58	15.04	17.10	15.00
Power & fuel	0.25	0.31	0.94	0.70	0.45	0.49
Repair & maintenance	1.01	2.65	2.47	3.30	2.01	2.46
Vehicle lease rent	-	0.26	0.78	1.56	1.50	1.18
Travelling & conveyance	0.61	0.88	1.11	0.74	0.58	0.45
Legal & professional charges	0.06	1.84	5.14	4.92	4.54	3.90
Miscellaneous expenses	1.72	9.42	3.64	1.48	1.66	1.82
<b>Total</b>	<b>21.33</b>	<b>40.21*</b>	<b>33.66</b>	<b>27.74</b>	<b>27.84</b>	<b>25.30</b>

\*This includes amount of Rs. 1.25 Million which is not allowed as deduction under section 35(2AB) of Income Tax Act 1961 as R&D Expenditure.

#### D. Corporate Social Responsibility

From the financial year beginning 1 April 2014, Corporate Social Responsibility (“CSR”) norms were applicable to the Group and its jointly controlled entities as per the requirements of Section 135 of the Companies Act, 2013.

During the year 2017-18, the gross amount required to be spent by the Group and its jointly controlled entities on CSR related activities amounted to Rs. 8.36 Million.

Further, the amount spent during the six month period ended 30 September 2017 and for the years ended 31 March 2017, 2016 and 2015 in cash are as follows:

Particulars	(Rs. in Million)			
	For the period 1 April 2017 to 30 September 2017	For the financial years ended 31 March 2017	For the financial years ended 31 March 2016	For the financial years ended 31 March 2015
Construction/acquisition of any asset	Nil	Nil	Nil	Nil
On any other purpose				
- Sandhar Foundation	2.81	6.60	2.62	2.55
- Khushi Kinship	1.48	-	-	-
- Maa Durga Charitable Trust	1.00	-	-	-
- Society for Promotion of Youth & Masses	-	-	-	3.25
- Rotary South-end Charitable Trust	-	1.27	0.25	0.52
- Hans Vahini Shiksha Samiti	-	1.50	-	-
- Lala Bhan Chandra Memorial Society	-	-	1.50	-
<b>Total</b>	<b>5.29</b>	<b>9.37</b>	<b>4.37</b>	<b>6.32</b>

#### E. Share application money pending allotment

Share application money pending allotment as at 31 March 2014, represents application money received from existing shareholders, GTI Capital Auto Investments-1 PTE Limited which was in compliance with the share purchase agreement dated 23 July 2012 between Company and GTI Capital Auto Investments-1 PTE Limited. During the year ended 31 March 2015, equity shares were allotted against the said share application money pending allotment at Rs. 77 per share (i.e., Face value of Rs. 2 each at a Security Premium of Rs. 75 per equity share).

#### F. Slump sale

During the financial year ended 31 March 2015, the business of fabrication of Cabins from Arkay Fab-Steel System Private Limited (“Arkay”) was acquired by way of a “Slump Sale” and goodwill amounting to Rs. 76.17 million was recognized in the book of account for the year ended 31 March 2015. This goodwill is being amortized on a straight line basis over a period of five years.

Pursuant to Escrow Agreement dated 4 December 2014 entered between the Company and the Promoters of erstwhile Arkay Fab-Steel System Private Limited (“Arkay”) to cover certain potential liabilities relating to pre-acquisition period of Arkay business, an amount of Rs. 9,958,507 lying in escrow account was paid to ‘Arkay’ during the year ended 31 March 2017 on completion of the specified period of two years as mentioned in Slump sale agreement.

**G. Derivative instrument and unhedged foreign currency exposure:**

**(a) Derivatives outstanding as at the reporting date**

**(Amount in Million)**

Description	Purpose	Currency	30 September 2017	31 March 2017	31 March 2016	31 March 2015	31 March 2014	31 March 2013
Cross Currency cum interest rate swap	Hedge against exposure on loan repayment for USD loan and its interest payments. The interest rate has been swapped to pay fixed interest @ 9.75% p.a.	USD	-	0.34	1.25	2.25	3.25	4.00
		INR	-	18.99	67.19	120.94	174.69	215.00
Principal swap only	Hedge against long term Buyers Line of Credit for JPY Exposure	JPY	-	-	52.61	52.61	52.61	-
		INR	-	-	31.25	31.25	31.25	-
Principal swap only	Hedge against long term Buyers Line of Credit for USD Exposure	USD	-	0.24	1.07	1.07	0.48	-
		INR	-	15.09	67.59	67.59	29.75	-
Forward cover	Forward cover for outstanding Buyers Line of Credit for USD Exposure	USD	-	-	-	-	0.15	-
		INR	-	-	-	-	9.35	-
Principal and interest swap only	Hedge against exposure on loan repayment for USD loan and its interest payments	USD	1.52	1.52	-	-	-	-
		INR	107.82	107.82	-	-	-	-

**(b) Particulars of hedged foreign currency exposure as at the reporting date:**

**Import trade payables**

**(Amount in Million)**

Description	Currency	30 September 2017	31 March 2017	31 March 2016	31 March 2015	31 March 2014	31 March 2013
USD	FC	-	0.29	0.90	-	0.67	-
	INR	-	<b>19.14</b>	<b>60.35</b>	-	<b>41.44</b>	-
JPY	FC	30.96	21.08	-	-	23.43	-
	INR	<b>17.96</b>	<b>12.40</b>	-	-	<b>14.28</b>	-
<b>Total</b>	<b>INR</b>	<b>17.96</b>	<b>31.54</b>	<b>60.35</b>	-	<b>55.72</b>	-

(c) Particulars of un-hedged foreign currency exposure as at the reporting date:

Import trade payables

(Amount in Million)

Description	Currency	30 September 2017	31 March 2017	31 March 2016	31 March 2015	31 March 2014	31 March 2013
USD	FC	4.46	3.75	2.42	5.67	1.84	1.49
	INR	281.94	245.51	159.85	354.26	110.01	80.91
JPY	FC	303.04	50.92	132.35	119.13	48.66	10.33
	INR	177.61	29.81	77.40	61.76	27.78	5.95
GBP	FC	0.04	0.05	0.03	0.02	0.01	0.01
	INR	3.51	3.80	2.85	1.40	1.36	0.74
PLN	FC	-	-	-	0.07	0.11	0.04
	INR	-	-	-	1.09	2.16	0.64
MXN	FC	-	-	-	1.87	-	-
	INR	-	-	-	7.68	-	-
EURO	FC	0.8	0.81	0.94	0.05	-	-
	INR	60.42	56.31	70.72	3.33	-	-
<b>Total</b>	<b>INR</b>	<b>523.49</b>	<b>335.43</b>	<b>310.81</b>	<b>429.52</b>	<b>141.31</b>	<b>88.24</b>

Export Trade receivables

(Amount in Million)

Description	Currency	30 September 2017	31 March 2017	31 March 2016	31 March 2015	31 March 2014	31 March 2013
USD	FC	1.06	0.54	0.38	0.24	0.12	0.13
	INR	69.51	35.22	25.38	15.27	7.34	7.08
Euro	FC	0.03	0.12	0.12	-	-	-
	INR	2.53	8.55	8.84	-	-	-
<b>Total</b>	<b>INR</b>	<b>72.04</b>	<b>43.77</b>	<b>34.22</b>	<b>15.27</b>	<b>7.34</b>	<b>7.10</b>

Buyer's Credit Facility

(Amount in Million)

Description	Currency	30 September 2017	31 March 2017	31 March 2016	31 March 2015	31 March 2014	31 March 2013
USD	FC	-	-	-	1.64	0.74	2.17
	INR	-	-	-	103.91	44.26	117.63
JPY	FC	-	-	-	43.21	-	-
	INR	-	-	-	22.40	-	-
EURO	FC	0.18	0.18	0.18	-	-	-
	INR	13.62	12.24	13.15	-	-	-
<b>Total</b>	<b>INR</b>	<b>13.62</b>	<b>12.24</b>	<b>13.15</b>	<b>126.31</b>	<b>44.26</b>	<b>117.63</b>

**H. Details of Subsidiaries and Joint Ventures:**

Name of the entity	Net Assets, i.e., total assets minus total liabilities											
	As % of Restated Consolidated Net Assets						Amount					
	30 September 2017	31 March 2017	31 March 2016	31 March 2015	31 March 2014	31 March 2013	(Rs in Million)					
						30 September 2017	31 March 2017	31 March 2016	31 March 2015	31 March 2014	31 March 2013	
<b>Parent</b>												
<b>Sandhar Technologies Ltd.</b>	82.73%	84.23%	80.30%	82.49%	76.77%	75.98%	2,735.96	2,537.99	2,194.50	2,031.33	1,504.56	1,279.14
<b>Subsidiaries of Sandhar Technologies Ltd.</b>												
Sandhar Tooling Pvt Ltd	2.86%	2.55%	2.53%	2.37%	3.75%	3.67%	94.56	76.90	69.10	58.42	73.52	61.82
Sandhar Technologies Barcelona, SL	10.32%	10.89%	14.64%	13.53%	17.14%	16.45%	341.29	328.20	399.98	333.29	335.83	276.89
PT Sandhar Indonesia	-	0.00%	0.0001%	0.06%	0.41%	0.62%	-	-	0.004	1.54	8.02	10.52
Sandhar Euro Holding B.V.	-	0.00%	(0.07%)	0.04%	(0.01%)	0.25%	-	-	(1.80)	0.95	(0.10)	4.16
Minority interest in Sandhar Tooling Pvt Ltd.	(0.77%)	(0.74%)	(0.71%)	(0.63%)	(0.73%)	(0.08%)	(25.55)	(22.15)	(19.39)	(15.50)	(14.31)	(1.37)
Sandhar Strategic Systems Pvt Ltd	0.00%	0.00%	-	-	-	-	0.09	0.09	-	-	-	-
Minority interest in Sandhar Strategic Systems Pvt. Ltd.	0.00%	0.00%	-	-	-	-	(0.000008)	(0.000009)	-	-	-	-
Sandhar Daewha Automotive systems Private Limited	0.01%	-	-	-	-	-	0.19	-	-	-	-	-
Minority interest in Sandhar Daewha Automotive systems Private Limited	0.00%	-	-	-	-	-	(0.000032)	-	-	-	-	-
<b>Joint Ventures (as per proportionate consolidation method)</b>												
Indo Tooling Pvt Ltd.	1.25%	1.53%	1.49%	1.82%	2.63%	2.70%	41.50	45.94	40.84	44.73	51.45	45.53
Sandhar CAAMA Components Pvt Ltd.	-	-	-	(0.36%)	0.04%	0.41%	-	-	-	(8.76)	0.88	6.76
Sandhar Han Sung Technologies Pvt. Ltd.	1.56%	1.34%	0.89%	0.68%	0.00%	0.00%	51.56	40.46	24.31	16.58	-	-
Sandhar Ecco Green Energy Pvt Ltd	0.44%	0.20%	0.93%	-	-	-	14.60	5.91	25.31	-	-	-
Jinyoung Sandhar Mechatronics Private Limited	1.60%	-	-	-	-	-	53.02	-	-	-	-	-

Name of the entity	Share in profit or loss											
	As % of Restated Consolidated Profit or Loss						Amount					
	(Rs in Million)											
	30 September 2017	31 March 2017	31 March 2016	31 March 2015	31 March 2014	31 March 2013	30 September 2017	31 March 2017	31 March 2016	31 March 2015	31 March 2014	31 March 2013
<b>Parent</b>												
<b>Sandhar Technologies Ltd.</b>	100.89%	94.23%	99.39%	103.53%	105.62%	116.12%	345.35	341.83	361.44	396.35	349.71	221.30
<b>Subsidiaries of Sandhar Technologies Ltd.</b>												
Sandhar Tooling Pvt Ltd	5.04%	4.82%	4.24%	2.34%	(3.90%)	3.79%	17.25	17.50	15.42	9.0	(12.9)	7.2
Sandhar Technologies Barcelona, SL	(0.12%)	4.61%	2.17%	1.44%	1.09%	0.25%	(0.40)	16.72	7.90	5.5	3.6	0.5
PT Sandhar Indonesia	-	0.00%	(0.42%)	(1.59%)	(0.59%)	(13.22%)	-	-	(1.55)	(6.1)	(2.0)	(25.2)
Sandhar Euro Holding B.V.	-	0.00%	(1.33%)	(0.41%)	(1.18%)	(7.22%)	-	-	(4.83)	(1.5)	(3.9)	(13.8)
Minority interest in Sandhar Tooling Pvt Ltd.	(0.99%)	(1.01%)	(0.82%)	(0.31%)	(0.39%)	(0.66%)	(3.40)	(3.67)	(2.98)	(1.2)	(1.3)	(1.3)
Sandhar Strategic Systems Pvt Ltd	0.00%	0.00%	-	-	-	-	(0.0098)	(0.015)	-	-	-	-
Minority interest in Sandhar Strategic Systems Pvt. Ltd.	0.00%	0.00%	-	-	-	-	(0.000001)	-	-	-	-	-
Sandhar Daewha Automotive systems Private Limited	(0.12%)	-	-	-	-	-	(0.417)	-	-	-	-	-
Minority interest in Sandhar Daewha Automotive systems Private Limited	0.00%	-	-	-	-	-	0.000042	-	-	-	-	-
<b>Joint Ventures (as per proportionate consolidation method)</b>												
Indo Toolings Pvt Ltd.	(1.30%)	1.40%	(1.07%)	(1.75%)	1.96%	2.90%	(4.44)	5.09	(3.88)	(6.7)	6.5	5.5
Sandhar CAAMA Components Pvt Ltd.	-	0.00%	0.00%	(3.14%)	(2.60%)	(1.96%)	-	-	-	(12.0)	(8.6)	(3.7)
Sandhar Han Sung Technologies Pvt. Ltd.	(1.66%)	(1.96%)	(2.03%)	(0.11%)	0.00%	0.00%	(5.69)	(7.11)	(7.40)	(0.4)	-	-
Sandhar ECCO Green Energy Pvt Ltd	(0.60%)	(2.09%)	(0.13%)	0.00%	0.00%	0.00%	(2.04)	(7.59)	(0.50)	-	-	-
Jinyoung Sandhar Mechatronics Private Limited	(1.14%)	-	-	-	-	-	(3.89)	-	-	-	-	-



**Sandhar Technologies Limited**

**Annexure V – Statement of Restatement Adjustments to Consolidated Financial Statements**

**NOTES ON MATERIAL ADJUSTMENTS**

The summary of results of restatements made in the audited consolidated financial summary statements for the respective years and its impact on the profits of the Group and its jointly controlled entities is as follows:

		(Rs. in Million)					
Particulars	30-Sep-17	31-Mar-17	31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13	
<b>Profit after tax as per audited financial statements</b>	342.32	362.76	363.65	382.82	331.09	190.58	
<b>A Material item relating to previous years</b>							
Share issue expenses provided for	-	(29.15)	29.15	-	-	-	
<b>Total readjustment adjustments</b>	-	(29.15)	29.15	-	-	-	
<b>B Deferred Tax impact of the above adjustment</b>	-	-	-	-	-	-	
<b>C Total impact of restated adjustment</b>	-	(29.15)	29.15	-	-	-	
<b>Net Profit as per restated financial statement.</b>	<b>342.32</b>	<b>391.91</b>	<b>334.50</b>	<b>382.82</b>	<b>331.09</b>	<b>190.58</b>	

**Explanatory Notes:**

The above statement should be read with the notes to restated consolidated summary statements of assets and liabilities, statement of profit and losses and statement of cash flows as appearing in Annexure IV.

**I. Recognition and measurement**

- (i) **Applicability of Schedule III:** W.e.f, April 1 2014, Schedule III notified under the Companies Act, 2013 has become applicable to the Group and its jointly controlled entities for preparation and presentation of its financial statements. Revised Schedule VI notified under the Companies Act, 1956 was applicable to the Group and its jointly controlled entities for the year ended March 31, 2013, for preparation and presentation of its financial statements. The adoption of Schedule III / Revised Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements.

Appropriate adjustments have been made in the Restated Consolidated Summary Statements, 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 financial statements of the Group and its jointly controlled entities as at year ended 30 September 2017, prepared in accordance with Schedule III and the requirements of the Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations, 2009 (as amended).

- (ii) **Share issue expenses:** During the year ended 31 March 2016, the Group and its jointly controlled entities had incurred IPO related expenses of Rs. 29 million which was disclosed under the head “Other current assets” in anticipation of adjusting these expenses against security premium to the extent permissible under Section 52 of the Companies Act, 2013 on successful completion of the IPO.

During the year ended 31 March 2017, the Group and its jointly controlled entities had further incurred IPO related expense amounting Rs. 4 million. The Company charged off Rs. 33 million (Rs. 29 million pertaining to the year ended 31 March 2016 and Rs. 4 million pertaining to the year ended 31 March 2017) as an exceptional item in the Statement of Profit and Loss.

In the Restated Consolidated Summary of Statement of Profit and Loss, expense of Rs. 29 million has been charged to the Restated Consolidated Summary of Statement of Profit and Loss in the year ended 31 March 2016, and the balance expense of Rs. 4 million has been charged to the Restated Consolidated Summary of Statement of Profit and Loss in the year ended 31 March 2017.

## II. Non-adjusting items

- (i) **Applicability of Schedule II:** In the financial year ended March 31, 2015, pursuant to the Companies Act 2013 ('the Act') being effective from April 1 2014, the Group and its jointly controlled entities has revised the depreciation rates on its fixed assets as per the useful life specified in Part C of the schedule II of the Act. Till the year ended 31 March 2014, depreciation rates prescribed under Schedule XIV of the Companies Act 1956 were treated as minimum rates and the Group and its jointly controlled entities was not allowed to charge depreciation at lower rates even if such lower rates were justified by the estimated useful life of the asset. Schedule II to the Companies Act 2013 prescribes useful lives for fixed assets which, in many cases, are different from lives prescribed under the erstwhile Schedule XIV. However, Schedule II allows companies to use higher/ lower useful lives and residual values if such useful lives and residual values can be technically supported and justification for difference is disclosed in the financial statements. Considering the applicability of Schedule II, the management has re-estimated useful lives and residual values of all its fixed assets. The management believes that depreciation rates currently used fairly reflect its estimate of the useful lives and residual values of fixed assets, though these rates in certain cases are different from lives prescribed under Schedule II. Hence, this change in accounting estimate did not have any material impact on the Restated Consolidated Financial Information of the Group and its jointly controlled entities.
- (ii) There are no qualifications in the annexure to the main auditor's report, which require any adjustments in the Restated Consolidated Financial Information.
- (iii) In the Annexure – 1, {Companies (Auditor's Report) Order, 2015} to the main audit report to the Consolidated financial statements for the year ended 31 March 2015:
- Clause iii (a) to Annexure 1 referred above:** In respect of one entity of the Group and its jointly controlled entities, the other auditor, who has audited the financial statements of such entity, has reported that the Company has granted unsecured loans of Rs. 0.5 million to the parties covered in the register maintained under section 189 of the Companies Act, 2013.
  - Clause vii (c) to Annexure 1 referred above:**

Year Ended 31 March 2015				31-Mar-15
Name of Statute	Nature of dues	Period to which the amount related	Forum where dispute is pending	Amount (Rs. In million)
Income Tax Act, 1961	Penalty U/S 271 (1)(c), Expenses Disallowed (Depreciation, wealth tax) order u/s 143(3) r.w.s 147	A.Y 2009-10	Commissioner of Income Tax (A)	4.81
Income Tax Act, 1961	Demand u/s 143(1)	A.Y 2010-11	Assistant Commissioner of Income Tax	0.76
Income Tax Act, 1961	Demand u/s 154	A.Y 2009-10	Assistant Commissioner of Income Tax	0.04
Income Tax Act, 1961	Disallowance u/s 40(a), Disallowance of royalty, ESI & P.F, TDS Short payment	A.Y 2011-12	Commissioner of Income Tax (A); ITO (OSD)	10.61
Income Tax Act, 1961	Disallowance of royalty expenses	A.Y 2012-13	Commissioner of Income Tax (A)	3.59
Haryana Sales Tax Act	Local Area Development Tax levied	F.Y. 2000-2001	Joint Commissioner (A), Sales Tax	0.13
Finance Act 1994, Service Tax	Service tax on freight	F.Y. 2005-2006 to F.Y. 2013-2014	Dy. Commissioner, Central Excise	1.36
Finance Act 1994, Service Tax	Service tax on freight	F.Y. 2008-2009 to F.Y.2010-2011	Joint Commissioner, Central Excise	1.33
Finance Act 1994, Service Tax	Service tax on freight	Nov-12 to Sep-13	Additional Commissioner, Central Excise	1.18

Year Ended 31 March 2015				31-Mar-15
Name of Statute	Nature of dues	Period to which the amount related	Forum where dispute is pending	Amount (Rs. In million)
Finance Act 1994, Service Tax	Show cause notice on Man Power for Job work	F.Y. 2005-2006 to 2009-10	Commissioner, Central Excise	6.54
Finance Act 1994, Service Tax	Show cause notice on Man Power for Job work	F.Y. 2009-2010 to F.Y 2010-11	Joint Commissioner, Central Excise	3.54
Finance Act 1994, Service Tax	Show cause notice on Man Power for Job work	Mar-11 to Aug-14	Additional Commissioner, Central Excise	14.00
Finance Act 1994, Service Tax	Show cause notice on Commercial & industrial construction	F.Y. 2006-2007 and F.Y 2011-12	Asst. Commissioner, Commissioner (Appeal), Central Excise & CESTAT	0.54
Finance Act 1994, Service Tax	Show cause notice against canteen charges & courier services	F.Y. 2004-2005 to F.Y. 2011-2012	CESTAT, Supdt. Central Excise, Dy. Commissioner, Central excise	0.31
Finance Act 1994, Service Tax	Show cause notice no.IV( 1 6)CE/Div-I/Tech/Div-i/SCN/IAR-148/Sandhar/412010/2083-26/02/2010	Feb-2004 to Aug-2014	Commissioner and Dy. Commissioner, Central Excise	3.59
KVAT Act, 2003	Assessment under CST and KVAT	F.Y.2012-13	Joint Commissioner Commercial Taxes (A), Bangalore	0.26

c. **Clause viii to Annexure 1 referred above:** In respect of one entity of the Group and its jointly controlled entities, the other auditor, who audited the financial statements of such Covered entity, has reported that accumulated losses at the end of the financial year are more than fifty percent of its net worth and such Covered entity has also incurred cash loss during the year and in the immediately preceding financial year.

(iv) As per AS-4 (Contingencies and Events Occurring after the Balance Sheet Date), if an enterprise declares dividend to the shareholders after the balance sheet date, an enterprise should not recognize those dividend as a liability at the balance sheet date unless a statute requires otherwise. We had not considered the final dividend proposed by the Group and its jointly controlled entities companies after the balance sheet date for the year ended March 31, 2017, 2016, 2015, 2014 and 2013, the same has been recognized in the year in which it is actually declared.

**Sandhar Technologies Limited**  
**Annexure VI - Restated Consolidated Statement of Share Capital**

(Rs in Million except for number of Shares)

Particulars	30 September 2017	31 March 2017	31 March 2016	31 March 2015	31 March 2014	31 March 2013
Authorised Shares		-	-			
<b>a) Equity Shares</b>						
<b>Pre-organised /Pre-consolidated:</b>						
- Number of Shares	68,000,000	68,000,000	68,000,000	140,750,000	140,750,000	115,750,000
- Face Value of Equity Shares	10	10	10	2	2	2
<b>Post-organised /Post consolidated</b>						
(refer note no 1 below)						
- Number of Shares as restated	68,000,000	68,000,000	68,000,000	28,150,000	28,150,000	23,150,000
- Face Value of Equity Shares as restated	10	10	10	10	10	10
- Authorised Share Capital (Rs in Million)	<b>680.00</b>	<b>680.00</b>	<b>680.00</b>	<b>281.50</b>	<b>281.50</b>	<b>231.50</b>
<b>b) Preference Shares</b>						
- Number of Shares	200,000	200,000	200,000	200,000	200,000	200,000
- Face Value of Preference Shares	100	100	100	100	100	100
- Authorised Share Capital (Rs in million)	<b>20.00</b>	<b>20.00</b>	<b>20.00</b>	<b>20.00</b>	<b>20.00</b>	<b>20.00</b>
Total Authorised Capital (Rs. in million)	<b>700.00</b>	<b>700.00</b>	<b>700.00</b>	<b>301.50</b>	<b>301.50</b>	<b>251.50</b>
<b>Issued, subscribed and fully paid up</b>						
<b>Post consolidated</b>						
Number of Equity Shares as restated						
Opening balance of shares	51,154,564	51,154,564	10,230,913	9,373,770	9,373,770	9,373,770
Issued during the year - Bonus shares	-	-	40,923,651	-	-	-
Issued during the year - New issue	-	-	-	857,143	-	-
Buy back of shares	-	-	-	-	-	-

Particulars	30 September 2017	31 March 2017	31 March 2016	31 March 2015	31 March 2014	31 March 2013
Outstanding at the end of the year	51,154,564	51,154,564	51,154,564	10,230,913	9,373,770	9,373,770
Face value of each share	10	10	10	10	10	10
<b>Amount (in Million)</b>	<b>511.55</b>	<b>511.55</b>	<b>511.55</b>	<b>102.31</b>	<b>93.74</b>	<b>93.74</b>
<b>Details of Shareholders holding more than 5% share in the Company</b>						
<b>- Number of Shares held</b>						
<b>Pre-organised /Pre-consolidated (face Value Rs 10 )</b>						
Jayant Davar	31,215,517	31,215,517	31,215,517	6,243,103	6,165,181	6,165,181
Monica Davar	2,622,725	2,622,725	2,622,725	524,545	524,545	524,545
GTI Capital Beta Pvt Ltd. (Formerly Baby Nova Capital PTE Ltd)	8,934,505	8,934,505	8,934,505	1,786,901	1,007,680	1,007,680
<b>% Holding of Equity Shares more than 5 percent</b>						
Jayant Davar	61.02%	61.02%	61.02%	61.02%	65.77%	65.77%
Monica Davar	5.13%	5.13%	5.13%	5.13%	5.60%	5.60%
GTI Capital Beta Pvt Ltd.	17.47%	17.47%	17.47%	17.47%	10.75%	10.75%

**Note:**

**1. Note on rights, preference and restrictions attached to Equity shares**

The Company has one class of equity shares having par value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend 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 shareholders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders. During the year ended 31 March 2017, the amount per share recognized as distribution to equity shareholder is Rs. 1.00 as interim dividend and Rs. 1.00 per share as final dividend.

2. The Company's authorized, issued, subscribed and paid up share capital stands increased as on 8 August 2015 on account of issuance of Bonus shares. The share capital has also been re-organized on account of change in the face value of the equity shares from Rs.2 per share to Rs.10 per share.

Authorized capital:	No. of Shares	Rs. (in Million)
<b>Pre-organized :</b>		
Equity Shares of Rs. 2 each	340,000,000	680.00
Preference Shares of Rs. 100 each	200,000	20.00
<b>Post-organized :</b>		

Equity Shares of Rs.10 each	68,000,000	680.00
Preference Shares of Rs. 100 each	200,000	20.00
<b>Issued capital, subscribed and fully paid up capital:</b>		
Equity Shares of Rs.10 each	51,154,564	511.55

The Company had during the financial year ended 31 March 2016, issued bonus shares by way of 204,618,256 equity shares of Rs. 2 each in the ratio of 4:1. These bonus shares were allotted on 8 August 2015 by way of utilization of Capital Redemption Reserve and part capitalization of Securities Premium Account. The equity shares of Rs. 2 each with face value were re-organized and consolidated into equity shares of Rs. 10 each of face value on the even date.

**Sandhar Technologies Limited**

**Annexure VII – Restated Consolidated Statement of Reserve and Surplus**

(Rs in Million)

Particulars	30-Sep-17	31-Mar-17	31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13
<b>Securities premium account</b>						
Balance as per last financial statements	31.14	31.14	431.43	110.00	110.00	110.00
Add: Premium on issue of shares	-	-	-	321.43	-	-
Less: Issue of Bonus shares 200,145,674 @ Rs 2 each	-	-	400.29	-	-	-
<b>Closing Balance</b>	<b>31.14</b>	<b>31.14</b>	<b>31.14</b>	<b>431.43</b>	<b>110.00</b>	<b>110.00</b>
<b>Capital redemption reserve</b>						
Balance as per last financial statements	-	-	8.95	8.95	8.95	8.95
Less: Capitalisation by way of Bonus Shares	-	-	(8.95)	-	-	-
<b>Closing balance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8.95</b>	<b>8.95</b>	<b>8.95</b>
<b>Capital reserve</b>						
<b>Balance as per last financial statements</b>	<b>329.52</b>	<b>329.52</b>	<b>329.52</b>	<b>325.50</b>	<b>316.95</b>	<b>57.14</b>
Additions on account of						
Amount received during the period/ year	-	-	-	4.02	8.55	-
Scheme of amalgamation	-	-	-	-	-	256.81
Recognition of capital investment government subsidy	-	-	-	-	-	3.00
<b>Closing balance</b>	<b>329.52</b>	<b>329.52</b>	<b>329.52</b>	<b>329.52</b>	<b>325.50</b>	<b>316.95</b>
<b>Foreign Currency Translation Reserve</b>						
Balance as per last financial statements	29.30	49.66	22.54	76.05	27.95	19.46
Addition / (deletion) during the period/ year	14.78	(20.36)	27.12	(53.51)	48.10	8.49
<b>Closing Balance</b>	<b>44.08</b>	<b>29.30</b>	<b>49.66</b>	<b>22.54</b>	<b>76.05</b>	<b>27.95</b>
<b>General reserve</b>						
Balance as per last financial statements	1,025.97	1,009.93	1,004.32	966.43	929.06	905.71
Add: Amount transferred from surplus balance in the statement of profit and loss	(0.40)	16.04	5.61	37.89	37.37	23.35
<b>Closing balance</b>	<b>1,025.57</b>	<b>1,025.97</b>	<b>1,009.93</b>	<b>1,004.32</b>	<b>966.43</b>	<b>929.06</b>
<b>Surplus in the statement of profit and loss</b>						
Balance as per the last financial statements as restated	1,085.86	804.51	692.90	490.50	306.45	140.31
Reversal of FCTR	(1.27)	-	-	-	-	-
Add Regrouping of provision created for Proposed Dividend and Corporate Dividend Tax	-	-	-	-	-	40.85
Less: Impact of revision in useful lives of certain tangible fixed assets (net of Tax)	-	-	-	(31.19)	-	-
Profit for the year, as restated	342.32	391.91	334.52	382.82	331.09	190.58
<b>Profit available for appropriations</b>	<b>1,426.91</b>	<b>1,196.42</b>	<b>1,027.42</b>	<b>842.13</b>	<b>637.54</b>	<b>371.74</b>
Less: Appropriations						
Transferred to general reserve	(0.40)	16.04	5.61	37.89	37.37	23.35
Dividend on equity shares						
- Interim	-	51.15	76.73	-	-	-
- Interim Dividend Paid (pertaining to Minority)	-	0.90	-	-	-	0.60
- Final Dividend Paid	51.15	25.58	102.31	93.74	93.74	35.15
- Final Dividend Paid (pertaining to Minority)	0.30	0.90	0.90	0.90	-	-
Corporate tax on dividend						
- Dividend tax paid	10.48	6.12	21.74	16.70	15.93	5.70
- Interim	-	9.87	15.62	-	-	0.48
<b>Total appropriations</b>	<b>61.53</b>	<b>110.56</b>	<b>222.91</b>	<b>149.23</b>	<b>147.04</b>	<b>65.28</b>
<b>Net surplus in the statement of profit and loss, as restated</b>	<b>1,365.38</b>	<b>1,085.86</b>	<b>804.51</b>	<b>692.90</b>	<b>490.50</b>	<b>306.45</b>
<b>Total reserves and surplus</b>	<b>2,795.69</b>	<b>2,501.79</b>	<b>2,224.76</b>	<b>2,489.66</b>	<b>1,977.43</b>	<b>1,699.37</b>

- i. **Amalgamation:** - During the year ended March 31, 2013, the Hon'ble High Court of Delhi approved scheme of amalgamation of MAG Engineering Private Limited with the Parent Company, which created Capital Reserve of Rs. 256.81 Million.
- ii. **Issue of Shares:** - During the year ended March 31, 2015, the committee of directors approved the issue of equity shares to the existing shareholders. Number of shares issued were 4,285,714 with a face value of Rs. 2 each (or 8,57,143 equity shares of face value Rs. 10 each) at premium of Rs. 75 each aggregating up to Rs. 330 Million.
- iii. The figures disclosed above are based on the restated consolidated summary statement of assets and liabilities of the Group.
- iv. The above statement should be read with the notes to restated consolidated summary statements of assets and liabilities, Profit and Loss and cash flows as appearing in Annexure IV, statement of restatement adjustments to consolidated financial statements as appearing in annexure V.

- v. The Parent Company had during the financial year ended 31 March 2016, issued bonus shares by way of issuing 204,618,256 equity shares of Rs. 2 each in the ratio of 4:1. (Pre-organised). These bonus shares were allotted on 8 August 2015 by way of utilisation of Capital Redemption Reserve and part capitalisation of Securities Premium Account. The equity shares of Rs. 2 each with face value were re-organised and consolidated into equity shares of Rs. 10 each of face value on the even date. As there is no impact on total shareholders' fund hence there will be no change in any ratios.
- vi. As per Companies (Accounting Standards) amendment Rule, 2016, AS- 4 "Contingencies and event occurring after balance sheet date" has been amended, whereby if a Company declare dividend to the shareholders after the balance sheet date, the company should not recognise such dividend as a liability at the balance sheet date unless a statute requires otherwise. Hence, the Company had not considered the dividend proposed by the Board of directors after the balance sheet date for the years ended March 31, 2017, 2016, 2015, 2014 and 2013. The corporate dividend tax and amount transferred to general reserve has been adjusted accordingly.

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**Sandhar Technologies Limited**

**Annexure VIII – Restated Consolidated Statement of Long Term and Short Term Borrowings**

(Rs in Million)

	Particulars	30-Sep-17	31-Mar-17	31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13
<b>A</b>	<b>Long Term Borrowings</b>						
	<b>- Non Current Portion</b>						
	Indian rupee loan from banks (secured)	978.55	1,050.73	439.06	490.39	521.38	515.95
	Indian rupee loan from others (secured)	377.50	194.87	349.58	466.66	491.48	564.29
	Indian rupee loan from others (unsecured)	412.50	492.50	652.50	427.50	-	-
	USD Foreign currency loan from bank (secured)	-	-	107.60	188.43	181.94	174.69
	EUR loan from BBVA (unsecured)	7.31	9.43	16.35	22.80	6.52	8.51
	EUR loan from B. Santander (unsecured)	-	-	-	-	3.08	7.86
	Euro loan from Bankia (unsecured)	-	1.77	-	-	-	-
	EUR loan from B. Popular (unsecured)	27.09	23.19	27.64	1.88	5.72	3.01
	EUR loan from B.Sabadell & ICF (unsecured)	12.84	15.95	26.59	32.04	-	-
	Euro loan from B. Popular and Santander (unsecured)	-	207.05	300.61	-	-	-
	Lease financing loans from financial institutions (secured)	102.39	97.00	25.12	37.83	52.17	49.59
	Lease financing loans from industrial corporations (secured)	-	-	-	-	-	4.17
	<b>Total non-current portion of Long Term Borrowings</b>	<b>1,918.19</b>	<b>2,092.47</b>	<b>1,945.05</b>	<b>1,667.53</b>	<b>1,262.29</b>	<b>1,328.07</b>
	<b>The above amount includes</b>						
	-Secured borrowings	1,458.44	1,342.60	921.36	1,183.32	1,246.96	1,308.69
	-Unsecured borrowings	459.75	749.87	1,023.69	484.21	15.33	19.38
	<b>Total</b>	<b>1,918.19</b>	<b>2,092.47</b>	<b>1,945.05</b>	<b>1,667.53</b>	<b>1,262.29</b>	<b>1,328.07</b>
	<b>Current Portion of Borrowings disclosed under the head "Other current liabilities"</b>						
	Indian rupee loan from banks (secured)	337.04	262.38	234.61	274.80	296.04	380.50
	Indian rupee loan from others (secured)	112.50	151.74	267.08	223.33	174.97	174.04
	Indian rupee loan from others (unsecured)	160.00	160.00	125.00	22.50	-	-
	USD Foreign currency loan from bank (secured)	13.62	40.77	71.58	53.75	63.10	40.31
	EUR loan from BBVA (unsecured)	6.34	5.63	8.58	8.05	3.50	2.84
	Euro loan from Bankia (unsecured)	5.87	6.96	-	-	-	-
	EUR loan from B. Santander (unsecured)	-	-	-	2.55	6.17	2.62
	Euro loan from B. Popular & La Caixa (unsecured)	26.66	19.15	14.91	2.84	3.82	1.69
	EUR loan from B.Sabadell & ICF (unsecured)	9.79	8.58	8.84	1.93	-	-
	Lease financing loans from financial institutions (secured)	37.94	36.19	26.39	24.49	21.82	15.20
	Lease financing loans from industrial corporations (secured)	-	-	-	-	-	1.37
		<b>709.76</b>	<b>691.40</b>	<b>756.99</b>	<b>614.24</b>	<b>569.42</b>	<b>618.58</b>
	<b>The above amount includes</b>						
	Secured borrowings	501.10	491.08	599.66	576.37	555.93	611.43
	Unsecured borrowings	208.66	200.32	157.33	37.87	13.49	7.15
		<b>709.76</b>	<b>691.40</b>	<b>756.99</b>	<b>614.24</b>	<b>569.42</b>	<b>618.58</b>
<b>B</b>	<b>Short Term Borrowings</b>						
	Cash Credit facilities from banks (secured)	835.00	951.88	585.36	724.41	603.28	314.48
	Cash credit/WCDL/Buyer's line of credit from banks (unsecured)	1,269.11	880.76	661.48	698.45	729.56	580.84
	13.5% Loan from Hero Fincorp Limited (unsecured), repayable in 6 months	-	-	-	-	150.00	-
		<b>2,104.11</b>	<b>1,832.64</b>	<b>1,246.84</b>	<b>1,422.86</b>	<b>1,482.84</b>	<b>895.32</b>
	<b>The above amount includes</b>						
	Secured borrowings	835.00	951.88	585.36	724.41	603.28	314.48
	Unsecured borrowings	1,269.11	880.76	661.48	698.45	879.56	580.84
		<b>2,104.11</b>	<b>1,832.64</b>	<b>1,246.84</b>	<b>1,422.86</b>	<b>1,482.84</b>	<b>895.32</b>

**Notes:**

- The figures disclosed above are based on the restated consolidated summary statements of assets and liabilities of the Group and its jointly controlled entities.
- The above statement should be read with the notes to restated consolidated summary statements of assets and liabilities, Profit and Loss and cash flows as appearing in Annexure IV, statement of restatement adjustments to consolidated financial statements as appearing in annexure V.
- Refer Annexure IX for terms and conditions of secured borrowings.

**Sandhar Technologies Limited**

**Annexure IX – Consolidated Statement of Principal Terms of Secured Borrowings Outstanding as at September 30, 2017**

**Long term borrowings**

**(Rs. in Million)**

Sr.No	Lender	Nature of facility	Loan currency	Amount outstanding as at September 30, 2017	Rate of interest (%)	Repayment terms	Security / Principal terms and conditions
1	Citi Bank NA	Term Loan	INR	240.00	8.15%	The loan is repayable in 18 quarterly installments of Rs. 13,333,333 from March,2019.	
2	IndusInd Bank Limited	Term Loan	INR	13.62	11.75%	Buyers Line of Credit Availed for USD 239,212 (Due in September, 2016) & USD 359,100 (Due in November, 2016) and Indian rupee loan of Rs. 152,023,803 carries interest @ 11.75% p.a..The loan is repayable in 16 quarterly instalments of Rs. 1,56,25,000 from December,2015. The loan is repayable in 11 quarterly instalments of 44,57,647 from June 2016.	1. First pari passu charge on the entire present and future movable fixed assets of the borrower excluding those assets which are specifically funded by other lenders/Financial Institutions.
3	IndusInd Bank Limited	Term Loan	INR	89.92	11.75%	Buyers Line of Credit Availed for USD 475,199 & JPY 52,612,700 due in June 2016 and Indian rupee loan of Rs. 10,322,936 carries interest @ 11.75% p.a. .The loan is repayable in 16 quarterly instalments of Rs. 4,457,659 from February, 2015.	2. First pari passu charge on immovable properties, of the borrower as detailed below: i. 4, HSIDC Industrial Area, Delhi Gurgaon Road, Gurgaon ii. 3, HSIDC Industrial Area, Delhi Gurgaon Road, Gurgaon
4	IndusInd Bank Limited	Term Loan	INR	162.80	9.70%	The loan is repayable in 16 quarterly instalments of Rs. 10,175,000 from June,2018.	iii. Plant at Village Dhumaspur, P.O Badshahpur, Gurgaon
5	YES Bank Limited	Term Loan	INR	37.44	10.50%	The loan is repayable in 16 quarterly instalments of Rs. 9,380,000 from November,2014.	iv. Plot no. 24, Sector 3, IMT Manesar, Haryana
6	YES Bank Limited	Term Loan	INR	42.50	10.50%	The loan is repayable in 16 quarterly instalments of Rs.5,312,500 from November, 2015.	v. Plot no. 44, Sector 3, IMT Manesar, Haryana vi. # 8, Bommasandra- Jigani Link Road Industrial Area, Hubli
7	YES Bank Limited	Term Loan	INR	150.00	9.60%	The loan is repayable in 20 quarterly instalments of Rs.7,500,000 from December,2017.	vii. Plot # 12c, Sy No. 47 & 50, KIADB, Bangalore
8	ICICI Bank Limited	Term Loan	INR	75.00	10.50%	The loan is repayable in 16 quarterly instalments of Rs.9,375,000 from December, 2015.	

Sr.No	Lender	Nature of facility	Loan currency	Amount outstanding as at September 30, 2017	Rate of interest (%)	Repayment terms	Security / Principal terms and conditions
9	HDFC Bank Limited	Term Loan	INR	192.21	10.95%	<p>Indian rupee loan of Rs.250,000,000 out of which Rs.150,000,000 has been drawn in July 2015 carries interest @ 10.95% to 11.65% p.a. The loan is repayable in 16 quarterly instalments of Rs.9,375,000 from October, 2016.</p> <p>b) Indian rupee loan of Rs.6,693,750 has been drawn from balance Rs. 100,000,000 in March, 2016 which carries interest @ 10.95% to 11.25% p.a. The loan is repayable in 16 quarterly instalments of Rs. 418,359 from October, 2016</p> <p>c) Indian rupee loan of Rs.26,654,935 has been drawn from balance Rs. 100,000,000 which carries interest @ 10.95% to 11.25% p.a. The loan is repayable in 16 quarterly instalments of Rs. 1,665,933 from October, 2016</p> <p>d) Indian rupee loan of Rs.50,078,761 has been drawn from balance Rs. 100,000,000 which carries interest @ 10.95% p.a. The loan is repayable in 15 quarterly instalments of Rs. 3,338,584 from Jan, 2017</p>	<p>viii. Plot # 13a, Sy No. 47 &amp; 50, KIADB, Bangalore</p> <p>ix. Sandhar Himachal, Bharatgarh Road, Tehsil Nalagarh, District Solan, Himachal Pradesh</p> <p>x. Plot No. 7A, KIADB Industrial Area, Attibele Hobli, Anekal Taluk, Bangalore</p> <p>xi. Killa No. 1217/2, 1216 Behrampur Road, Village Khandsa, Gurgaon, Haryana * The Property Killa No. 1217/2, 1216 Behrampur Road, Village Khandsa, Gurgaon, Haryana was part of the security structure till February,2016.</p> <p>3. Second Pari passu charge on entire present and future current assets of the borrower (Yes Bank does not have second pari-passu charge on entire present and future current assets of the borrower) other than vehicles which are financed exclusively by other lenders. ;Unless mentioned otherwise</p>
10	HDFC Bank Limited	Term Loan	INR	250.00	9.9% - 9.5%	<p>Indian rupee loan of Rs.250,000,000 out of which Rs.150,000,000 has been drawn in December 2016 is repayable in quarterly instalments of Rs.6,000,000 from March 2018.</p> <p>Indian rupee loan of Rs.250,000,000 out of which Rs.100,000,000 has been drawn in January 2017 is repayable in quarterly instalments of Rs.4,000,000 from March, 2018.</p>	
11	HDFC Bank Limited	Term Loan	INR	100.00	9.15%	The loan is repayable in 20 quarterly instalments of Rs. 5,000,000 from September 2018.	
12	RBL Bank Limited	Term Loan	INR	200.00	9.85%	The loan is repayable in 54 monthly instalments of Rs.3,703,704 from August, 2018.	

Sr.No	Lender	Nature of facility	Loan currency	Amount outstanding as at September 30, 2017	Rate of interest (%)	Repayment terms	Security / Principal terms and conditions
13	Tata Capital Financial Services Limited	Term Loan	INR	37.50	10.50%	The loan is repayable in 16 quarterly instalments of Rs.62,50,000 April, 2015 .	Security Clause First & Exclusive Charge over the Immovable property being land and building belonging to the Borrower having clear and marketable title deeds as acceptable to TCFSL-Plot No16, Village Begumpur, Roorkee Tehsil, Haridwar, Plot No13, Sector 5, Phase II, Industrial Estate IMT Bawal, Haryana and Plot No14, Sector 5, Phase II, Industrial Estate IMT Bawal, Haryana. Subservient Charge on entire current assets of the borrower both present and future.
14	Tata Capital Financial Services Limited	Term Loan	INR	100.00	10.50%	The loan is repayable in 16 quarterly instalments of Rs.12,500,000 from November, 2015.	
15	Tata Capital Financial Services Limited	Term Loan	INR	112.50	10.50 – 12.25%	The loan is repayable in 16 quarterly instalments of Rs.9,375,000 from December,2016.	
16	Hero FinCorp Limited	Term Loan	INR	292.50	10.50 – 12.50%	The loan is repayable in 20 Quarterly instalment of Rs 22,500,000 from January, 2016 & February 2016	Unsecured Loan
17	Hero FinCorp Limited	Term Loan	INR	280.00	10.50 – 12.00%	The loan is repayable in 20 Quarterly instalment of Rs 17,500,000 from November 2016	Unsecured Loan
18	HDFC Bank (Mercedes Benz Loan)	Vehicle Loan	INR	8.28	9.36%	The loan is repayable in 60 monthly installment of Rs. 218,992 from July 2016.	Vehicle Loan taken, secured by hypothecation of the financed vehicle
19	HDFC Bank (Vehicle Loan)	Vehicle Loan	INR	0.66	9.39%	The loan is repayable in 35 monthly installment of Rs. 27,358 from February 2017.	Vehicle Loan taken, secured by hypothecation of the financed vehicle
20	HDFC Bank (Mercedes Loan)	Vehicle Loan	INR	5.29	7.85%	The loan is repayable in 60 monthly instalments of Rs 108,363 from September 2017.	Vehicle Loan taken, secured by hypothecation of the financed vehicle
21	Toyota Financial Services India Limited	Vehicle Loan	INR	1.49	7.98%	The loan is repayable in 36 monthly instalments of Rs. 54,831 from April 2017	Vehicle Loan taken, secured by hypothecation of the financed vehicle
22	EUR loan from BBVA and Santander	Term Loan	EUR	13.66	2%-5%	BBVA:-EUR loan of 200000 repayable in monthly instalment of Eur 3727 (including IE) from October 2014 to October 2019 Santander:-EUR loan of 200000 repayable in monthly instalment of Eur 3390 (including IE) from October 2014 to November 2019	Corporate guarantee from Parent Company
23	EUR loan of 200000 from Bankia	Term Loan	EUR	5.87	2.30%	Repayable in Monthly instalment of EUR 8534 (including IE) from July 2016 to June 2018	Comfort letter from Parent Company
24	EUR loan from B. Popular and La Caixa	Term Loan	EUR	53.75	2%-5%	Euro Loan of 300,000 from B. popular, carries Interest @ 2.75% p.a, repayable in monthly instalment of Euro 8,696 (including IE) from January, 2016 to December 2018	Unsecured

Sr.No	Lender	Nature of facility	Loan currency	Amount outstanding as at September 30, 2017	Rate of interest (%)	Repayment terms	Security / Principal terms and conditions
						<p>Euro Loan of 3,00,000 from La Caixa, carries Interest @ 2% p.a, repayable in monthly instalment of Euro 6,250+IE from October,2015 to September 2019</p> <p>Euro Loan of 300,000 from B. popular, carries Interest @ 3.00% p.a, repayable in monthly instalment of Euro 8,724 (including IE) from September, 2016 to August 2019</p> <p>Euro Loan of 230,000 from B. popular, carries Interest @ 3.65% p.a, repayable in monthly instalment of Euro 6,760 (including IE) from September, 2017 to August 2020 October,2015</p>	
25	B.Sabadell & ICF (secured)	Term Loan	EUR	22.62	4%-5%	<p>B Sabadell:-EUR loan of 250000 repayable in monthly instalment of Eur 5208 from December 2015</p> <p>ICF:-EUR loan of 250000 repayable in monthly instalment of Eur 5208 from December 2015</p>	Comfort letter from Parent Company
26	Lease financing loans from financial institutions (secured)	Term Loan	EUR	140.33	2%-5%	Lease financing loans from financial institutions, carries interest @ 2% to 5%, monthly instalment ranging from Eur 76 to Eur 7474	Specific Lease Financing
	<b>Total</b>			<b>2,627.94</b>			

**Notes:**

- The figures disclosed above are based on the restated consolidated summary statements of assets and liabilities of the Group and its jointly controlled entities.
- The above statement should be read with the notes to restated consolidated summary statements of assets and liabilities, Profit and Loss and cash flows as appearing in Annexure IV, statement of restatement adjustments to consolidated financial statements as appearing in annexure V.
- The rates of interest given above are base rate plus spread as agreed with the lenders in the respective facility letters.
- The above includes long-term borrowings disclosed under Annexure VIII and the current maturities of long-term borrowings included in other current liabilities under Annexure XII.

**SHORT TERM BORROWINGS**

S No.	Lender	Nature of facility	Loan currency	Amount outstanding as at September 30, 2017	Rate of interest (%)	Repayment terms	Security/Principal terms and conditions
1	Citi Bank N.A.	Cash Credit	INR	31.02	11.00%	On Demand	1. First Pari passu charge on entire present and future current assets of the borrower other than vehicles which are financed exclusively by other lenders. Unless mentioned otherwise 2. Second Pari passu charge on the entire present and future movable fixed assets of the borrower excluding those assets which are specifically funded by other lenders/Financial Institutions 3. Second Pari passu charge on immovable properties, of the borrower as detailed below: i. 4, HSIDC Industrial Area, Delhi Gurgaon Road, Gurgaon ii. 3, HSIDC Industrial Area, Delhi Gurgaon Road, Gurgaon iii. Plant at Village Dhumaspur, P.O Badshahpur, Gurgaon iv. Plot no. 24, Sector 3, IMT Manesar, Haryana v. Plot no. 44, Sector 3, IMT Manesar, Haryana vi. # 8, Bommasandra-Jigani Link Road Industrial Area, Hubli vii. Plot # 12c, Sy No. 47 & 50, KIADB, Bangalore viii. Plot # 13a, Sy No. 47 & 50, KIADB, Bangalore ix. Sandhar Himachal, Bharatgarh Road, Tehsil
2	State Bank of India	Cash Credit	INR	34.46	10.40%	On Demand	
3	ICICI Bank Limited	Cash Credit	INR	10.10	10.50%	On Demand	
4	Indusind Bank Limited	Cash Credit	INR	13.49	10.20%	On Demand	
5	Yes Bank Limited	Cash Credit	INR	39.24	11.25%	On Demand	
6	DBS Bank Limited	Cash Credit	INR	63.91	10.65%	On Demand	
7	HDFC Bank Limited	Cash Credit	INR	37.81	11.30%	On Demand	

S No.	Lender	Nature of facility	Loan currency	Amount outstanding as at September 30, 2017	Rate of interest (%)	Repayment terms	Security/Principal terms and conditions
							Nalagarh, District Solan, Himachal Pradesh x. Plot No. 7A, KIADB Industrial Area, Attibele Hobli, Anekal Taluk, Bangalore xi. Killa No. 1217/2, 1216 Behrampur Road, Village Khandsa, Gurgaon, Haryana
8	HDFC Bank Limited	Commercial Paper	INR	200.00	7.40%	90 days	Not applicable
9	Citi Bank N.A.	FCNR	INR	100.00	9.00%	1 year	Not applicable
10	Yes Bank Limited	Vendor Financing Facility	INR	85.54	8.50%	Not applicable	Not applicable
11	HDFC Bank Limited	HMCL bill discounting	INR	207.28	8.50%	Not applicable	Not applicable
12	Popular	WC line (Bank Overdraft)	EUR	37.81	2.75%	at tenure	Corporate Warranty STL
13	Bbva	WC line (Bank Overdraft)	EUR	6.31	2.60%	at tenure	Comfort letter
14	Bbva	Receivables financing	EUR	9.01	2.60%	Customer pays	CGT
15	Sabadell	Recourse Factoring	EUR	13.86	1.55%	Customer pays	CL
16	Popular	Receivables financing	EUR	33.63	2.88%	Customer pays	Invoices
17	Popular	Payables financing (Confirming Line)	EUR	36.73	2.75%	90 days revolving	CGT
18	Bankinter	Receivables financing	EUR	30.33	3.00%	Customer pays	CL
19	Santander	Receivables financing	EUR	46.03	1.25%	Customer pays	CL
20	Abanca	WC line (Bank Overdraft)	EUR	7.64	2.00%	at tenure	Comfort letter
21	Bankinter	WC line (Bank Overdraft)	EUR	227.33	1.00%	at tenure	SBLC
22	Popular	Bullet loan	EUR	138.01	1.60%	at tenure	SBLC
23	Caixa Bank	WC line (Bank Overdraft)	EUR	150.30	1.00%	at tenure	SBLC
24	Banntierra	Receivables financing	EUR	30.80	2.00%	Customer pays	Invoices
25	Ibercaja	Receivables financing	EUR	22.33	1.74%	Customer pays	Invoices
26	Bankia	Receivables financing	EUR	18.00	2.35%	Customer pays	Invoices
27	Caixa Bank	Receivables financing	EUR	50.58	2.00%	Customer pays	Invoices
28	Caixa Bank	Receivables financing	USD	0.96	2.00%	Customer pays	Invoices
29	Bankia	Receivables financing	USD	13.09	2.35%	Customer pays	CL
30	Santander	Receivables financing	USD	1.14	1.25%	Customer pays	CL
31	Abanca	Import financing	EUR	16.40	2.00%	90 days revolving	CL
32	Bankinter	Import financing	EUR	7.12	3.00%	90 days revolving	CL
33	Bankia	Import financing	EUR	40.74	2.35%	90 days revolving	CL
34	Banntierra	WCL	EUR	15.43	2.00%	at tenure	NONE
35	Ibercaja	WCL	EUR	11.37	1.74%	at tenure	NONE

S No.	Lender	Neture of facility	Loan currency	Amount outstanding as at September 30, 2017	Rate of interest (%)	Repayment terms	Security/Principal terms and conditions
36	Banntierra	Suppliers financing	EUR	15.43	2.00%	90 days revolving	NONE
37	Ibercaja	Suppliers financing	EUR	25.63	1.85%	90 days revolving	NONE
38	Popular	Import financing	EUR	7.71	4.25%	90 days revolving	NONE
39	Caixa Bank	Suppliers financing	EUR	9.15	2.00%	90 days revolving	NONE
40	Santander	WC line (Bank Overdraft)	EUR	230.55	1.25%	at tenure	SBLC
41	Bbva	Import financing	EUR	15.69	2.60%	90 days revolving	Corporate Warranty STL
42	Indusind Bank Limited	Cash Credit	INR	12.15			CL
	<b>Total</b>			<b>2,104.11</b>			

**Notes:**

1. The figures disclosed above are based on the restated consolidated summary statements of assets and liabilities of the Group and its jointly controlled entities.
2. The above statement should be read with the notes to restated consolidated summary statements of assets and liabilities, Profit and Loss and cash flows as appearing in Annexure IV, statement of restatement adjustments to consolidated financial statements as appearing in annexure V.
3. The rate of interest given above are base rate plus spread as agreed with the lenders in the respective facility letters.



**Sandhar Technologies Limited**

**Annexure X - Restated Consolidated Statement of Deferred tax liability and asset**

(Rs. In Million)

	30 September 2017	31 March 2017	31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13
<b>Deferred tax liabilities (net)</b>						
<b>Deferred tax liability</b>						
Excess of Written Down Value (“WDV”) of PPE under Income-tax law over WDV of PPE in accounts	147.28	148.77	136.01	138.97	170.83	164.73
<b>Total deferred tax liability</b>	147.28	148.77	136.01	138.97	170.83	164.73
<b>Deferred tax asset</b>						
Impact of expenditure charged to the Statement of Profit and Loss in the current period/ earlier years but allowed for tax purposes on payment basis:						
-Provision for employee benefit	34.45	32.34	25.35	21.56	14.00	11.35
-Provision for doubtful debt and advances	20.32	20.43	19.59	5.05	5.08	4.85
-Others (Provision for Bonus, LTA and Commission payable)	10.82	12.81	11.33	6.38	6.83	8.13
<b>Total deferred tax asset</b>	65.59	65.58	56.27	32.99	25.91	24.33
<b>Deferred tax liability (net)</b>	81.69	83.19	79.74	105.98	144.92	140.40

	30 September 2017	31 March 2017	31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13
<b>Deferred tax assets (net)</b>						
<b>Deferred tax liability</b>						
Excess of Written Down Value (“WDV”) of PPE under Income-tax law over WDV of PPE in accounts	1.88	2.92	1.58	0.16	0.02	0.61
<b>Total deferred tax liability</b>	1.88	2.92	1.58	0.16	0.02	0.61
<b>Deferred tax asset</b>						
Impact of expenditure charged to the Statement of Profit and Loss in the current period/ earlier years but allowed for tax purposes on payment basis:						
- Business loss carried forward as per income tax	14.27	12.08	-	-	-	-
-Provision for employee benefit	0.72	0.61	0.33	0.20	0.37	0.39
-Provision for doubtful debt and advances	0.06	0.06	-	-	-	3.87
-Others (Provision for Bonus, LTA and Commission payable)	0.24	0.12	7.35	3.11	0.08	0.08
<b>Total deferred tax asset</b>	15.29	12.87	7.68	3.31	0.45	4.34
<b>Deferred tax asset (net)</b>	13.41	9.95	6.10	3.15	0.43	3.73

**Note:**

- i. The figures disclosed above are based on the restated consolidated summary statement of assets and liabilities and statement of profit and loss of the Group and its jointly controlled entities.
- ii. The above statement should be read with the notes to restated consolidated summary statements of assets and liabilities, Profit and Loss and cash flows as appearing in Annexure IV, statement of restatement adjustments to consolidated financial statements as appearing in annexure V.

**Sandhar Technologies Limited**

**Annexure XI - Restated Consolidated Statement of Long Term & Short-Term Provisions**

(Rs. In Million)

S. No	Particulars	30-Sep-17	31-Mar-17	31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13
A	<b>Long Term Provisions</b>						
	<b>Provision for employee benefits</b>						
	(i) Provision for compensated absences	3.12	2.35	1.75	-	-	-
	(ii) Provision for gratuity	6.38	5.82	4.03	-	1.96	1.37
	<b>Total Long Term Provisions</b>	<b>9.50</b>	<b>8.17</b>	<b>5.78</b>	<b>-</b>	<b>1.96</b>	<b>1.37</b>

(Rs. In Million)

B	Short Term Provisions	30-Sep-17	31-Mar-17	31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13
	<b>Provision for employee benefits</b>						
	(i) Provision for compensated absences	70.46	67.23	54.03	46.76	32.34	28.61
	(ii) Provision for gratuity	23.67	21.68	16.48	20.95	8.24	6.19
		<b>94.13</b>	<b>88.91</b>	<b>70.51</b>	<b>67.71</b>	<b>40.58</b>	<b>34.80</b>
	<b>Other provisions</b>						
	Provision for income tax (net of tax paid)	116.52	21.59	13.14	49.46	32.58	3.08
	Provision for wealth tax	-	-	-	0.29	0.23	0.23
	Provision for warranty*	6.29	10.01	11.12	11.36	7.49	7.25
	Provision for contingencies**	-	-	0.25	0.25	0.25	0.25
	Other Provisions	19.12	17.82	-	0.17	-	-
		<b>141.93</b>	<b>49.42</b>	<b>24.51</b>	<b>61.53</b>	<b>40.55</b>	<b>10.81</b>
	<b>Total</b>	<b>236.06</b>	<b>138.33</b>	<b>95.02</b>	<b>129.24</b>	<b>81.13</b>	<b>45.61</b>

* Provision for warranty	30-Sep-17	31-Mar-17	31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13
At the beginning of the year	10.01	11.12	11.36	7.49	7.25	5.43
Arising during the year	2.27	4.78	6.71	7.66	5.41	6.49
Utilized during the year	(5.99)	(5.89)	(6.57)	(3.79)	(5.17)	(4.67)
Adjustment on account of exit from joint venture	-	-	(0.38)	-	-	-
<b>At the end of the year</b>	<b>6.29</b>	<b>10.01</b>	<b>11.12</b>	<b>11.36</b>	<b>7.49</b>	<b>7.25</b>

**\*\*Provision for contingencies**

At the beginning of the year	-	0.25	0.25	0.25	0.25	1.79
Arising during the year	-	-	-	-	-	-
Utilized during the year	-	(0.25)	-	-	-	(1.54)
At the end of the year	-	-	<b>0.25</b>	<b>0.25</b>	<b>0.25</b>	<b>0.25</b>

Provision for income tax (net of tax paid) represents the estimated amount of liability out of income tax cases for earlier years.

**Notes:**

- i. The figures disclosed above are based on the restated consolidated summary statement of Assets and Liabilities of the Group and its jointly controlled entities.
- ii. The above statement should be read with the notes to restated consolidated summary statements of assets and liabilities, Profit and Loss and cash flows as appearing in Annexure IV, statement of restatement adjustments to consolidated financial statements as appearing in annexure V.
- iii. As per the amendments in AS-4 (Contingencies and Events Occurring after the Balance Sheet Date), if an enterprises declare dividend to the shareholders after the balance sheet date, the enterprises should not recognized those dividend as a liability at the balance sheet date unless a statute requires otherwise. Hence, we had not considered the final dividend proposed by the company after the balance sheet date for the year ended March 31, 2017, 2016, 2015, 2014 and 2013. The corporate dividend tax and amount transferred to general reserves has been adjusted accordingly.

**Sandhar Technologies Limited**

**Annexure XII – Restated Consolidated Statement of Trade Payable and Other Current Liabilities**

(Rs. in Million)

S.No.	Particulars	30-Sep-17	31-Mar-17	31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13
<b>A</b>	<b>Trade Payable</b>						
	Trade payable						
	• total outstanding dues of micro and small enterprises	189.38	149.72	122.65	124.42	136.26	100.20
	• total outstanding dues of trade payable other than micro and small enterprises	2,963.35	2,212.60	2,127.43	2,124.49	1,700.48	1,522.85
	<b>Total</b>	<b>3,152.73</b>	<b>2,362.32</b>	<b>2,250.08</b>	<b>2,248.91</b>	<b>1,836.74</b>	<b>1,623.05</b>
<b>B</b>	<b>Other Current Liabilities</b>						
	Current maturities of long-term borrowings	709.76	691.40	756.99	614.24	569.43	618.58
	Interest accrued but not due on borrowings	4.50	8.68	9.23	7.73	4.19	5.60
	Interest accrued and due on borrowings	8.71	9.38	5.20	4.92	6.58	1.78
	Statutory dues	198.97	85.07	87.84	79.77	101.01	81.76
	Others payable	181.58	150.16	109.33	111.35	194.49	78.33
	Security deposit	4.71	4.86	5.14	3.39	3.87	3.44
	Payable for capital goods	306.07	188.46	245.31	157.44	111.85	74.39
		<b>1,414.30</b>	<b>1,138.01</b>	<b>1,219.04</b>	<b>978.84</b>	<b>991.42</b>	<b>863.88</b>
	<b>Grand Total</b>	<b>4,567.03</b>	<b>3,500.33</b>	<b>3,469.12</b>	<b>3,227.75</b>	<b>2,828.16</b>	<b>2,486.93</b>

**Notes:**

- i. The figures disclosed above are based on the restated consolidated summary statement of assets and liabilities of the Group and its jointly controlled entities.
- ii. The above statement should be read with the notes to restated consolidated summary statements of assets and liabilities, Profit and Loss and cash flows as appearing in Annexure IV, statement of restatement adjustments to consolidated financial statements as appearing in annexure V.
- iii. Following are the amounts due to related parties:

(Rs. in Million)

Particulars	September 30, 2017	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
<b>Relatives of Key Managerial Person:</b>						
Urmila Joshi	-	0.06	0.06	-	0.06	-
Sonal Joshi	-	-	-	-	0.06	-
<b>Enterprises over which relatives of KMP are able to exercise significant control:</b>						
Swaran Enterprises	31.22	24.87	27.62	21.68	24.90	21.45
<b>Key Managerial Person</b>						
Jayant Davar	21.38	17.11	15.08	16.64	14.04	-
Arvind Joshi	3.67	3.59	3.31	2.84	2.20	-

**Sandhar Technologies Limited**

**Annexure XIII – Restated Consolidated Statement of Property Plant and Equipment and Intangible Assets**

<b>Property plant and equipment (Rs. In Millions)</b>								
<b>Particulars</b>	<b>Land - Freehold</b>	<b>Land - Leasehold</b>	<b>Buildings</b>	<b>Furniture and fixtures</b>	<b>Office equipment</b>	<b>Plant and equipment</b>	<b>Vehicles</b>	<b>Total</b>
<b>Gross block (cost)</b>								
<b>At 1 April 2012</b>	<b>344.28</b>	<b>109.88</b>	<b>704.02</b>	<b>53.47</b>	<b>154.29</b>	<b>2,532.92</b>	<b>72.50</b>	<b>3,971.36</b>
Additions	27.95	14.13	32.17	2.83	17.85	341.92	4.07	440.92
Disposals	-	-	-	-	2.00	37.51	6.03	45.54
Acquisitions through amalgamation	484.86	-	182.15	2.60	1.90	217.89	6.28	895.68
Currency translation adjustment	-	-	-	-	0.10	4.08	-	4.18
<b>At 31 March 2013</b>	<b>857.09</b>	<b>124.01</b>	<b>918.34</b>	<b>58.90</b>	<b>172.14</b>	<b>3,059.30</b>	<b>76.82</b>	<b>5,266.60</b>
<b>Accumulated Depreciation/Amortization</b>								
<b>At 1 April 2012</b>	<b>-</b>	<b>2.40</b>	<b>113.16</b>	<b>17.07</b>	<b>91.92</b>	<b>933.12</b>	<b>37.88</b>	<b>1,195.55</b>
For the year	-	1.22	32.22	3.62	19.80	268.79	10.18	335.83
Disposals	-	-	-	-	1.97	30.90	3.25	36.12
Currency translation adjustment	-	-	-	-	0.04	0.97	-	1.01
<b>At 31 March 2013</b>	<b>-</b>	<b>3.62</b>	<b>145.38</b>	<b>20.69</b>	<b>109.79</b>	<b>1,171.98</b>	<b>44.81</b>	<b>1,496.27</b>
<b>Net block At 31 March 2013</b>	<b>857.09</b>	<b>120.39</b>	<b>772.96</b>	<b>38.21</b>	<b>62.35</b>	<b>1,887.32</b>	<b>32.01</b>	<b>3,770.33</b>
<b>Gross block (cost)</b>								
<b>At 1 April 2013</b>	<b>857.09</b>	<b>124.01</b>	<b>918.34</b>	<b>58.90</b>	<b>172.14</b>	<b>3,059.30</b>	<b>76.82</b>	<b>5,266.60</b>
Additions	3.75	41.24	176.95	12.44	25.14	364.57	3.86	627.95
Disposals	-	-	0.07	0.37	6.85	48.02	-	55.31
Currency translation adjustment	-	-	-	-	2.78	133.22	-	136.00
<b>At 31 March 2014</b>	<b>860.84</b>	<b>165.25</b>	<b>1,095.22</b>	<b>70.97</b>	<b>193.21</b>	<b>3,509.07</b>	<b>80.68</b>	<b>5,975.24</b>
<b>Accumulated Depreciation/Amortization</b>								
<b>At 1 April 2013</b>	<b>-</b>	<b>3.62</b>	<b>145.38</b>	<b>20.69</b>	<b>109.79</b>	<b>1,171.98</b>	<b>44.81</b>	<b>1,496.27</b>
For the year	-	1.57	32.33	4.48	24.05	298.14	8.88	369.45
Disposals	-	-	0.01	0.29	6.44	38.55	-	45.29
Currency translation adjustment	-	-	-	0.02	1.61	38.17	-	39.80
<b>At 31 March 2014</b>	<b>-</b>	<b>5.19</b>	<b>177.70</b>	<b>24.90</b>	<b>129.01</b>	<b>1,469.74</b>	<b>53.69</b>	<b>1,860.23</b>
<b>Net block At 31 March 2014</b>	<b>860.84</b>	<b>160.06</b>	<b>917.52</b>	<b>46.07</b>	<b>64.20</b>	<b>2,039.33</b>	<b>26.99</b>	<b>4,115.01</b>
<b>Gross block (cost)</b>								
<b>At 1 April 2014</b>	<b>860.84</b>	<b>165.25</b>	<b>1,095.22</b>	<b>70.97</b>	<b>193.21</b>	<b>3,509.07</b>	<b>80.68</b>	<b>5,975.24</b>
Additions	139.49	-	126.24	6.79	32.38	852.66	8.11	1,165.67
Disposals	-	1.74	14.77	0.32	1.52	32.71	0.23	51.29
Transfer to assets held for sale	-	-	-	-	-	0.38	-	0.38
Currency translation adjustment	-	-	-	-	(3.61)	(197.54)	-	(201.15)
<b>At 31 March 2015</b>	<b>1,000.33</b>	<b>163.51</b>	<b>1,206.69</b>	<b>77.44</b>	<b>220.46</b>	<b>4,131.10</b>	<b>88.56</b>	<b>6,888.09</b>
<b>Accumulated Depreciation/Amortization</b>								
<b>At 1 April 2014</b>	<b>-</b>	<b>5.19</b>	<b>177.70</b>	<b>24.90</b>	<b>129.01</b>	<b>1,469.74</b>	<b>53.69</b>	<b>1,860.23</b>
For the year	-	1.76	46.25	9.65	31.15	393.93	7.98	490.72
Depreciation adjustments in retained earnings	-	-	0.23	1.84	4.80	40.38	-	47.25
Disposals	-	1.71	14.29	0.31	1.52	30.17	0.23	48.23
Currency translation adjustment	-	-	-	-	(2.77)	(66.11)	-	(68.88)
<b>At 31 March 2015</b>	<b>-</b>	<b>5.24</b>	<b>209.89</b>	<b>36.08</b>	<b>160.67</b>	<b>1,807.77</b>	<b>61.44</b>	<b>2,281.09</b>
<b>Net block At 31 March 2015</b>	<b>1,000.33</b>	<b>158.27</b>	<b>996.80</b>	<b>41.36</b>	<b>59.79</b>	<b>2,323.33</b>	<b>27.12</b>	<b>4,607.00</b>
<b>Gross block (cost)</b>								
<b>At 1 April 2015</b>	<b>1,000.33</b>	<b>163.51</b>	<b>1,206.69</b>	<b>77.44</b>	<b>220.46</b>	<b>4,131.10</b>	<b>88.56</b>	<b>6,888.09</b>
Additions	33.77	85.52	140.04	5.63	41.68	671.19	11.23	989.06
Add: Adjustment on account of Acquisition of joint venture	-	-	-	-	0.18	-	-	0.18
Less: Adjustment on account of exit from joint venture	-	-	-	0.16	0.77	18.39	0.71	20.03

Property plant and equipment (Rs. In Millions)								
Particulars	Land - Freehold	Land - Leasehold	Buildings	Furniture and fixtures	Office equipment	Plant and equipment	Vehicles	Total
Disposals	-	-	0.80	1.92	11.39	29.66	9.15	52.92
Currency translation adjustment	-	-	-	0.21	1.98	112.81	-	115.00
<b>At 31 March 2016</b>	<b>1,034.10</b>	<b>249.03</b>	<b>1,345.93</b>	<b>81.20</b>	<b>252.14</b>	<b>4,867.05</b>	<b>89.93</b>	<b>7,919.38</b>
<b>Accumulated Depreciation/Amortization</b>								
<b>At 1 April 2015</b>	-	5.24	209.89	36.08	160.67	1,807.77	61.44	2,281.09
For the year	-	2.47	52.98	7.90	31.05	405.91	8.62	508.93
Add: Adjustment on account of Acquisition of joint venture	-	-	-	-	0.05	-	-	0.05
Less: Adjustment on account of exit from joint venture	-	-	-	0.05	0.62	6.62	0.41	7.70
Disposals	-	-	0.10	1.64	10.57	25.73	8.12	46.16
Currency translation adjustment	-	-	-	0.04	1.50	38.41	-	39.95
<b>At 31 March 2016</b>	-	<b>7.71</b>	<b>262.77</b>	<b>42.33</b>	<b>182.08</b>	<b>2,219.74</b>	<b>61.53</b>	<b>2,776.16</b>
<b>Net block At 31 March 2016</b>	<b>1,034.10</b>	<b>241.32</b>	<b>1,083.16</b>	<b>38.87</b>	<b>70.06</b>	<b>2,647.31</b>	<b>28.40</b>	<b>5,143.22</b>
<b>Gross block (cost)</b>								
<b>At 1 April 2016</b>	<b>1,034.10</b>	<b>249.03</b>	<b>1,345.93</b>	<b>81.20</b>	<b>252.14</b>	<b>4,867.05</b>	<b>89.93</b>	<b>7,919.38</b>
Addition for the year	-	-	267.07	11.56	65.54	975.29	20.31	1,339.77
Disposals	-	3.22	2.96	0.13	3.43	11.86	3.94	25.54
Currency translation adjustment	-	-	-	(0.27)	(2.00)	(119.91)	-	(122.18)
<b>At 31 March 2017</b>	<b>1,034.10</b>	<b>245.81</b>	<b>1,610.04</b>	<b>92.36</b>	<b>312.25</b>	<b>5,710.57</b>	<b>106.30</b>	<b>9,111.43</b>
<b>Accumulated Depreciation/Amortization</b>								
<b>At 1 April 2016</b>	-	7.71	262.77	42.33	182.08	2,219.74	61.53	2,776.16
For the year	-	2.61	56.85	8.72	35.37	441.43	11.03	556.01
Deletion	-	0.07	1.45	0.12	3.40	9.09	3.87	18.00
Currency translation adjustment	-	-	-	(0.03)	(1.45)	(40.00)	-	(41.48)
<b>At 31 March 2017</b>	-	<b>10.25</b>	<b>318.17</b>	<b>50.90</b>	<b>212.60</b>	<b>2,612.08</b>	<b>68.69</b>	<b>3,272.69</b>
<b>Net block At 31 March 2017</b>	<b>1,034.10</b>	<b>235.56</b>	<b>1,291.87</b>	<b>41.46</b>	<b>99.65</b>	<b>3,098.49</b>	<b>37.61</b>	<b>5,838.74</b>
<b>Gross block (cost)</b>								
<b>At 1 April 2017</b>	<b>1,034.10</b>	<b>245.81</b>	<b>1,610.04</b>	<b>92.36</b>	<b>312.25</b>	<b>5,710.57</b>	<b>106.30</b>	<b>9,111.43</b>
Addition for the year	-	24.05	22.91	10.11	14.04	415.54	12.45	499.10
Disposals	-	-	1.34	0.53	1.88	7.78	4.13	15.66
Currency translation adjustment	-	-	-	0.35	2.45	155.77	-	158.57
<b>At 30 September 2017</b>	<b>1,034.10</b>	<b>269.86</b>	<b>1,631.61</b>	<b>102.29</b>	<b>326.86</b>	<b>6,274.10</b>	<b>114.62</b>	<b>9,753.44</b>
<b>Accumulated Depreciation/Amortization</b>								
<b>At 1 April 2017</b>	-	10.25	318.17	50.90	212.60	2,612.08	68.69	3,272.69
For the year	-	1.30	33.07	4.22	18.25	249.42	5.71	311.97
Deletion	-	-	1.23	0.45	1.88	7.44	4.13	15.13
Currency translation adjustment	-	-	-	0.04	2.03	57.27	-	59.34
<b>At 30 September 2017</b>	-	<b>11.55</b>	<b>350.01</b>	<b>54.71</b>	<b>231.00</b>	<b>2,911.33</b>	<b>70.27</b>	<b>3,628.87</b>
<b>Net block At 30 September 2017</b>	<b>1,034.10</b>	<b>258.31</b>	<b>1,281.60</b>	<b>47.58</b>	<b>95.86</b>	<b>3,362.77</b>	<b>44.35</b>	<b>6,124.57</b>

<b>Intangible Assets (Rs. In Millions)</b>					
<b>Particulars</b>	<b>Computer Software</b>	<b>Technical Know How</b>	<b>Goodwill</b>	<b>Plant Supervision Cost</b>	<b>Total</b>
<b>Gross block (cost)</b>					
<b>At 1 April 2012</b>	<b>40.92</b>	<b>51.59</b>	-	<b>2.20</b>	<b>94.71</b>
Additions	8.49	14.97	-	-	23.46
Disposals	0.14	-	-	-	0.14
Acquisitions through amalgamation	0.59	-	-	-	0.59
Currency translation adjustment	0.04	-	-	-	0.04
<b>At 31 March 2013</b>	<b>49.90</b>	<b>66.56</b>	-	<b>2.20</b>	<b>118.66</b>
<b>Accumulated Depreciation/Amortization</b>					
<b>At 1 April 2012</b>	<b>25.92</b>	<b>26.68</b>	-	<b>1.32</b>	<b>53.92</b>
For the year	9.83	8.84	-	0.44	19.11
Disposals	0.14	-	-	-	0.14
Currency translation adjustment	0.02	-	-	-	0.02
<b>At 31 March 2013</b>	<b>35.63</b>	<b>35.52</b>	-	<b>1.76</b>	<b>72.91</b>
<b>Net block At 31 March 2013</b>	<b>14.27</b>	<b>31.04</b>	-	<b>0.44</b>	<b>45.75</b>
<b>Gross block (cost)</b>					
<b>At 1 April 2013</b>	<b>49.90</b>	<b>66.56</b>	-	<b>2.20</b>	<b>118.66</b>
Additions	29.97	12.94	-	-	42.91
Disposals	-	-	-	-	-
Currency translation adjustment	0.84	-	-	-	0.84
<b>At 31 March 2014</b>	<b>80.71</b>	<b>79.50</b>	-	<b>2.20</b>	<b>162.41</b>
<b>Accumulated Depreciation/Amortization</b>					
<b>At 1 April 2013</b>	<b>35.63</b>	<b>35.52</b>	-	<b>1.76</b>	<b>72.91</b>
For the year	7.46	11.57	-	0.44	19.47
Disposals	-	-	-	-	-
Currency translation adjustment	0.68	-	-	-	0.68
<b>At 31 March 2014</b>	<b>43.77</b>	<b>47.09</b>	-	<b>2.20</b>	<b>93.06</b>
<b>Net block At 31 March 2014</b>	<b>36.94</b>	<b>32.41</b>	-	-	<b>69.35</b>
<b>Gross block (cost)</b>					
<b>At 1 April 2014</b>	<b>80.71</b>	<b>79.50</b>	-	<b>2.20</b>	<b>162.41</b>
Additions	14.96	22.34	76.17	-	113.47
Disposals	-	-	-	-	-
Transfer to assets held for sale	-	-	-	-	-
Currency translation adjustment	(1.42)	-	-	-	(1.42)
<b>At 31 March 2015</b>	<b>94.25</b>	<b>101.84</b>	<b>76.17</b>	<b>2.20</b>	<b>274.46</b>
<b>Accumulated Depreciation/Amortization</b>					
<b>At 1 April 2014</b>	<b>43.77</b>	<b>47.09</b>	-	<b>2.20</b>	<b>93.06</b>
For the year	10.70	11.08	5.70	-	27.48
Depreciation adjustments in retained earnings	-	-	-	-	-
Disposals	-	-	-	-	-
Currency translation adjustment	(0.89)	-	-	-	(0.89)
<b>At 31 March 2015</b>	<b>53.58</b>	<b>58.17</b>	<b>5.70</b>	<b>2.20</b>	<b>119.65</b>
<b>Net block At 31 March 2015</b>	<b>40.67</b>	<b>43.67</b>	<b>70.47</b>	-	<b>154.81</b>
<b>Gross block (cost)</b>					
<b>At 1 April 2015</b>	<b>94.25</b>	<b>101.84</b>	<b>76.17</b>	<b>2.20</b>	<b>274.46</b>
Additions	23.04	-	-	-	23.04
Add: Adjustment on account of Acquisition of joint venture	0.17	-	-	-	0.17
Less: Adjustment on account of exit from joint venture	0.46	-	-	-	0.46
Disposals	0.04	-	-	-	0.04
Currency translation adjustment	0.89	-	-	-	0.89
<b>At 31 March 2016</b>	<b>117.85</b>	<b>101.84</b>	<b>76.17</b>	<b>2.20</b>	<b>298.06</b>

<b>Intangible Assets (Rs. In Millions)</b>					
<b>Particulars</b>	<b>Computer Software</b>	<b>Technical Know How</b>	<b>Goodwill</b>	<b>Plant Supervision Cost</b>	<b>Total</b>
<b>Accumulated Depreciation/Amortization</b>					
<b>At 1 April 2015</b>	<b>53.58</b>	<b>58.17</b>	<b>5.70</b>	<b>2.20</b>	<b>119.65</b>
For the year	14.75	13.55	15.23	-	43.53
Add: Adjustment on account of Acquisition of joint venture	0.02	-	-	-	0.02
Less: Adjustment on account of exit from joint venture	0.14	-	-	-	0.14
Disposals	0.04	-	-	-	0.04
Currency translation adjustment	0.51	-	-	-	0.51
<b>At 31 March 2016</b>	<b>68.68</b>	<b>71.72</b>	<b>20.93</b>	<b>2.20</b>	<b>163.53</b>
<b>Net block At 31 March 2016</b>	<b>49.17</b>	<b>30.12</b>	<b>55.24</b>	<b>-</b>	<b>134.53</b>
<b>Gross block (cost)</b>					
<b>At 1 April 2016</b>	<b>117.85</b>	<b>101.84</b>	<b>76.17</b>	<b>2.20</b>	<b>298.06</b>
Addition for the year	25.00	6.87	-	-	31.87
Disposals	-	-	-	-	-
Currency translation adjustment	(0.90)	-	-	-	(0.90)
<b>At 31 March 2017</b>	<b>141.95</b>	<b>108.71</b>	<b>76.17</b>	<b>2.20</b>	<b>329.03</b>
<b>Accumulated Depreciation/Amortization</b>					
<b>At 1 April 2016</b>	<b>68.68</b>	<b>71.72</b>	<b>20.93</b>	<b>2.20</b>	<b>163.53</b>
For the year	18.18	13.01	15.23	-	46.42
Deletion	-	-	-	-	-
Currency translation adjustment	(0.56)	-	-	-	(0.56)
<b>At 31 March 2017</b>	<b>86.30</b>	<b>84.73</b>	<b>36.16</b>	<b>2.20</b>	<b>209.39</b>
<b>Net block At 31 March 2017</b>	<b>55.65</b>	<b>23.98</b>	<b>40.01</b>	<b>-</b>	<b>119.64</b>
<b>Gross block (cost)</b>					
<b>At 1 April 2017</b>	<b>141.95</b>	<b>108.71</b>	<b>76.17</b>	<b>2.20</b>	<b>329.03</b>
Addition for the year	4.21	8.86	-	-	13.07
Disposals	-	-	-	-	-
Currency translation adjustment	1.37	-	-	-	1.37
<b>At 30 September 2017</b>	<b>147.53</b>	<b>117.57</b>	<b>76.17</b>	<b>2.20</b>	<b>343.47</b>
<b>Accumulated Depreciation/Amortization</b>					
<b>At 1 April 2017</b>	<b>86.30</b>	<b>84.73</b>	<b>36.16</b>	<b>2.20</b>	<b>209.39</b>
For the year	9.91	6.44	7.64	-	23.99
Deletion	-	-	-	-	-
Currency translation adjustment	0.82	-	-	-	0.82
<b>At 30 September 2017</b>	<b>97.03</b>	<b>91.17</b>	<b>43.80</b>	<b>2.20</b>	<b>234.20</b>
<b>Net block At 30 September 2017</b>	<b>50.50</b>	<b>26.40</b>	<b>32.37</b>	<b>-</b>	<b>109.27</b>

**Notes:**

- (i) The figures disclosed above are based on the restated consolidated summary statement of assets and liabilities of the Group and its jointly controlled entities.
- (ii) The above statement should be read with the notes to restated consolidated summary statements of assets and liabilities, Profit and Loss and cash flows as appearing in Annexure IV, statement of restatement adjustments to consolidated financial statements as appearing in Annexure V.
- (iii) **Other Notes on Property, plant and Equipment**
  - a) Land aggregating to Rs 59.67 million transferred to the Parent company pursuant to the scheme of amalgamation dated December 29, 2005 are pending for registration in the name of the Parent company
  - b) Land aggregating to Rs 500.67 million transferred to the Parent company pursuant to the scheme of amalgamation duly approved by Honorable High Court of Delhi, vide its order dated May 02, 2013 are pending for registration in the name of the Parent company

**Sandhar Technologies Limited**

**Annexure XIV – Restated Consolidated statement of Non-Current Investment**

(Rs. in Million except for number of Shares)

<b>Particulars</b>	Face value per share	No. of Shares	<b>30-Sep-17</b>	No. of Shares	<b>31-Mar-17</b>	No. of Shares	<b>31-Mar-16</b>	No. of Shares	<b>31-Mar-15</b>	No. of Shares	<b>31-Mar-14</b>	No. of Shares	<b>31-Mar-13</b>
<b>Non-current investments</b>													
<b>Unquoted investments (valued at cost unless stated otherwise)</b>													
-VNM Polymers Private Limited (In fully paid equity shares)	Rs.10	20,000	0.20	20,000	0.20	20,000	0.20	20,000	0.20	20,000	0.20	20,000	0.20
-Pithampur Auto Cluster Ltd	Rs.10	1,33,500	1.34	1,33,500	1.33	1,33,500	1.33	1,33,500	1.33	1,33,500	1.33	1,33,500	1.33
Equity shares of Jinyoung Sandhar Technologies Private Limited	Rs.10	-	-	9,999	0.10	-	-	-	-	-	-	-	-
Equity Shares of 0.254 Euro's each in Banc Sabadell	-	-	-	-	-	18,370	0.35	-	-	-	-	-	-
Equity shares of 1.48 Euro's each in Banc Sabadell	-	-	-	-	-	5,010	0.56	-	-	-	-	-	-
Equity Shares of 1.4966 Euro's Each in Banco Popular	-	-	-	7,995	0.82	-	-	-	-	-	-	-	-
Equity Shares of 60.11 Euro's Each in Bantierra	-	32	0.15	16	0.07	-	-	-	-	-	-	-	-
<b>Unquoted Preference Shares</b>													
Zero % Cummulative Redeemable Preference Shares of Pithampur Auto Cluster Ltd	Rs.10	2,86,65,000	28.67	2,86,65,000	28.67	2,86,65,000	28.67	2,86,65,000	28.67	2,86,65,000	28.67	2,86,65,000	<b>28.67</b>
<b>Total</b>			<b>30.35</b>		<b>31.19</b>		<b>31.11</b>		<b>30.20</b>		<b>30.20</b>		<b>30.20</b>
<b>Aggregate book value of unquoted investments</b>			<b>30.35</b>		<b>31.19</b>		<b>31.11</b>		<b>30.20</b>		<b>30.20</b>		<b>30.20</b>

**Notes:**

- (i) The Figures disclosed above are based on the restated consolidated summary statement of assets and liabilities of the Group and its jointly controlled entities.
- (ii) These Investments are in the name of the Parent Company.
- (iii) The above statement should be read with the notes to restated consolidated summary statements of assets and liabilities, Profit and Loss and cash flows as appearing in Annexure IV, statement of restatement adjustments to consolidated financial statements as appearing in annexure V.



**Sandhar Technologies Limited**

**Annexure XV - Restated Consolidated Statement of Long Term Loans and Advances and Other Non-Current Assets**

(Rs, in millions)

Sl no	Particulars	30-Sep-17	31-Mar-17	31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13
	<b>Long Term Loans and Advances</b>						
a	<b>Capital advances</b>						
	Unsecured, considered good	137.31	69.12	73.65	74.98	219.52	107.09
	Unsecured, considered doubtful	-	-	-	0.04	0.04	0.04
	Less Provision for doubt advances	-	-	-	(0.04)	(0.04)	(0.04)
	Secured considered good	3.07	-	-	-	-	-
		<b>140.38</b>	<b>69.12</b>	<b>73.65</b>	<b>74.98</b>	<b>219.52</b>	<b>107.09</b>
b	<b>Security deposits</b>						
	<b>Unsecured, considered good</b>						
	With related parties, unsecured considered good	13.49	13.49	13.49	13.49	13.49	13.49
	With others	66.88	64.47	57.74	53.47	44.90	35.17
		<b>80.37</b>	<b>77.96</b>	<b>71.23</b>	<b>66.96</b>	<b>58.39</b>	<b>48.66</b>
c	<b>Loans &amp; advances to related parties / Subsidiary</b>						
	-Secured considered good						
	<b>Unsecured</b>						
	Considered Good	-	-	-	1.50	-	-
		-	-	-	<b>1.50</b>	-	-
d	<b>Advances recoverable in cash or kind</b>						
	<b>Secured considered good</b>						
	<b>Unsecured</b>						
	Considered good						
	Considered doubtful	2.40	2.40	2.40	2.40	2.40	2.40
	Less: Provision for bad & doubtful advances	(2.40)	(2.40)	(2.40)	(2.40)	(2.40)	(2.40)
		-	-	-	-	-	-
e	<b>Other loans and advances</b>						
	Advance income-tax (net of provision for taxation)	9.88	9.88	18.08	18.48	14.68	22.74
	Prepaid expenses	-	0.05	0.01	-	-	-
	Loan to employees	-	-	0.13	-	-	-
		<b>9.88</b>	<b>9.93</b>	<b>18.22</b>	<b>18.48</b>	<b>14.68</b>	<b>22.74</b>
	<b>Total (a+b+c+d+e)</b>	<b>230.65</b>	<b>157.01</b>	<b>163.10</b>	<b>161.92</b>	<b>292.59</b>	<b>178.49</b>
	<b>Security deposits include</b>						
	Dues from -related parties						
	-Sandhar Estate Private Limited	3.60	3.60	3.60	3.60	3.60	3.60
	-Jubin Finance and Investment Limited	9.89	9.89	9.89	9.89	9.89	9.89
	<b>Capital advances include</b>						
	- Haridwar Estates Private Limited	9.95	9.95	9.95	8.93	66.50	66.50
		<b>23.44</b>	<b>23.44</b>	<b>23.44</b>	<b>22.42</b>	<b>79.99</b>	<b>79.99</b>
	<b>Loans &amp; advances to related parties/subsidiaries include</b>						

Sl no	Particulars	30-Sep-17	31-Mar-17	31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13
	Sandhar Han Sung Technologies Pvt Ltd	-	-	-	1.50	-	-

Sno	Particulars	30-Sep-17	31-Mar-17	31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13
	<b>Other Non-Current Assets</b>						
	<b>Unsecured, considered good unless stated otherwise</b>						
	Non- Current Bank Balance / Deposit with original maturity of more than 12 month	0.06	0.11	-	0.23	0.20	21.31
	Asset in transit	-	4.73	-	1.71	-	-
	Others	2.95	2.65	-	-	-	-
	<b>Total</b>	<b>3.01</b>	<b>7.49</b>	<b>-</b>	<b>1.94</b>	<b>0.20</b>	<b>21.31</b>

**Notes:**

- i. The figures disclosed above are based on the restated consolidated summary statement of assets and liabilities of the Group and its jointly controlled entities.
- ii. The above statement should be read with the notes to restated consolidated summary statements of assets and liabilities, Profit and Loss and cash flows as appearing in Annexure IV, statement of restatement adjustments to consolidated financial statements as appearing in annexure V.

**Sandhar Technologies Limited**  
**Annexure XVI – Restated Consolidated Statement of Inventories**

Particulars	(Rs. in Million)					
	30-Sep-17	31-Mar-17	31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13
<b>Inventory (Valued at lower of cost and net realizable value)</b>						
Raw materials and components (includes in transit Rs. 36,911,931 (Previous year Rs.83,077,315 ))	795.52	710.09	681.68	742.96	472.40	436.05
Work-in-progress	437.89	337.61	316.81	303.89	375.20	341.02
Finished goods (includes in transit Rs. 56,871,049 (Previous year Rs.63,085,052))	256.02	252.16	208.37	179.27	128.11	131.46
Stores and spares	452.60	377.07	397.99	352.08	329.86	263.40
	1,942.03	1,676.93	1,604.85	1,578.20	1,305.57	1,171.93
Provision for slow moving stock-raw material and components	(6.74)	(6.30)	(6.63)	(6.23)	(7.02)	(6.34)
<b>Total inventory</b>	<b>1,935.29</b>	<b>1,670.63</b>	<b>1,598.22</b>	<b>1,571.97</b>	<b>1,298.55</b>	<b>1,165.59</b>

**Note:**

- i. The figures disclosed above are based on the restated consolidated summary statement of assets and liabilities of the Group and its jointly controlled entities.
- ii. The above statement should be read with the notes to restated consolidated summary statements of assets and liabilities, Profit and Loss and cash flows as appearing in Annexure IV, statement of restatement adjustments to consolidated financial statements as appearing in annexure V.

**Sandhar Technologies Limited**

**Annexure XVII – Restated Consolidated Statement of Trade Receivables**

(Rs. in Million)

Sno	Particulars	30-Sep-17	31-Mar-17	31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13
	<b>Trade Receivables</b>						
	Outstanding for a period exceeding six months from the date they are due for payment						
	Unsecured, considered good	309.00	328.32	284.39	207.19	299.37	153.41
	Doubtful	16.95	17.32	14.68	14.65	15.00	26.77
	Less: Provision for doubtful debts	(16.95)	(17.32)	(14.68)	(14.65)	(15.00)	(26.77)
		<b>309.00</b>	<b>328.32</b>	<b>284.39</b>	<b>207.19</b>	<b>299.37</b>	<b>153.41</b>
	Other receivable						
	Unsecured, considered good	2,334.43	1,765.00	1,382.38	1,669.20	1,214.84	826.99
	<b>Total (A+B)</b>	<b>2,643.43</b>	<b>2,093.32</b>	<b>1,666.77</b>	<b>1,876.39</b>	<b>1,514.21</b>	<b>980.40</b>

**Notes:**

- I. The figures disclosed above are based on the restated consolidated summary statement of assets and liabilities of the Group and its jointly controlled entities.
- II. The above statement should be read with the notes to restated consolidated summary statements of assets and liabilities, Profit and Loss and cash flows as appearing in Annexure IV, statement of restatement adjustments to consolidated financial statements as appearing in annexure V.
- III. Following are the amounts due from related parties:

Particulars	September 30, 2017	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
Sandhar Intelli Glass Solutions Limited	-	-	0.01	0.01	-	-
Jinyoung Sandhar Mechatronics Private Limited	-	0.52	-	-	-	-

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**Sandhar Technologies Limited**

**Annexure XVIII – Restated Consolidated Statement of Cash and Bank Balances**

(Rs. in Million)

Cash and cash equivalents	30-Sep-17	31-Mar-17	31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13
<b>Balances with banks:</b>						
<b>On current account</b>						
-In Rupee	6.38	6.40	5.09	14.27	5.54	15.15
-In Foreign Currency	12.12	12.45	15.69	14.94	6.72	14.35
Cheques on hand	-	20.20	0.07	0.17	0.76	-
Cash on hand	1.43	1.15	1.79	1.83	1.36	1.31
Cash credit account (Debit Balance)	13.25	3.21	2.39	5.01	-	-
Deposits with remaining maturity for less than 3 months	10.00	17.00	12.00	3.74	5.97	6.04
<b>Other bank balances</b>						
Deposits with remaining maturity for more than 3 months but less than 12 months	13.60	11.81	21.55	32.35	6.62	26.14
Margin Money Deposit	4.08	0.80	1.80	0.05	0.05	0.22
Deposits with remaining maturity of more than 12 months	-	-	-	0.30	-	-
Amount disclosed under non-current assets	-	-	-	-	-	-
<b>Total of Cash and bank balances</b>	<b>60.86</b>	<b>73.02</b>	<b>60.38</b>	<b>72.66</b>	<b>27.02</b>	<b>63.21</b>

**Note:**

- i. The figures disclosed above are based on the restated consolidated summary statement of assets and liabilities of the Group and its jointly controlled entities.
- ii. The above statement should be read with the notes to restated consolidated summary statements of assets and liabilities, Profit and Loss and cash flows as appearing in Annexure IV, statement of restatement adjustments to consolidated financial statements as appearing in annexure V.

**Sandhar Technologies Limited**

**Annexure XIX – Restated Consolidated Statement of Short Term Loans & Advances and Other Current Assets**

(Rs. in Million)

Sl no	Particulars	30-Sep-17	31-Mar-17	31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13
<b>A</b>	<b>Short - term Loans and advances to related parties</b>						
	Unsecured, considered good	1.71	0.52	-	-	-	-
	Unsecured, considered doubtful	41.97	41.97	-	-	-	-
	Less: Provision for bad and doubtful advances	(41.97)	(41.97)	-	-	-	-
		<b>1.71</b>	<b>0.52</b>	-	-	-	-
<b>B</b>	<b>Advances recoverable in cash or kind</b>						
	Unsecured, considered good	138.27	98.68	78.37	83.26	115.30	53.41
	Doubtful	-	-	-	-	-	-
	Less provision for bad & doubtful advances	-	-	-	-	-	-
		<b>138.27</b>	<b>98.68</b>	<b>78.37</b>	<b>83.26</b>	<b>115.30</b>	<b>53.41</b>
<b>C</b>	<b>Other loans and advances</b>						
	Prepaid expenses	33.91	27.55	25.14	23.26	32.81	25.26
	Loan to employees	5.30	5.66	8.50	3.81	4.47	2.01
	MAT credit entitlement recoverable	4.97	5.79	0.18	17.64	41.53	16.67
	Advance income-tax (net of provision for taxation)	3.11	0.81	0.08	0.16	0.17	0.29
	Balances with statutory/government authorities	266.34	164.44	162.36	123.87	88.09	86.25
		<b>313.63</b>	<b>204.25</b>	<b>196.26</b>	<b>168.74</b>	<b>167.07</b>	<b>130.48</b>
	<b>Total(A+B+C)</b>	<b>453.61</b>	<b>303.45</b>	<b>274.63</b>	<b>252.00</b>	<b>282.37</b>	<b>183.89</b>

(Rs. in Million)

	30-Sep-17	31-Mar-17	31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13
<b>Other Current Assets</b>						
Unsecured, considered good unless stated otherwise						
Assets held for sale	16.04	14.02	-	0.46	1.56	1.55
Interest accrued but not due on fixed deposits	0.77	0.45	1.61	1.14	0.29	2.71
Subsidy receivable	-	-	-	-	-	3.00
Unbilled revenue	6.04	114.74	4.93	22.29	-	-
<b>Total</b>	<b>22.85</b>	<b>129.21</b>	<b>6.54</b>	<b>23.89</b>	<b>1.85</b>	<b>7.26</b>

**Notes:**

- The figures disclosed above are based on the restated consolidated summary statement of assets and liabilities of the Group and its jointly controlled entities.
- The above statement should be read with the notes to restated consolidated summary statements of assets and liabilities, Profit and Loss and cash flows as appearing in Annexure IV, statement of restatement adjustments to consolidated financial statements as appearing in annexure V.
- Transactions relating to related parties are as per Annexure XXX.

(Rs. in Million)

Particulars	30-Sep-17	31-Mar-17	31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13
<b>Loans &amp; Advances to related parties include</b>						
Jinyoung Sandhar Mechatronics Private Limited	-	0.09	-	-	-	-
Sandhar Amkin Industries Private Limited	1.03	-	-	-	-	-
Sandhar Infosystems Limited	0.0002	-	-	-	-	-

**Sandhar Technologies Limited**

**Annexure XX – Restated Consolidated Statement of Revenue**

(Rs. in Million)						
Particulars	30-Sep-17	31-Mar-17	31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13
<b>Revenue from Operation</b>						
Sale of products	10,068.53	17,253.91	16,064.57	15,681.62	13,435.23	12,372.02
Sale of services	128.20	234.68	242.86	246.30	140.51	120.52
<b>Other operating revenue</b>						
Scrap sales	93.57	160.99	129.35	133.79	122.37	106.75
<b>Revenue from operations (gross)</b>	<b>10,290.30</b>	<b>17,649.58</b>	<b>16,436.78</b>	<b>16,061.71</b>	<b>13,698.11</b>	<b>12,599.29</b>
Less Excise Duty	396.25	1,380.88	1,304.59	1,241.19	1,048.10	999.78
<b>Revenue from operations (net)</b>	<b>9,894.05</b>	<b>16,268.70</b>	<b>15,132.19</b>	<b>14,820.52</b>	<b>12,650.01</b>	<b>11,599.51</b>

(Rs. in Million)						
Particulars	30-Sep-17	31-Mar-17	31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13
Locks	2,288.35	3,933.91	3,846.12	3,622.78	3,341.07	3,091.42
Mirror Assembly	1,201.71	2,158.43	2,263.54	2,172.11	1,612.29	1,276.33
Wheel Assembly	1,371.37	1,945.06	1,885.79	1,983.04	1,831.37	1,849.42
Sheet Metal Components	1,355.46	2,252.04	2,201.65	2,095.44	1,878.98	1,792.75
Dies and moulds	71.33	107.77	100.37	98.54	57.99	53.52
Other Products	998.27	1,097.33	1,178.89	1,134.22	667.41	507.40
Aluminum Components	998.04	2,855.18	2,151.46	1,841.17	1,952.39	1,797.73
Tools	183.86	153.46	358.12	526.59	371.86	193.40
Crane and Tractor Parts	-	-	-	94.23	105.24	116.23
Cabins	706.15	1,227.22	826.82	497.74	294.19	476.01
Plastic Parts	396.38	758.87	657.14	949.90	719.09	537.62
Handle Bar Assembly	497.61	764.64	594.67	665.86	603.35	680.19
<b>Total</b>	<b>10,068.53</b>	<b>17,253.91</b>	<b>16,064.57</b>	<b>15,681.62</b>	<b>13,435.23</b>	<b>12,372.02</b>

**Detail of Sale of services rendered:**

Particulars	30-Sep-17	31-Mar-17	31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13
Job work	128.20	234.68	242.86	246.30	140.51	120.52
<b>Total</b>	<b>128.20</b>	<b>234.68</b>	<b>242.86</b>	<b>246.30</b>	<b>140.51</b>	<b>120.52</b>

**Notes:**

- i. The figures disclosed above are based on the restated consolidated summary statement of Profit and Loss of the Group and its jointly controlled entities.
- ii. The above statement should be read with the notes to restated consolidated summary statements of assets and liabilities, Profit and Loss and cash flows as appearing in Annexure IV, statement of restatement adjustments to consolidated financial statements as appearing in annexure V.

**Sandhar Technologies Limited**

**Annexure XXI – Restated Consolidated Statement of Other Income**

(Rs. in Million)

Particulars	Recurring / Non Recurring	Related / Not related to business activity	30-Sep-17	31-Mar-17	31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13
<b>Other income</b>								
Foreign Exchange fluctuation gain (net)	Non-recurring	Related	-	19.87	-	0.49	-	-
Dividend income on long-term investments (trade investment)	Recurring	Non-related	-	-	-	0.02	0.29	0.75
Profit on sale of Property, plant and equipment	Non-recurring	Non-related	0.96	26.93	0.54	2.27	-	-
Profit on sale of short-term investments (non-trade)	Non-recurring	Non-related	0.93	-	-	-	-	0.25
Other non-operating income	Recurring	Related	10.01	19.80	46.14	50.13	38.55	22.44
<b>Total</b>			<b>11.90</b>	<b>66.60</b>	<b>46.68</b>	<b>52.91</b>	<b>38.84</b>	<b>23.44</b>

(Rs. in Million)

Particulars	Recurring / Non Recurring	Related / Not related to business activity	30-Sep-17	31-Mar-17	31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13
<b>Interest Income</b>								
Interest income on								
Bank deposits	Recurring	Non-related	1.17	2.75	2.60	1.82	2.13	14.81
Others	Recurring	Non-related	1.57	2.22	2.27	1.84	1.45	0.85
<b>Total</b>			<b>2.74</b>	<b>4.97</b>	<b>4.87</b>	<b>3.66</b>	<b>3.58</b>	<b>15.66</b>

**Note:**

- i. The classification of other income as recurring / non-recurring, related / not-related to business activity is based on the current operations and business activity of the Group and its jointly controlled entities as determined by the management.
- ii. The amounts disclosed above are based on the restated consolidated summary statement of Profit and Loss of the Group and its jointly controlled entities.
- iii. The above statement should be read with the notes to restated consolidated summary statements of assets and liabilities, Profit and Loss and cash flows as appearing in Annexure IV, statement of restatement adjustments to consolidated financial statements as appearing in annexure V.



**Sandhar Technologies Limited**

**Annexure XXII - Restated Consolidated Statement of Cost of raw material and components consumed**

(Rs. in Million)

Particulars	30-Sep-17	31-Mar-17	31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13
<b>Cost of raw material and components consumed</b>						
Inventories at the beginning of the year	710.09	681.68	742.96	472.40	436.05	429.25
Add: Stock acquired on amalgamation	-	-	1.57	-	-	26.59
<b>Add: Purchases</b>	<b>6,067.34</b>	<b>9,632.67</b>	<b>8,960.20</b>	<b>9,389.22</b>	<b>7,720.97</b>	<b>7,329.51</b>
	<b>6,777.43</b>	<b>10,314.35</b>	<b>9,704.73</b>	<b>9,861.62</b>	<b>8,157.02</b>	<b>7,785.35</b>
<b>Less: Inventories at the end of the year</b>	<b>(795.52 )</b>	<b>(710.09)</b>	<b>(681.68)</b>	<b>(742.96)</b>	<b>(472.40)</b>	<b>(436.05)</b>
<b>Cost of raw material and components consumed</b>	<b>5,981.91</b>	<b>9,604.26</b>	<b>9,023.07</b>	<b>9,118.66</b>	<b>7,684.62</b>	<b>7,349.30</b>
Adjustment on account of exchange difference	2.53	(2.07)	2.50	(4.08)	3.71	0.32
<b>Net Cost of raw material and components consumed</b>	<b>5,984.44</b>	<b>9,602.19</b>	<b>9,025.56</b>	<b>9,114.58</b>	<b>7,688.33</b>	<b>7,349.62</b>

**Details of Cost of raw material and components consumed**

Particulars	30-Sep-17	31-Mar-17	31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13
Zinc	527.61	750.94	698.07	640.06	592.73	778.04
Aluminum	867.28	1,534.94	1,438.85	1,491.69	1,426.18	1,370.57
Bought out parts	1,582.75	2,713.42	2,655.23	2,486.79	2,169.34	1,797.31
Plastic granules	658.28	981.89	927.57	1,230.93	869.66	610.75
Sheet metal parts	1,073.38	1,695.09	1,600.84	1,777.97	1,450.38	1,613.68
Nickel	54.31	100.97	102.89	129.35	90.60	85.11
Glass	106.80	174.95	129.21	134.13	88.12	59.92
Tyres	396.60	612.80	582.41	439.55	333.30	349.14
Copper and brass	129.65	243.17	164.39	185.48	183.41	223.92
Wheel & RIM	234.08	109.93	181.02	148.89	150.13	187.35
Other	351.17	686.16	542.59	453.82	330.77	273.51
<b>Total</b>	<b>5,981.91</b>	<b>9,604.26</b>	<b>9,023.07</b>	<b>9,118.66</b>	<b>7,684.62</b>	<b>7,349.30</b>

**Details of Inventory of Raw Material & Components**

Particulars	30-Sep-17	31-Mar-17	31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13
Zinc	74.34	54.85	46.07	37.40	30.38	26.59
Aluminum	43.62	60.25	33.54	76.97	43.91	34.59
Bought out parts	225.78	220.48	157.97	194.06	134.27	112.73
Plastic granules	128.63	132.39	85.61	115.10	59.45	65.06
Sheet metal parts	133.80	78.71	42.67	99.89	66.06	51.88
Nickel	14.30	9.11	4.64	7.29	3.51	2.36
Glass	17.24	16.28	4.03	6.67	4.19	3.62
Tyres	6.29	9.12	12.11	11.47	10.40	8.59
Copper and brass	43.74	63.69	13.08	35.89	27.73	45.72
Wheel & RIM	14.37	11.56	4.91	6.95	7.87	23.51
Other	93.41	53.65	277.05	151.27	84.63	61.40
<b>Total</b>	<b>795.52</b>	<b>710.09</b>	<b>681.68</b>	<b>742.96</b>	<b>472.40</b>	<b>436.05</b>

**Note:**

- i. The amounts disclosed above are based on the Restated Consolidated Summary Statement of Profit and Loss of the Group and its jointly controlled entities.
- ii. The above statement should be read with the notes to restated consolidated summary statements of assets and liabilities, Profit and Loss and cash flows as appearing in Annexure IV, statement of restatement adjustments to consolidated financial statements as appearing in annexure V.

**Sandhar Technologies Limited**  
**Annexure XXIII – Restated Consolidated Statement of Changes in inventories of finished goods and work-in-progress**

(Rs. in Million)

Particulars	30-Sep-17	31-Mar-17	31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13
<b>Inventories at the end of the year</b>						
Work-in-progress	437.89	337.61	316.81	303.89	375.20	341.02
Finished goods	256.02	252.16	208.37	179.27	128.11	131.46
Adjustment on account of exchange difference	(21.80)	18.58	(13.33)	40.02	(4.94)	0.89
Stock acquired on amalgamation	-	-	-	-	-	26.98
	<b>672.11</b>	<b>608.35</b>	<b>511.85</b>	<b>523.18</b>	<b>498.37</b>	<b>500.35</b>
<b>Inventories at the beginning of the year</b>						
Work-in-progress	337.61	316.81	303.89	375.20	341.02	224.33
Finished goods	252.16	208.37	179.27	128.11	131.46	118.35
Adjustment on account of exchange difference	16.94	(7.50)	18.05	(18.01)	42.13	2.69
Stock acquired on amalgamation / Stock removed on exit from JV	-	-	(2.06)	-	26.98	-
	<b>606.71</b>	<b>517.68</b>	<b>499.15</b>	<b>485.30</b>	<b>541.59</b>	<b>345.37</b>
<b>Total (Increase)/Decrease in Inventory</b>	<b>(65.40)</b>	<b>(90.67)</b>	<b>(12.70)</b>	<b>(37.88)</b>	<b>43.22</b>	<b>(154.98)</b>

**Details of Inventory of Work in Progress**

Particulars	30-Sep-17	31-Mar-17	31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13
Locks	9.47	7.71	9.71	3.10	4.26	5.29
Mirror Assembly	8.04	4.26	6.18	6.27	2.10	2.66
Sheet Metal Components	4.38	6.89	5.91	8.87	8.30	43.02
Wheel Assembly	1.27	2.84	3.86	2.06	0.90	2.02
Dies & Moulds	60.24	2.04	2.43	5.92	4.44	2.65
Crane & Tractor Parts	-	-	-	1.29	2.29	1.67
Aluminum Components	300.87	231.01	231.32	204.00	251.83	213.63
Other Products	53.62	82.84	57.40	72.38	101.08	70.08
<b>Total</b>	<b>437.89</b>	<b>337.61</b>	<b>316.81</b>	<b>303.89</b>	<b>375.20</b>	<b>341.02</b>

**Details of Inventory of Finished Goods**

Particulars	30-Sep-17	31-Mar-17	31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13
Locks	13.13	15.52	13.49	13.14	7.70	8.45
Mirror Assembly	9.27	15.10	11.24	12.57	9.74	9.45
Sheet Metal Components	8.68	5.77	5.04	4.88	10.02	3.22
Wheel Assembly	12.34	7.37	4.29	7.25	5.84	6.98
Dies & Moulds	2.70	-	1.09	0.97	1.46	0.41
Crane & Tractor Parts	-	-	-	0.78	2.31	0.43
Aluminum Components	137.07	92.49	93.05	80.55	58.70	52.04
Other Products	72.83	115.91	80.17	59.13	32.34	50.48
<b>Total</b>	<b>256.02</b>	<b>252.16</b>	<b>208.37</b>	<b>179.27</b>	<b>128.11</b>	<b>131.46</b>

**Note:**

- i. The figures disclosed above are based on the restated consolidated summary statement of Profit and Loss of the Group and its jointly controlled entities.
- ii. The above statement should be read with the notes to Restated Consolidated Summary Statements of assets and liabilities, statement of profit and losses and statement of cash flows as appearing in Annexure IV, statement of restatement adjustments to consolidated financial statements as appearing in annexure V.

**Sandhar Technologies Limited**

**Annexure XXIV – Restated Consolidated Statement of Employee Benefit Expenses**

	<b>(Rs. in Million)</b>					
<b>Particulars</b>	<b>30-Sep-17</b>	<b>31-Mar-17</b>	<b>31-Mar-16</b>	<b>31-Mar-15</b>	<b>31-Mar-14</b>	<b>31-Mar-13</b>
Salary, wages and bonus	1,150.57	2,082.94	1,722.15	1,548.21	1,361.57	1,320.50
Contribution to provident and other funds	72.36	124.84	179.32	182.96	159.83	159.47
Staff welfare expenses	69.88	117.76	99.46	85.74	73.67	65.25
Gratuity expense	7.73	28.09	17.50	25.90	7.15	16.31
<b>Total</b>	<b>1,300.54</b>	<b>2,353.63</b>	<b>2,018.43</b>	<b>1,842.81</b>	<b>1,602.22</b>	<b>1,561.53</b>

**Note:**

- i. The figures disclosed above are based on the restated consolidated summary statement of Profit and Loss of the Group and its jointly controlled entities.
- ii. The above statement should be read with the notes to Restated Consolidated Summary Statements of assets and liabilities, statement of profit and losses and statement of cash flows as appearing in Annexure IV, statement of restatement adjustments to consolidated financial statements as appearing in annexure V.

**Sandhar Technologies Limited**

**Annexure XXV – Restated Consolidated Statement of Other Expenses**

(Rs. in Million)

Particulars	30-Sep-17	31-Mar-17	31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13
Consumption of stores and spares	365.64	662.00	556.90	594.49	498.63	411.43
Packing material	110.01	179.17	157.62	154.98	128.34	110.59
Job work charges	242.46	484.52	397.07	330.40	304.88	240.97
Rent	78.67	165.76	170.67	141.21	132.80	126.95
Rates and taxes	4.57	16.79	19.72	13.50	12.94	16.39
Insurance	10.74	20.09	21.07	19.43	16.62	13.58
Freight and forwarding charges	102.83	185.87	153.09	160.26	111.09	103.50
Power and fuel	331.78	590.37	537.76	537.67	490.31	458.54
Repairs and maintenance						
- Buildings	9.07	14.36	18.37	16.78	14.12	10.28
- Plant & machinery	90.28	144.32	151.37	124.05	100.82	94.30
- Others	55.79	93.45	88.72	84.06	64.26	62.88
CSR expenditure	5.29	9.37	4.37	6.32	-	0.00
Legal & professional charges*	53.54	96.02	99.13	79.36	64.83	76.91
Travelling and conveyance	22.28	40.43	39.82	35.41	25.87	29.48
Provision for doubtful debts and advances	-	4.98	0.49	-	0.92	0.24
Bad debts and advances written off	0.18	0.33	0.12	2.17	13.17	1.49
Increase/(decrease) of excise duty on inventory	(0.72)	0.72	1.29	2.83	0.45	(1.38)
Provision for warranties (net of reversals)	2.27	4.78	6.71	7.65	5.41	6.49
Royalty	23.55	37.76	42.14	33.36	21.72	18.35
Commission to directors	23.56	19.28	17.40	20.73	16.91	9.24
Directors sitting fee	1.10	3.27	2.58	1.87	0.85	0.78
Foreign exchange fluctuation loss (net)	23.10	-	35.24	2.73	3.83	12.39
Loss on sale of fixed assets	-	-	-	-	6.82	15.35
Miscellaneous expenses/Others	94.73	171.78	166.11	140.27	117.61	93.85
<b>Total</b>	<b>1,650.72</b>	<b>2,945.42</b>	<b>2,687.76</b>	<b>2,509.53</b>	<b>2,153.20</b>	<b>1,912.60</b>

\* Legal and Professional charges include the payment to auditors:

As auditor:						
- Audit fee	2.88	6.95	6.03	6.43	6.30	6.14
<b>In other capacity</b>	-	-	-	-	-	-
- Other services (certification fees)	0.18	1.55	1.80	0.98	0.53	0.43
- Reimbursement of expenses	0.08	0.58	0.49	0.40	0.40	0.02
<b>Total Audit Fees</b>	<b>3.14</b>	<b>9.08</b>	<b>8.32</b>	<b>7.81</b>	<b>7.23</b>	<b>6.59</b>

The audit fees for the financial years ended 31 March 2017, 2016, 2015, 2014 and 2013 were paid to another firm of Chartered Accountants.

**Notes**

- The figures disclosed above are based on the restated consolidated summary statement of Profit and Loss of the Group and its jointly controlled entities.
- The above statement should be read with the notes to Restated Consolidated Summary Statements of assets and liabilities, statement of profit and losses and statement of cash flows as appearing in Annexure IV, statement of restatement adjustments to consolidated financial statements as appearing in annexure V.
- Following are the transactions made with related parties:

(Rs in Million)

Particulars	30-Sep-17	31-Mar-17	31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13
<b>Rent</b>						
Sandhar Estates Private Limited	1.47	2.92	2.90	2.87	2.73	2.70
Jubin Finance & Investment Limited	13.25	26.13	25.90	23.89	22.22	22.22
Mrs. Urmila Joshi	0.38	0.75	0.75	0.75	0.63	-
Mrs. Sonal Joshi	-	-	-	0.75	0.63	-
Mr. Jayant Davar	0.30	0.60	0.62	0.29	-	-

(Rs in Million)

Remuneration to Directors	30-Sep-17	31-Mar-17	31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13
Mr. Jayant Davar	27.45	30.31	21.73	22.18	20.00	12.33
Mr. Arvind Joshi	6.69	10.13	9.88	9.55	6.75	-

**Sandhar Technologies Limited**

**Annexure XXVI – Restated Consolidated Statement of Finance Cost**

**(Rs. in Million)**

<b>Particulars</b>	<b>30-Sep-17</b>	<b>31-Mar-2017</b>	<b>31-Mar-2016</b>	<b>31-Mar-2015</b>	<b>31-Mar-2014</b>	<b>31-Mar-2013</b>
Interest to banks on						
- Term loan	74.85	105.81	103.01	114.00	119.55	135.04
- Others	50.59	117.27	97.80	107.47	96.13	77.95
Interest to others	52.84	159.74	177.23	140.15	118.61	87.77
Cash discounting charges	15.93	27.84	31.42	31.85	35.69	38.30
Bank charges/ Other Borrowing Cost	6.55	16.73	14.06	16.16	13.76	16.52
Foreign exchange fluctuation loss on long term loan	-	-	-	0.40	10.37	0.81
	<b>200.76</b>	<b>427.39</b>	<b>423.52</b>	<b>410.03</b>	<b>394.11</b>	<b>356.39</b>

**Notes**

- i. The figures disclosed above are based on the restated consolidated summary statement of Profit and Loss of the Group and its jointly controlled entities.
- ii. The above statement should be read with the notes to Restated Consolidated Summary Statements of assets and liabilities, statement of profit and losses and statement of cash flows as appearing in Annexure IV, statement of restatement adjustments to consolidated financial statements as appearing in annexure V.

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**Sandhar Technologies Limited**

**Annexure XXVII– Restated Consolidated Statement of Contingent Liabilities**

(Rs. in Million)

	<b>Particulars</b>	<b>30-Sep-17</b>	<b>31-Mar-2017</b>	<b>31-Mar-2016</b>	<b>31-Mar-15</b>	<b>31-Mar-14</b>	<b>31-Mar-13</b>
<b>1</b>	Claims against the Group and its jointly controlled entities not acknowledged as debts						
i)	Excise duty demands	0.00	0.00	0.00	0.00	1.48	4.13
ii)	Service tax demands	38.67	37.26	35.87	32.89	27.45	23.88
iii)	Income tax demands	5.00	5.00	69.18	26.18	26.84	20.16
iv)	Sales tax/VAT demand	0.13	0.14	0.87	0.39	0.13	0.13
v)	Custom duty demand	-	-	-	-	0.03	0.03
vi)	Demand notice against Land (Chakan & Pathredi)	83.75	83.75	83.75	-	-	-
vii)	Other Matters	3.67	3.67	3.28	3.77	2.69	0.00
<b>2</b>	Guarantees given by the Group and its jointly controlled entities	6.73	8.26	6.56	30.12	30.04	9.75
<b>3</b>	Bills discounting with bank	794.13	369.15	320.63	316.70	249.67	275.20
	<b>Total</b>	<b>932.08</b>	<b>507.23</b>	<b>520.14</b>	<b>410.05</b>	<b>338.33</b>	<b>333.28</b>

**Notes:**

- i. In relation to the matters of income tax, excise duty, customs duty, sales tax and service tax listed above, the Group and its jointly controlled entities is contesting the demands and the management, including its tax advisors, believe that its position will likely be upheld in the appellate process. No provision has been accrued in the financial information for the demand raised. The management believes that the ultimate outcome of this proceeding will not have a material adverse effect on the Company's financial position and results of operations.
- ii. In respect of Pathredi Land, Rajasthan State Industrial Development and Investment Corporation has issued a letter dated October 23, 2015 whereby demand of Rs. 76.10 million has been raised for allowing a time extension for making additional investment in the project on land allotted to the Group and its jointly controlled entities. The Group and its jointly controlled entities has filed a request letter to waive off the same.
- iii. In respect of Chakan Land, Maharashtra Industrial Development Corporation has issued a letter dated March 3, 2015, asking Company to pay an additional amount aggregating to Rs. 7.65 million for a further time extension. The Group and its jointly controlled entities is in the process to file the waiver letter to Maharashtra Industrial Development Corporation.

Based on the status of cases mentioned in serial ii and iii above and as advised by Group and its jointly controlled entities's tax/legal advisors, wherever applicable, the management believes that the Group and its jointly controlled entities has strong chance of success and hence no provision against matters disclosed in "Claims against the Group and its jointly controlled entities not acknowledged as debts" are considered necessary.

- iv. The Group and its jointly controlled entities is confident that outflow is not probable hence the provision is not done for above mentioned cases.

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**Sandhar Technologies Limited**

**Annexure XXVIII – Restated Consolidated Statement of Capital Commitments**

<b>Particulars</b>	<b>(Rs. in Million)</b>					
	<b>30-Sep-17</b>	<b>31-Mar-17</b>	<b>31-Mar-16</b>	<b>31-Mar-15</b>	<b>31-Mar-14</b>	<b>31-Mar-13</b>
Estimated amount of contracts remaining to be executed on capital account (net of advances)	358.18	325.67	249.36	214.59	293.54	255.05

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**Sandhar Technologies Limited**

**Annexure XXIX – Restated Consolidated Statement of Segment Information**

The Group is primarily engaged in the business of manufacturing and assembling of automotive components. Accordingly, the Group only has automotive components as its business segment. Further, the economic environment in which the company operates is significantly similar and not subject to materially different risk and rewards. Accordingly, as the company operates in a single business segment. The Group's segments are the geographic distribution of manufacturing units i.e., India, Europe and others. Revenue and receivables are specified accordingly. The following tables present revenue, expenditure and certain asset information regarding the Group and its jointly controlled entities's geographical segments.

(Rs in Million)								
	Particulars	Geographical Segment	30-Sep-17	31-Mar-17	31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13
A	<b>Segment Revenue</b>	India	8,747.73	14,006.68	13,136.55	12,920.95	10,711.10	9,856.59
		Europe	1,158.22	2,328.62	2,041.72	1,952.34	1,977.72	1,754.32
		Other	-	0.00	0.60	0.14	0.03	12.04
	<b>Total</b>		<b>9,905.95</b>	<b>16,335.30</b>	<b>15,178.87</b>	<b>14,873.43</b>	<b>12,688.85</b>	<b>11,622.95</b>
B	<b>Segment Assets</b>	India	9,649.60	8,378.69	7,471.38	7,401.54	6,120.84	5,302.73
		Europe	2,703.93	2,362.70	2,181.80	1,755.27	1,746.49	1,362.27
		Other	-	0.01	0.35	4.02	34.21	38.81
	<b>Total</b>		<b>12,353.53</b>	<b>10,741.40</b>	<b>9,653.53</b>	<b>9,160.83</b>	<b>7,901.54</b>	<b>6,703.81</b>
C	<b>Capital Expenditure</b>							
	Property, plant and equipment	India	751.41	773.01	877.38	947.18	596.62	206.53
		Europe	151.90	307.01	259.11	352.52	237.37	28.34
	<b>Total</b>		<b>903.31</b>	<b>1,080.02</b>	<b>1,136.49</b>	<b>1,299.70</b>	<b>833.99</b>	<b>234.87</b>
	Intangible Assets	India	10.62	30.30	21.45	109.86	42.91	23.09
		Europe	2.45	1.58	1.59	3.61	-	0.26
	<b>Total</b>		<b>13.07</b>	<b>31.88</b>	<b>23.04</b>	<b>113.47</b>	<b>42.91</b>	<b>23.35</b>

**Notes:**

- i. The figures disclosed above are based on the Restated Consolidated Summary Statement of Profit and Loss of the Group.
- ii. The Figures disclosed above are based on the Restated Consolidated Summary Statement of assets and liabilities of the Group and its jointly controlled entities.
- iii. The above statement should be read with the notes to Restated Consolidated Summary Statements of assets and liabilities, statement of profit and loss and statement of cash flows as appearing in Annexure IV, statement of restatement adjustments to consolidated financial statements as appearing in annexure V.

**Sandhar Technologies Limited**

**Annexure XXX– Restated Consolidated Statement of Related Party Transactions**

**a) Name of related parties and related parties relationship:**

i) Enterprises under common control

Enterprises Under Common Control	Sanjeevani Impex Private Limited
	Sandhar Intelli-Glass Solutions Limited (formerly known as SLD Auto Ancillary Limited)
	Sandhar Infosystems Limited
	Sandhar Estate Private Limited
	YSG Estates Private Limited
	Sandhar Enterprises
	KDB Investment Private Limited
	Jubin Finance & Investment Limited
	Raasaa Retail Private Limited
	Haridwar Estates Private Limited

ii) Related parties under AS-18 with whom transactions have taken place.

Individual owning an interest in the voting power of reporting enterprise that gives them significant influence over the Parent Company	Mr. Jayant Davar
Key Managerial Personnel	Mr. Jayant Davar
	Mr. Arvind Joshi
Relatives of Key Managerial Personnel and relatives of Individual owning an interest in the voting power of reporting enterprise that gives them significant influence over the Parent Company	Mr. D.N. Davar-Chairman
	Mrs. Monica Davar
	Master Neeljay Davar
	Mrs. Santosh Davar
	Mrs. Poonam Juneja
Enterprises over which relatives of Key Managerial Personnel are able to exercise significant influence	Mrs. Urmila Joshi
	Swaran Enterprises (Mrs .Santosh Davar is a Partner)
Joint Venture	Sandhar Amkin Industries Private Limited

b) Summary of transactions with above related parties are as follows:

(Rs in Million)

	Particulars	30-Sep-17	31-Mar-17	31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13
A	<b>Enterprises under Common Control with the reporting enterprises</b>						
1	<b>Reimbursement of Expenses from</b>						
	Sandhar Infosystems Limited	0.0006	0.0012	-	-	-	-
	Sandhar Intelli Glass Solutions Limited	-	-	0.01	-	-	-
2	<b>Lease rentals (including service tax) paid to</b>						
	Sandhar Estate Private Limited	1.47	2.92	2.90	2.87	2.73	2.70
	Jubin Finance & Investment Limited	13.25	26.13	25.90	23.89	22.22	22.22
	YSG Estates Private Limited	-	0.22	0.11	-	-	-
3	<b>Paid for Land</b>						
	Haridwar Estates Private Limited	-	-	1.02	36.49	-	-
4	<b>Dividend Paid</b>						
	Others	5.14	7.71	17.98	10.28	10.28	3.85
5	<b>Payment made on behalf of supplier to</b>						
	Sandhar Enterprises	-	-	-	-	-	3.63
	<b>Balance Outstanding</b>						
1	<b>Outstanding Receivable</b>						
	Haridwar Estates Private Limited	9.95	9.95	9.95	8.93	66.50	66.50
	Sandhar Infosystems Limited	0.0002	-	-	-	-	-
	Sandhar Intelli Glass Solutions Limited	-	-	0.01	-	-	-
2	<b>Security Deposit given to</b>						
	Sandhar Estate Private Limited	3.60	3.60	3.60	3.60	3.60	3.60
	Jubin Finance & Investment Limited	9.89	9.89	9.89	9.89	9.89	9.89
B	<b>Joint Ventures of Reporting Enterprises</b>						
4	<b>Reimbursement of expenses from</b>						
	Sandhar Amkin Industries Private Limited	1.03	-	-	-	-	-
	Sandhar Han Sung Technologies Private Limited	-	-	-	-	-	-
	Jinyoung Sandhar Mechatronics Private Limited	-	0.52	-	-	-	-
5	<b>Advance given</b>						
	Sandhar Han Sung Technologies Private Limited	-	-	-	1.50	-	-
	<b>Balance Outstanding</b>						
1	<b>Outstanding Receivable</b>						
	Sandhar Amkin Industries Private Limited	1.03	-	-	-	-	-
	Sandhar Han Sung Technologies Private Limited	-	-	-	1.50	-	-
	Jinyoung Sandhar Mechatronics Private Limited	-	0.52	-	-	-	-
4	<b>Investment in JV's</b>						
	Jinyoung Sandhar Mechatronics Private Limited	-	0.10	-	-	-	-
C	<b>Key Managerial Personnel &amp; their relatives</b>						
1	<b>Lease rentals (including service tax) paid to</b>						
	Urmila Joshi	0.38	0.75	0.75	0.75	0.63	-
	Sonal Joshi	-	-	-	0.75	0.63	-
	Jayant Davar	0.30	0.60	0.62	0.29	-	-

	Particulars	30-Sep-17	31-Mar-17	31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13
2	<b>Equity Shares issued</b>						
	Jayant Davar	-	-	-	30.00	-	-
3	<b>Managerial Remuneration</b>						
	Jayant Davar	27.45	30.31	21.73	22.18	20.00	12.33
	Arvind Joshi	6.69	10.13	9.88	9.55	6.75	-
4	<b>Dividend Paid</b>						
	Jayant Davar	31.22	46.82	109.25	62.43	61.65	23.12
	Others	5.87	8.80	20.53	11.73	11.73	4.40
	<b>Balance Outstanding</b>						
1	<b>Outstanding Payable</b>						
	Urmila Joshi	-	0.06	0.06	-	0.06	-
	Sonal Joshi	-	-	-	-	0.06	-
2	<b>Managerial Remuneration Payable</b>						
	Jayant Davar	21.38	17.11	15.08	16.64	14.04	-
	Arvind Joshi	3.67	3.59	3.31	2.84	2.20	-
D	<b>Enterprises over which relatives of Key Managerial Personnel are able to exercise significant influence</b>						
1	<b>Purchase of Goods</b>						
	Swaran Enterprises	155.47	202.57	188.89	203.07	176.29	145.54
2	<b>Sale of goods</b>						
	Swaran Enterprises	0.06	-	-	-	-	-
	<b>Balance Outstanding</b>						
1	<b>Outstanding Payable</b>						
	Swaran Enterprises	31.22	24.87	27.62	21.68	24.90	21.45

**Notes:**

- i. The amounts disclosed above are based on the restated consolidated summary statement of asset and liabilities and statement of Profit and Loss of the Group and its jointly controlled entities.
- ii. The above statement should be read with the notes to Restated Consolidated Summary Statements of assets and liabilities, statement of profit and losses and statement of cash flows as appearing in Annexure IV, statement of restatement adjustments to consolidated financial statements as appearing in annexure V.

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**Sandhar Technologies Limited**  
**Annexure XXXI – Capitalization Statement**

(Rs. in Million)

Sno.	Particulars	30-Sep-2017	Post issue as at*
A	<b>Long Term Borrowings</b>		
	Non current portion (A)	1,918.19	
	Current maturities (B)	709.76	
	<b>Total Long term borrowings (C )= (A+B)</b>	<b>2,627.95</b>	
	Short term borrowings (D)	2,104.11	
	<b>Total debt ( E)= (C+D)</b>	<b>4,732.06</b>	
B	<b>Shareholder's funds/ Networth/ Equity</b>		
	Share capital	511.55	
	<b>Reserves and Surplus, as restated</b>	-	
	Securities premium account	31.14	
	Surplus in statement of profit and loss	1,365.38	
	General reserves	1,025.57	
	Capital reserve	329.52	
	Foreign Currency translation reserve	44.08	
	Capital redemption reserve	-	
	<b>Total Reserve &amp; Surplus</b>	<b>2,795.69</b>	
	<b>Total Equity (F)</b>	<b>3,307.24</b>	
	<b>Debt /equity (E/F)</b>	<b>1.43</b>	
	<b>Long term debt/ equity (C/F)</b>	<b>0.79</b>	

**Note:**

The Company's authorised, issued, subscribed and paid up capital stands increased as on August 08, 2015 on account of issuance of Bonus shares. The share capital has also been re-organised on account of change in the face value of the equity shares from Rs.2 per share to Rs.10 per share.

Authorized Capital:	Pre issue as at September 30, 2017	As adjusted for IPO (refer note ii below)
<b>Pre-organised /Pre-consolidated:</b>		
Equity Shares of Rs.2 each	340,000,000	
Preference Shares of Rs. 100 each	200,000	
<b>Post-organised /Post consolidated:</b>		
Equity Shares of Rs.10 each	68,000,000	
Preference Shares of Rs. 100 each	200,000	
<b>Issued Capital, Subscribed &amp; Paid Up Capital:</b>		
Equity Shares of Rs.10 each	51,154,564	

**Notes:**

- i. The above has been computed on the basis of the Restated Consolidated Summary Statements of assets and liabilities of the Group and its jointly controlled entities.
- ii. The issue price and number of shares are yet to be finalized and hence the post-issue capitalization statement cannot be presented.
- iii. For changes in share capital structure post March 31, 2015, refer Annexure VI.

**Sandhar Technologies Limited**  
**Annexure XXXII – Statement of Dividend Paid**

(Rs in Million except for number of Shares and data per share)						
Particulars	30-Sep-17	31-Mar-17	31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13
<b>Class of Shares</b>						
<b>Equity Shares</b>						
Equity Shares - Numbers (Rs. 10 each)	5,11,54,564	5,11,54,564	5,11,54,564	1,02,30,913	93,73,770	93,73,770
Amount	511.55	511.55	511.55	102.31	93.74	93.74
<b>Final Dividend</b>						
Rate of Dividend (%)	10%	5%	20%	92%	100%	38%
Dividend per Share (Rs.)	1.00	0.50	2.00	9.16	10.00	3.75
Amount of Dividend (Rs.)	51.15	25.58	102.31	93.74	93.74	35.15
Corporate Dividend Tax (Rs.)	10.41	6.12	21.74	16.70	15.93	5.70
<b>Interim Dividend</b>						
Rate of Dividend (%)	-	10.00%	15.00%	-	-	-
Dividend per Share (Rs.)	-	1.00	1.50	-	-	-
Amount of Dividend (Rs.)	-	51.15	76.73	-	-	-
Corporate Dividend Tax (Rs.)	-	9.87	15.62	-	-	-
<b>Equity Shares pertaining to minority</b>						
Equity Shares - Numbers (Rs. 10 each)*	12,05,000	12,05,000	12,05,000	12,05,000	12,05,000	12,05,000
Amount **	12.05	12.05	12.05	12.05	12.05	12.05
<b>Final dividend pertaining to minority</b>						
Rate of Dividend (%)	3%	7.50%	7.50%	7.50%	0.00%	0.00%
Dividend per Share (Rs.)	0.25	0.75	0.75	0.75	-	-
Amount of Dividend (Rs.)	0.30	0.90	0.90	0.90	-	-
Corporate Dividend Tax (Rs.)	0.06	-	-	-	-	-
<b>Interim dividend pertaining to minority</b>						
Rate of Dividend (%)	0.00%	7.50%	0.00%	0.00%	0.00%	5.00%
Dividend per Share (Rs.)	-	0.75	-	-	-	0.50
Amount of Dividend (Rs.)	-	0.90	-	-	-	0.60
Corporate Dividend Tax (Rs.)	-	-	-	-	-	0.47

\*The number of equity shares mentioned above pertain to minority shareholders after elimination of holdings of Parent Company.

\*\*The dividend pertains to minority shareholders after adjustment of amount pertaining to Parent Company. Corporate Dividend Tax includes dividend tax on share of dividend of Holding Company.

**Note:**

- i. The above statement should be read with the notes to Restated Consolidated Summary Statements of assets and liabilities, statement of profit and losses and statement of cash flows as appearing in Annexure IV, statement of restatement adjustments to consolidated financial statements as appearing in annexure V.
- ii. Subsequent to March 31, 2015 which is the last date as of which the financial information has been given in this para of the document, the Parent Company has during the financial year 2015-16, issued bonus shares by way of 204,618,256 equity shares of Rs. 2 each in the ratio of 4:1. (Pre-organized). These bonus shares have been allotted on August 08, 2015 by way of utilization of Capital Redemption Reserve and part capitalization of Securities Premium Account. The equity shares of Rs. 2 each with face value were re-organized and consolidated into equity shares of Rs. 10 each of face value on the even date.

**Sandhar Technologies Limited**

**Annexure XXXIII – Restated Consolidated Statement of Accounting Ratios**

(Rs. in Million, except share and per share data)

S No	Particulars	30-Sep-17	31-Mar-17	31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13
<b>A.</b>	Net profit after tax as restated	342.32	391.91	334.5	382.82	331.09	190.58
<b>B.</b>	Net Worth at the end of the year/ period - as restated	3,307.24	3,013.34	2,736.31	2,591.97	2,071.17	1,793.11
<b>C.</b>	Total adjusted number of equity shares outstanding at the end of the year/ period (face value Rs 10 each) - Refer Note No. v, vi, vii below	5,11,54,564	5,11,54,564	5,11,54,564	5,11,54,564	5,02,97,421	5,02,97,421
<b>D.</b>	Adjusted weighted average number of equity shares for Basic EPS outstanding at the end of the year/ period - Refer note no. v, vi & vii below	5,11,54,564	5,11,54,564	5,11,54,564	5,09,16,881	5,02,97,421	5,02,97,421
<b>E.</b>	Adjusted weighted average number of equity shares for Diluted EPS outstanding at the end of the year/ period - Refer note no. v, vi & vii below	5,11,54,564	5,11,54,564	5,11,54,564	5,09,16,881	5,02,97,421	5,02,97,421
<b>F.</b>	Basic and Diluted Earnings per share (face value of Rs 10 each) (A/D)	6.69	7.66	6.54	7.52	6.58	3.79
	Diluted Earnings per share (face value of Rs 10 each) (A/E)	6.69	7.66	6.54	7.52	6.58	3.79
<b>G.</b>	Return on net worth (%) (A/B)	10.35	13.01	12.23	14.77	15.99	10.63
<b>H.</b>	Net Assets Value per share of Rs. 10 each	64.65	58.91	53.49	50.67	41.18	35.65

**Notes:**

i. The ratios have been computed as below:

a. Basic Earnings per share : 
$$\frac{\text{Net Profit after tax as restated attributable to equity shareholder}}{\text{Weighted average number of equity shares outstanding during the period/ year}}$$

b. Diluted Earnings per share (Rs) : 
$$\frac{\text{Net Profit after tax as restated}}{\text{Weighted average number of diluted equity shares outstanding during the period/ year}}$$

c. Return on net worth (%) : 
$$\frac{\text{Net profit / (loss) after tax as restated}}{\text{Net worth at the end of the year}}$$

d. Net asset value per equity share (Rs.): 
$$\frac{\text{Net worth at the end of the year}}{\text{Total number of equity shares outstanding at the end of the period/ year}}$$

ii. Weighted average number of equity shares is the number of equity shares outstanding at the beginning of the period/year adjusted by the number of the equity shares during the period/ year multiplied by the time weighting factor. The time weighting factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the period/ year. The board of directors approved the issue of shares on July 07, 2014. The shares got issued on August 19, 2014.

iii. Net worth for ratios mentioned in Note i{c} and i{d} is = Equity share capital + Reserves and surplus (including Securities premium, General Reserve, Capital Reserve, Capital Redemption Reserve, Foreign Currency Translation Reserve and Surplus in the statement of profit and loss).

iv. The figures disclosed above are based on the restated consolidated summary statement of asset and liabilities and statement of Profit and Loss of the Group and its jointly controlled entities.

v. The above statement should be read with the notes to Restated Consolidated Summary Statements of assets and liabilities, statement of profit and losses and statement of cash flows as appearing in Annexure IV, statement of restatement adjustments to consolidated financial statements as appearing in annexure V.

vi. The Parent Company has approved the sub-division of equity shares of Rs 10 each into 5 equity shares of Rs 2 each at the Extraordinary General Meeting of the Parent company held on October 7, 2005. The Parent Company issued fully paid bonus shares

in the ratio of 11:10 (for every 10 equity shares 11 bonus share), pursuant to the approval of the shareholders of the Parent Company at the Extraordinary General Meeting held on April 19, 2010. The Parent Company again issued fully paid bonus shares in the ratio of 4:1 (for every 1 equity shares 4 bonus shares) pursuant to the approval of the shareholders of the Parent Company at the Annual General Meeting held on August 8, 2015.

- vii. The shareholders at the Annual General Meeting of the Parent Company held on August 8, 2015 approved the consolidation of 5 equity shares of Rs 2 each into 1 equity shares of face value of Rs 10 each.
- viii. All share data has been adjusted for the events of bonus issues and share consolidation as discussed in Note v & vi.

**For and behalf of Board of Directors of Sandhar Technologies Limited**

(Jayant Davar)  
Co Chairman & Managing Director

(Arvind Joshi)  
Whole time director, Company Secretary & CFO



To,  
The Board of Directors  
Sandhar Technologies Limited  
Plot No. 13, Sector 44  
Gurugram, Haryana

Dear Sirs,

- 1) We have examined the attached Restated Standalone Financial Information of Sandhar Technologies Limited (the "Company") which comprise of the Restated Standalone Summary Statement of Assets and Liabilities as at 30 September 2017, 31 March 2017, 31 March 2016, 31 March 2015, 31 March 2014 and 31 March 2013, the Restated Standalone Summary Statement of Profit and Loss and the Restated Standalone Summary Statement of Cash Flows for the six months period ended 30 September 2017 and for each of the years ended 31 March 2017, 31 March 2016 , 31 March 2015, 31 March 2014 and 31 March 2013, the Standalone Summary Statement of Significant Accounting Policies, read together with the annexures and notes thereto and Other Restated Standalone Financial Information explained in paragraph 7 below, for the purpose of inclusion in the offer document prepared by the Company in connection with its proposed initial public offer (the "IPO"). The Restated Standalone Financial Information has been approved by the Board of Directors of the Company 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") read with Rules 4 to 6 of Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended ("the Rules"); 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").
- 2) The preparation of the Restated Standalone Financial Information is the responsibility of the Management of the Company for the purpose set out in paragraph 11 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, the Rules and ICDR Regulations.
- 3) We have examined such Restated Standalone Financial Information after taking into consideration:
  - (a) The terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter dated 23 October 2017 in connection with the IPO; and
  - (b) The Guidance Note on Reports in Company Prospectuses (Revised 2016) issued by the Institute of Chartered Accountants of India ('ICAI'), ("The Guidance Note").

- 4) The Company proposes to make an IPO which comprises a fresh issue of equity shares by the Company and an offer for sale by certain shareholders of existing equity shares of Rs. 10 each at such premium, arrived at by book building process, as may be decided by the Company's Board of Directors.
- 5) The Restated Standalone Financial Information has been compiled by the Management from the audited Standalone Financial Statements of the Company as at 30 September 2017, 31 March 2017, 31 March 2016, 31 March 2015, 31 March 2014 and 31 March 2013 and for the six months period ended 30 September 2017 and for each of the years ended 31 March 2017, 31 March 2016, 31 March 2015, 31 March 2014 and 31 March 2013, prepared in accordance with accounting principles generally accepted in India at the relevant time and which have been approved by the Board of Directors on 18 November 2017, 25 May 2017, 24 May 2016, 28 May 2015, 23 May 2014 and 31 May 2013 respectively.

Audit of the Standalone Financial Statements of the Company for the financial years ended 31 March 2017, 31 March 2016, 31 March 2015, 31 March 2014 and 31 March 2013 was conducted by the predecessor auditors of the Company, M/s S. R. Batliboi & Co. LLP, Chartered Accountants and accordingly reliance has been placed on the Restated Standalone Financial Information examined by them for the said years. The financial report included for these years are based solely on the report submitted by them. Predecessor auditors have also confirmed that the Restated Standalone Financial Information:

- (i) has been prepared after incorporating adjustments for the changes in accounting policies and estimates retrospectively in respective financial years to reflect the same accounting treatment as per changed accounting policy for all the reporting periods;
  - (ii) has 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 adjustment;
- 6) In accordance with the requirements of Section 26 of Part I of Chapter III of the Act, read with Rules 4 to 6 of the Rules, the ICDR Regulations and the Guidance Note read together with paragraph 5 above (including reliance placed on the report of the predecessor auditor as referred to in paragraph 5 above), we report that:
  - (a) The Restated Standalone Summary Statement of Assets and Liabilities of the Company, including as at 31 March 2017, 31 March 2016, 31 March 2015, 31 March 2014 and 31 March 2013 examined and reported by M/s S. R. Batliboi & Co. LLP, Chartered Accountants ('predecessor auditors') on which reliance has been placed by us, and as at 30 September 2017 examined by us, as set out in Annexure I to the Restated Standalone Financial Information, have been arrived at after making adjustments and regrouping/reclassifications as in our opinion were appropriate and more fully described in Annexure V – Statement of Restatement Adjustments to Audited Standalone Financial Statements and Notes to Statement of Restatement Adjustments to Audited Standalone Financial Statements. As a result of these adjustments, the amounts reported in the above mentioned statement are not necessarily the same as those appearing in the audited Financial Statements of the Company as at and for each of the relevant financial years.
  - (b) The Restated Standalone Summary Statement of Profit and Loss of the Company, including for each of the years ended 31 March 2017, 31 March 2016, 31 March 2015, 31 March 2014 and 31 March 2013 examined and reported by M/s S. R. Batliboi & Co. LLP, Chartered Accountants on which reliance has been placed by us, and for the six months period ended 30 September 2017 examined by us, as set out in Annexure II to the Restated Standalone Financial Information, have been arrived at after making adjustments

and regrouping/reclassifications as in our opinion were appropriate and more fully described in Annexure V – Statement of Restatement Adjustments to Audited Standalone Financial Statements and Notes to Statement of Restatement Adjustments to Audited Standalone Financial Statements. As a result of these adjustments, the amounts reported in the above mentioned statement are not necessarily the same as those appearing in the audited Financial Statements of the Company as at and for each of the relevant financial years.

- (c) The Restated Standalone Summary Statement of Cash Flows of the Company, including for each of the years ended 31 March 2017, 31 March 2016, 31 March 2015, 31 March 2014 and 31 March 2013 examined and reported by M/s S. R. Batliboi & Co. LLP, Chartered Accountants on which reliance has been placed by us and for the six months period ended 30 September 2017 examined by us, as set out in Annexure 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 Annexure V – Statement of Restatement Adjustments to Audited Standalone Financial Statements and Notes to Statement of Restatement Adjustments to Audited Standalone Financial Statements. As a result of these adjustments, the amounts reported in the above mentioned statement are not necessarily the same as those appearing in the audited Financial Statements of the Company as at and for each of the relevant financial years.
  - (d) Based on the above and according to the information and explanations given to us, and also as per the reliance placed on the report of the predecessor auditor as referred to in Para 5 above, we further report that:
    - (i) As explained in Annexure V to the Restated Standalone Financial Information, the Restated Standalone Financial Information has been prepared after incorporating adjustments for the changes in accounting policies and estimates retrospectively in respective financial years to reflect the same accounting treatment as per changed accounting policy for all the reporting periods;
    - (ii) As explained in Annexure V to the Restated Standalone Financial Information, the Restated Standalone Financial Information has been made after incorporating adjustments for the material amounts in the respective financial years to which they relate;
    - (iii) The Restated Standalone Financial Information does not contain any extra-ordinary items that need to be disclosed separately and do not contain any qualification requiring adjustments.
- 7) We have also examined the following Other Restated Standalone Financial Information of the Company set out in the annexures prepared by the Management and approved by the Board of Directors on 18 November 2017 for the six months period ended 30 September 2017 and reliance has been placed upon the report of the predecessor auditor for each of the years ended 31 March 2017, 31 March 2016, 31 March 2015, 31 March 2014 and 31 March 2013 :
- (i) Restated Standalone Statement of Share capital, enclosed as Annexure VI;
  - (ii) Restated Standalone Statement of Reserves and surplus, enclosed as Annexure VII;
  - (iii) Restated Standalone Statement of Long-term borrowings and Short-term borrowings, enclosed as Annexure VIII.
  - (iv) Restated Standalone Statement of Deferred tax liability, enclosed as Annexure X;
  - (v) Restated Standalone Statement of Short-term provisions, enclosed as Annexure XI;
  - (vi) Restated Standalone Statement of Trade payables, enclosed as Annexure XII;
  - (vii) Restated Standalone Statement of Other current liabilities, enclosed as Annexure XII;
  - (viii) Restated Standalone Statement of Property, Plant and Equipment and Intangible assets, enclosed as Annexure XIII;

- (ix) Restated Standalone Statement of Non-current investments, enclosed as Annexure XIV;
- (x) Restated Standalone Statement of Long-term loans and advances, enclosed as Annexure XV;
- (xi) Restated Standalone Statement of Other non-current assets, enclosed as Annexure XV;
- (xii) Restated Standalone Statement of Inventory, enclosed as Annexure XVI;
- (xiii) Restated Standalone Statement of Trade receivables, enclosed as Annexure XVII;
- (xiv) Restated Standalone Statement of Cash and bank balances, enclosed as Annexure XVIII;
- (xv) Restated Standalone Statement of Short-term loans and advances and other current assets, enclosed as Annexure XIX;
- (xvi) Restated Standalone Statement of Revenue, enclosed as Annexure XX;
- (xvii) Restated Standalone Statement of Other income, enclosed as Annexure XXI;
- (xviii) Restated Standalone Statement of Cost of raw material and components consumed, enclosed as Annexure XXII;
- (xix) Restated Standalone Statement of Changes in Inventories of finished goods and work-in-progress, enclosed as Annexure XXIII;
- (xx) Restated Standalone Statement of Employee benefit expenses, enclosed as Annexure XXIV;
- (xxi) Restated Standalone Statement of Other expenses, enclosed as Annexure XXV;
- (xxii) Restated Standalone Statement of Finance costs, enclosed as Annexure XXVI;
- (xxiii) Restated Standalone Statement of Contingent liabilities, enclosed as Annexure XXVII;
- (xxiv) Restated Standalone Statement of Capital commitments, enclosed as Annexure XXVIII;
- (xxv) Restated Standalone Statement of Related party transactions, enclosed as Annexure XXIX;
- (xxvi) Capitalisation Statement, enclosed as Annexure XXX;
- (xxvii) Statement of Dividend paid, enclosed as Annexure XXXI;
- (xxviii) Restated Standalone Statement of Accounting Ratios, enclosed as Annexure XXXII;
- (xxix) Restated Standalone Statement of Tax Shelter, enclosed as Annexure XXXIII;

According to the information and explanations given to us, and also as per the reliance placed on the report of the predecessor auditor as referred to in Para 5 above, in our opinion, the Restated Standalone Financial Information including the above mentioned Other Restated Standalone Financial Information contained in Annexures VI to XXXIII, read with Standalone Summary Statement of Significant Accounting Policies disclosed in Annexure IV, are prepared after making adjustments and regroupings as considered appropriate as disclosed in Annexure V and have been prepared in accordance with Section 26 of Part I of Chapter III of the Act, read with Rules 4 to 6 of the Rules, ICDR Regulations and the Guidance Note.

- 8) We have not audited or reviewed any Financial Statements of the Company as of any date or for any period subsequent to 30 September 2017. Accordingly, we express no opinion on the Financial Position, Results of the Operations or Cash Flow of the Company as of any date or for any period subsequent to 30 September 2017.
- 9) 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 other firm of Chartered Accountants, nor should this report be construed as a new opinion on any of the Financial Statements referred to herein.
- 10) We have no responsibility to update our report for events and circumstances occurring after the date of the report.

- 11) Our report is intended solely for use of the Management for inclusion in the offer document 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 IPO. 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 & Co. LLP**

*Chartered Accountants*

ICAI firm registration number: 101248W/W-100022

**Shashank Agarwal**

*Partner*

Membership No.: 095109

Place: Gurugram

Date: 18 November 2017

**Sandhar Technologies Limited**  
**Annexure I - Restated Unconsolidated Summary Statement of Assets and Liabilities**

(All amounts in Rupees million, except share data and unless otherwise stated)

	Particulars	Annexure	As at 30 September 2017	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013
	<b>Equity and liabilities</b>							
<b>A</b>	<b>Shareholders' funds</b>							
	Share capital	VI	511.55	511.55	511.55	102.31	93.74	93.74
	Reserves and surplus	VII	2,656.69	2,371.69	2,096.16	2,398.20	1,869.18	1,632.66
	<b>Total of Shareholders' funds</b>		<b>3,168.24</b>	<b>2,883.24</b>	<b>2,607.71</b>	<b>2,500.51</b>	<b>1,962.92</b>	<b>1,726.40</b>
	<b>Share application money pending allotment</b>	IV	-	-	-	-	14.76	-
<b>B</b>	<b>Non-current liabilities</b>							
	Long term borrowings	VIII and IX	1,768.55	1,738.10	1,548.74	1,571.46	1,193.56	1,252.70
	Deferred Tax Liabilities (Net)	X	58.27	62.22	62.89	86.74	112.02	113.95
	<b>Total of Non-current liabilities</b>		<b>1,826.82</b>	<b>1,800.32</b>	<b>1,611.63</b>	<b>1,658.20</b>	<b>1,305.58</b>	<b>1,366.65</b>
<b>C</b>	<b>Current liabilities</b>							
	Short-term borrowings	VIII and IX	822.85	940.12	571.61	695.38	735.64	304.68
	Trade payables							
	• Dues of micro and small enterprises	XII	189.38	145.11	120.76	124.42	136.26	100.22
	• Dues of creditors other than micro and small enterprises	XII	2,374.73	1,709.34	1,664.13	1,677.40	1,262.40	1,164.96
	Other current liabilities	XII	1,083.92	858.96	975.18	730.95	724.10	720.62
	Short-term provisions	XI	210.03	111.94	89.60	117.50	71.98	40.86
	<b>Total of current liabilities</b>		<b>4,680.91</b>	<b>3,765.47</b>	<b>3,421.28</b>	<b>3,345.65</b>	<b>2,930.38</b>	<b>2,331.34</b>
	<b>Total A+B+C</b>		<b>9,675.97</b>	<b>8,449.03</b>	<b>7,640.62</b>	<b>7,504.36</b>	<b>6,213.64</b>	<b>5,424.39</b>
	<b>Assets</b>							
<b>D</b>	<b>Non-current assets</b>							
	<b>Tangible Assets</b>							
	Property, plant and equipment	XIII	4,704.27	4,632.27	4,145.62	3,889.41	3,424.39	3,186.70
	Intangible assets	XIII	100.96	113.07	128.11	149.46	67.33	43.78
	Capital work- in- progress		590.58	215.02	399.29	220.70	228.01	170.03
	Non-current investments	XIV	428.40	354.08	398.90	316.57	319.71	314.60
	Long-term loans and advances	XV	214.23	143.10	153.94	155.53	268.04	168.27
	<b>Total of non-current assets</b>		<b>6,038.44</b>	<b>5,457.54</b>	<b>5,225.86</b>	<b>4,731.67</b>	<b>4,307.48</b>	<b>3,883.38</b>
<b>E</b>	<b>Current assets</b>							
	Current investments		-	-	-	-	0.03	37.11
	Inventories	XVI	1,044.97	957.15	889.92	929.07	573.80	572.69
	Trade receivables	XVII	2,269.01	1,715.29	1,346.72	1,623.54	1,178.05	784.81
	Cash and bank balances	XVIII	13.53	34.38	18.13	43.94	11.60	59.06
	Short-term loans and advances	XIX	287.46	155.49	153.92	152.28	140.91	80.09
	Other current assets	XIX	22.56	129.18	6.07	23.86	1.77	7.25
	<b>Total of current assets</b>		<b>3,637.53</b>	<b>2,991.49</b>	<b>2,414.76</b>	<b>2,772.69</b>	<b>1,906.16</b>	<b>1,541.01</b>
	<b>Total D+E</b>		<b>9,675.97</b>	<b>8,449.03</b>	<b>7,640.62</b>	<b>7,504.36</b>	<b>6,213.64</b>	<b>5,424.39</b>

**Notes:**

To be read with the notes to the Restated Unconsolidated Summary Statements as appearing in Annexure IV and Statement of Restatement Adjustments to Audited Unconsolidated Financial Information appearing in Annexure V, and all the other Annexure from Annexure VI to Annexure XXXIII.

**For and behalf of Board of Directors of Sandhar Technologies Limited**

(Jayant Davar)  
Co Chairman & Managing Director

(Arvind Joshi)  
Whole time director, Company Secretary & CFO

**Sandhar Technologies Limited**

**Annexure II - Restated Unconsolidated Summary Statement of Profit and Loss**

(All amounts in Rupees million, except share data and unless otherwise stated)

For the period / year ended							
Particulars	Annexure	30-Sep-17	31-Mar-17	31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13
<b>Revenue</b>							
Revenue from operations (gross)	XX	8,962.58	15,034.08	14,187.82	13,775.86	11,425.86	10,596.04
Less: Excise duty	XX	377.83	1,347.52	1,280.70	1,206.57	1,013.33	972.37
<b>Revenue from operations (Net)</b>		<b>8,584.75</b>	<b>13,686.56</b>	<b>12,907.12</b>	<b>12,569.29</b>	<b>10,412.53</b>	<b>9,623.67</b>
Other Income	XXI	11.40	56.58	26.47	54.87	25.71	20.14
<b>Total revenue</b>		<b>8,596.15</b>	<b>13,743.14</b>	<b>12,933.59</b>	<b>12,624.16</b>	<b>10,438.24</b>	<b>9,643.81</b>
<b>Expenses</b>							
Cost of raw material and components consumed	XXII	5,545.63	8,826.70	8,307.98	8,440.53	6,952.75	6,650.43
Change in inventories of finished goods and work-in-progress	XXIII	32.53	(49.08)	(16.81)	(39.46)	61.41	(89.90)
Employee benefit expenses	XXIV	977.41	1,727.99	1,497.75	1,293.75	1,053.71	993.62
Other expenses	XXV	1,097.21	1,924.81	1,826.15	1,618.41	1,329.24	1,225.35
<b>Total expenses</b>		<b>7,652.78</b>	<b>12,430.42</b>	<b>11,615.07</b>	<b>11,313.23</b>	<b>9,397.11</b>	<b>8,779.50</b>
<b>Earnings before interest, tax, depreciation, amortization and exceptional items (EBITDA)</b>		<b>943.37</b>	<b>1,312.72</b>	<b>1,318.52</b>	<b>1,310.93</b>	<b>1,041.13</b>	<b>864.31</b>
Net depreciation and amortization expense	XIII	275.31	491.84	465.75	427.39	300.17	284.42
Interest income	XXI	(1.92)	(3.51)	(3.66)	(3.05)	(2.92)	(15.38)
Finance cost	XXVI	176.45	355.58	373.44	352.90	336.27	311.58
<b>Restated profit before Exceptional items and Tax</b>		<b>493.53</b>	<b>468.81</b>	<b>482.99</b>	<b>533.69</b>	<b>407.61</b>	<b>283.69</b>
Exceptional items		-	15.51	131.67	55.00	-	-
Impairment of Investment and Advances		-	-	(82.35)	-	-	20.65
<b>Restated profit before tax</b>		<b>493.53</b>	<b>453.30</b>	<b>433.67</b>	<b>478.69</b>	<b>407.61</b>	<b>263.04</b>
<b>Tax expense</b>							
<b>Current tax</b>							
Pertaining to the profit for the current year	XXXIII	151.15	93.49	122.67	134.03	85.67	56.76
MAT credit entitlement	XXXIII	-	(4.97)	(2.05)	-	(25.11)	(12.04)
Adjustment of tax relating to earlier period	XXXIII	-	(0.97)	14.23	5.56	11.34	0.71
Deferred tax charge/(credit)	X	(3.95)	(0.67)	(23.85)	(9.27)	(1.93)	9.60
<b>Total tax expenses</b>		<b>147.20</b>	<b>86.88</b>	<b>111.00</b>	<b>130.32</b>	<b>69.97</b>	<b>55.03</b>
<b>Restated profit after tax</b>		<b>346.33</b>	<b>366.42</b>	<b>322.67</b>	<b>348.37</b>	<b>337.64</b>	<b>208.01</b>
<b>Earnings per equity shares (Rs.)</b>							
(Par value of Rs. 10 per share)							
Basic (Rs.)	XXXII	6.77	7.16	6.31	6.84	6.71	4.14
Diluted (Rs.)	XXXII	6.77	7.16	6.31	6.84	6.71	4.14

**Notes:**

To be read with the notes to the Restated Unconsolidated Summary Statements as appearing in Annexure IV and Statement of Restatement Adjustments to Audited Unconsolidated Financial Information appearing in Annexure V, and all the other Annexures from Annexure VI to Annexure XXXIII.

**For and behalf of Board of Directors of Sandhar Technologies Limited**

(Jayant Davar)  
Co Chairman & Managing Director

(Arvind Joshi)  
Whole time director, Company Secretary & CFO

**Sandhar Technologies Limited**

**Annexure III - Restated Unconsolidated Summary Statement of Cash Flows**

(All amounts in Rupees million, except share data and unless otherwise stated)

Particulars	For the period/ year ended					
	30-Sep-17	31-Mar-17	31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
Restated profit before tax	493.53	453.30	433.67	478.69	407.61	263.04
<b>Non-cash adjustments to reconcile profit before tax to net cash flow</b>						
Depreciation/amortization	275.31	491.84	465.75	427.39	300.17	284.42
Loss/(profit) on sale of property, plant and equipment	(1.37)	(26.74)	(0.42)	(2.49)	6.80	(0.27)
Provision for diminution in the value of investments	-	-	-	55.00	-	-
Provision for diminution in value of investments in subsidiary company	-	11.15	40.39	-	-	-
Share issue expenses	-	(29.15)	29.15	-	-	-
Provision for doubtful advances and receivable	-	-	(82.36)	-	-	20.65
Bad debts and advances written off	-	0.33	1.09	1.91	0.64	-
(Profit)/loss on sale of investments	-	-	-	-	-	(0.25)
Unrealised foreign exchange (gain)/loss	6.21	(9.81)	1.39	(5.65)	(6.34)	0.38
Interest expense	176.45	355.58	373.44	352.90	336.27	275.56
Interest income	(1.92)	(3.51)	(3.66)	(3.05)	(2.92)	(15.38)
Dividend income	(1.20)	(7.19)	(3.60)	(3.61)	(0.29)	(3.15)
Capital subsidy received	-	-	-	-	-	3.00
<b>Operating profit before working capital changes</b>	<b>947.01</b>	<b>1,235.80</b>	<b>1,254.84</b>	<b>1,301.09</b>	<b>1,041.94</b>	<b>828.00</b>
<b>Movements in working capital:</b>						
Decrease/(Increase) in trade receivables	(553.71)	(368.92)	275.78	(447.40)	(394.08)	15.24
Decrease/(Increase) in inventories	(87.82)	(67.23)	39.16	(355.27)	(1.11)	(77.80)
Decrease/(Increase) in long-term loans and advances	(0.73)	(6.59)	5.20	(6.83)	0.35	(1.91)
Decrease/(Increase) in short-term loans and advances and other current assets	(25.29)	(90.47)	13.72	(57.42)	(56.61)	(33.83)
Increase/(Decrease) in trade payables	704.85	77.64	(17.60)	407.20	138.81	96.12
Increase/(Decrease) in long-term provisions	-	-	-	-	-	-
Increase/(Decrease) in short-term provisions	1.24	16.74	7.42	26.85	5.60	13.12
Increase/(Decrease) in other current liabilities	106.72	(36.48)	11.66	2.83	0.08	(1.27)
<b>Cash generated from operations</b>	<b>1,092.27</b>	<b>760.49</b>	<b>1,590.18</b>	<b>871.05</b>	<b>734.98</b>	<b>837.67</b>
Income taxes paid, net of refunds	54.30	78.73	154.90	103.57	46.38	67.92
<b>Net cash inflow from operating activities ( A )</b>	<b>1,037.97</b>	<b>681.76</b>	<b>1,435.28</b>	<b>767.48</b>	<b>688.60</b>	<b>769.75</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
Purchase of property, plant and equipment, including intangible assets, capital work in progress and capital advances	(666.88)	(777.35)	(790.30)	(922.88)	(728.87)	(1,012.55)
Proceeds from sale of property, plant and equipment.	1.90	34.16	7.01	7.02	2.56	4.77
Investments in/ (Redemption of) bank deposits (having original maturity of more than three months)	(1.94)	2.06	19.97	(27.18)	41.64	(44.21)
Purchase of current investments	-	-	-	-	-	(580.61)
Purchase of non-current investments in joint ventures	(74.23)	(23.00)	(44.76)	(61.14)	(5.11)	(72.93)
Purchase of non-current investments in subsidiary	(0.10)	(0.10)	(37.58)	-	-	-
Proceeds from sale/maturity of investments	-	56.78	0.00	0.03	37.07	543.75
Dividends received	1.20	7.19	3.60	3.61	0.29	3.15
Interest received	1.85	4.23	3.64	2.14	5.39	12.85
<b>Net cash used in investing activities ( B )</b>	<b>(738.20)</b>	<b>(696.03)</b>	<b>(838.42)</b>	<b>(998.40)</b>	<b>(647.03)</b>	<b>(1,145.78)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>						
Proceeds from issuance of equity share capital	-	-	-	315.24	-	-
Proceeds from long-term borrowings	361.22	1,040.41	710.45	961.97	743.76	1,025.73
Proceeds from issuance of share capital	-	-	-	-	14.76	-
Repayment of long -term borrowings	(323.88)	(934.44)	(607.87)	(539.83)	(802.90)	(322.02)
Proceeds from/(repayment of) short-term borrowings (net of repayment/proceeds)	(117.27)	369.41	(123.76)	(40.27)	430.97	(34.95)
Interest paid	(181.30)	(351.94)	(366.04)	(351.37)	(332.88)	(271.85)
Dividends paid on equity shares	(51.15)	(76.73)	(204.34)	(93.74)	(93.74)	(35.15)
Corporate distribution tax on dividend	(10.17)	(14.16)	(11.15)	(15.93)	(15.93)	(5.70)
Receipts arising on business acquisition	-	-	-	-	8.55	-
<b>Net cash flow from/(used) in financing activities ( C )</b>	<b>(322.55)</b>	<b>32.55</b>	<b>(602.71)</b>	<b>236.07</b>	<b>(47.41)</b>	<b>356.06</b>
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>(22.78)</b>	<b>18.28</b>	<b>(5.85)</b>	<b>5.15</b>	<b>(5.84)</b>	<b>(19.97)</b>



Particulars	For the period/ year ended					
	30-Sep-17	31-Mar-17	31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13
<b>Cash and cash equivalents at the beginning of the year</b>	<b>24.09</b>	<b>5.81</b>	<b>11.66</b>	<b>6.51</b>	<b>12.35</b>	<b>32.32</b>
<b>Components of Cash and cash equivalents</b>						
Cash on hand	0.76	1.44	1.50	1.06	1.08	1.46
Cheques on hand	20.20	0.07	0.10	0.76	-	5.93
With banks - on current account	3.13	4.30	10.06	4.69	11.27	24.93
- on deposit account	-	-	-	-	-	-
<b>Cash and cash equivalents at the end of the year</b>	<b>1.31</b>	<b>24.09</b>	<b>5.81</b>	<b>11.66</b>	<b>6.51</b>	<b>12.35</b>
<b>Components of cash and cash equivalents</b>						
Cash on hand	0.95	0.76	1.44	1.50	1.06	1.08
Cheques on hand	-	20.20	0.07	0.10	0.76	-
With banks - on current account	0.36	3.13	4.30	10.06	4.69	11.27
- on deposit account	-	-	-	-	-	-
<b>Total Cash and cash equivalents</b>	<b>1.31</b>	<b>24.09</b>	<b>5.81</b>	<b>11.66</b>	<b>6.51</b>	<b>12.35</b>

**Notes:**

- i. To be read with the notes to the Restated Unconsolidated Summary Statements as appearing in Annexure IV and Statement of Restatement Adjustments to Audited Unconsolidated Financial Information appearing in Annexure V, and all the other Annexures from Annexure VI to Annexure XXXIII.
- ii. The above Statement has been prepared in accordance with the "Indirect method" as set out in the Accounting Standard (AS-3) on "Cash Flow Statement", specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- iii. As per Section 135 of the Companies Act, 2013, a Corporate Social Responsibility ("CSR") Committee has been constituted by the Company and following amounts were spent in cash by the Company on CSR activities.

Particulars	30-Sep-17	31-Mar-17	31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13
Amount spent in cash on CSR activities	5.29	9.37	4.37	6.32	Not applicable	Not applicable

**For and behalf of Board of Directors of Sandhar Technologies Limited**

(Jayant Davar)  
Co Chairman & Managing Director

(Arvind Joshi)  
Whole time director, Company Secretary & CFO

## Sandhar Technologies Limited

### Annexure IV – Notes to Restated Unconsolidated Summary Statements of Assets and Liabilities, Statement of Profit and loss and Statement of Cash Flows.

#### 1. Corporate information

Sandhar Technologies Limited ('STL' or 'the Company') is a Public Limited Company domiciled in India. The Company is primarily engaged in the business of manufacturing and assembling of automotive components such as lock sets, mirrors, and various sheet metal components for two wheeler and four wheeler industry.

#### 2. Basis of preparation

The Restated Standalone Financial Information ('hereinafter referred to as Restated Unconsolidated Financial Information') relate to the Company and has been specifically prepared for inclusion in the document to be filed by the Company with the Security and Exchange Board of India ('SEBI'), Registrar of Companies ('ROC') and relevant Stock exchange(s), as may be required in connection with the proposed Initial Public Offering ('IPO') of equity shares of the Company (referred to as the "Issue"). The Restated Unconsolidated Financial Information consist of the Restated Unconsolidated Summary Statement of Assets and Liabilities of the Company as at 30 September 2017, 31 March 2017, 2016, 2015, 2014 and 2013, the related Restated Unconsolidated Summary Statement of Profit and Loss and the related Restated Unconsolidated Summary Statement of Cash Flows for each of the period from 1 April 2017 to 30 September 2017 and years ended 31 March 2017, 2016, 2015, 2014, 2013 (hereinafter collectively referred to as "the Restated Unconsolidated Financial Information").

These Restated Unconsolidated Financial Information has been prepared to comply in all material respects with the requirements of Section 26 read with applicable provisions within Rules 4 to 6 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 to the Companies Act, 2013 ('the 2013 Act'); and the SEBI (Issue of Capital and Disclosure Requirements) Regulations 2009 ("the SEBI Regulations") notified by SEBI on 26 August 2009, as amended from time to time. The 2013 Act and the SEBI Regulations require the information in respect of the assets and liabilities and profit and loss of the Company for the six months period ended 30 September 2017 and for the five years immediately preceding the issue of the Prospectus. These Restated Unconsolidated Financial Information were reviewed by the Audit Committee on 18 November 2017 and subsequently approved by the Board of Directors of the Company in their meeting held on 18 November 2017.

These Restated Unconsolidated Financial Information of the Company has been prepared and presented under the historical cost convention on the accrual basis of accounting and comply with the Accounting Standards issued under the Companies (Accounting Standards) Rules, 2006 which continue to apply under Section 133 of the 2013 Act [which has superseded Section 211 (3C) of the Companies Act, 1956 w.e.f. 12 September 2013], the Companies (Accounting Standards) (Amendment) Rules, 2016 and other pronouncements of the Institute of Chartered Accountants of India ('ICAI'), and the provisions of the 2013 Act to the extent notified and applicable.

These Restated Unconsolidated 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 period/ years to which they relate irrespective of the period/ year in which the event triggering the profit or loss occurred, if any;
- iv. Adjustment to the profits or loss 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 as at and for the year ended 30 September 2017 and the requirements of the SEBI Regulations, if any;
- vi. The resultant impact of tax due to the aforesaid adjustments, if any.

#### 3. Summary of significant accounting policies

##### a. Current-non-current classification

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013.

##### Assets

An asset is classified as current when it satisfies any of the following criteria:

- a. it is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle;
- b. it is held primarily for the purpose of being traded;
- c. it is expected to be realised within 12 months after the reporting date; or
- d. it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

##### Liabilities

A liability is classified as current when it satisfies any of the following criteria:

- a. it is expected to be settled in the Company's normal operating cycle;

- b. it is held primarily for the purpose of being traded;
- c. it is due to be settled within 12 months after the reporting date; or
- d. the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current assets/ liabilities include the current portion of non-current assets/ liabilities respectively. All other assets/ liabilities are classified as non-current.

### Operating cycle

Operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. The Company considers its operating cycle to be within one year.

## 3.1. Use of estimates

The preparation of these Restated Unconsolidated Financial Information in conformity with Indian GAAP requires the Management to make judgments, estimates and assumptions that effect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting year. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in current and future periods.

## 3.2. Property Plant and Equipment and depreciation

### a) Property Plant and Equipment ("PPE")

PPE are stated at cost, net of accumulated depreciation and accumulated impairment losses, (if any). The cost comprises the purchase price, borrowing costs if capitalization criteria are met and directly attributable cost of bringing the asset to its working conditions for the intended use. The cost of PPE acquired in an amalgamation in the nature of purchase is their fair value as at the date of amalgamation. Each part of an item of PPE with a cost that is significant in relation to the total cost of the item is depreciated separately. This applies mainly to components for plant and machinery. Any trade discounts, recoverable taxes and rebates are deducted in arriving at the purchase price.

Subsequent expenditure related to an item of PPE is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing PPE, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the Restated Unconsolidated Summary Statement of Profit and Loss for the period/year during which such expenses are incurred.

The Company does not adjust exchange differences arising on translation/settlement of long-term foreign currency monetary items pertaining to the acquisition of a depreciable asset to the cost of the asset but charges the same to the Restated Unconsolidated Summary Statement of Profit and loss in the year in which such gain/loss arises.

Gains or losses arising from de-recognition of PPE are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Restated Unconsolidated Summary Statement of Profit and Loss when the asset is derecognized.

Advances paid towards acquisition of PPE outstanding at each Balance Sheet date, are shown under long-term loans and advances and cost of assets not ready for intended use before the period/ year end, is shown as capital work-in-progress.

### b) Depreciation on PPE

The Company identifies and determines cost of an asset significant to the total cost of the asset having useful life that is materially different from that of the remaining life. Depreciation on PPE is calculated on a straight-line basis using the rates arrived at based on the useful lives estimated by the management. The identified components are depreciated over their useful life; the remaining asset is depreciated over the life of the principal asset. The Company has used the following rates to provide depreciation which coincides with the rates indicated in Schedule II of The Companies Act, 2013 on its PPE.

Nature of PPE	Category in PPE schedule	Useful life estimated by the management (years) from 1 April 2014	Rate as per the management estimate of useful life for period 1 April 2012 to 31 March 2014
Factory buildings	Buildings	30	3.34%
Other buildings	Buildings	60	1.63% to 15.37%
Temporary erection	Buildings	1	100%
Carpeted/ RCC roads	Buildings	10	1.63% to 15.37%
Tube wells	Buildings	5	1.63% to 15.37%
Plant and machinery	Plant and equipment	7.5 – 15	4.75% to 25%

Nature of PPE	Category in PPE schedule	Useful life estimated by the management (years) from 1 April 2014	Rate as per the management estimate of useful life for period 1 April 2012 to 31 March 2014
Electrical installations	Plant and equipment	10	4.75% to 25%
Office equipment	Office Equipment	5	10%
Racks and bins	Plant and equipment	10	10%
Computers (Servers and networks)	Office equipment	3	33.33%
Furniture and Fixtures	Furniture and fixtures	10	6.33%
Cars	Vehicles	6	16.67%
Non-commercial vehicles	Vehicles	6	16.67%
Commercial vehicles	Vehicles	8	12.50%
Tools, Moulds and Dies	Plant and equipment	6	16.67%

Leasehold land is amortized on a straight line basis over the period of the lease ranging between 89-99 years.

The management has estimated, supported by an independent technical assessment from a chartered engineer, the useful lives of the following classes of assets:

Nature of PPE	Useful lives estimated by the management (years)	Remarks
Temporary erection	1	Lower life than prescribed in Schedule II of Companies Act 2013
Computers (Servers and networks)	3	
Non-commercial vehicles	6	

**c) Intangible assets**

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in an amalgamation in the nature of purchase is their fair value as at the date of amalgamation. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any.

Intangible assets are assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortization period is changed accordingly. If there has been a significant change in the expected pattern of economic benefits from the asset, the amortization method is changed to reflect the changed pattern. Such changes are accounted for in accordance with AS-5 Net Profit or Loss for the Period, Prior Period items and changes in Accounting Policies.

**- Technical knowhow**

Amounts paid towards technical know-how fees for specifically identified projects/products being development expenditure incurred towards product design is carried forward based on assessment of benefits arising from such expenditure. Such expenditure is amortised over the period of expected future sales from the related product, i.e. the estimated period of 60 to 72 months based on past trends, commencing from the month of commencement of commercial production.

**- Software**

Software purchased by the Company is amortised on a straight line basis i.e. non-standard (customized) software over a period of four years and standard (non-customized) software over a period of five years.

Gains or losses arising from de-recognition of an intangible asset is measured as the difference between the net disposal proceeds and the carrying amount of the asset and is recognized in the Restated Unconsolidated Summary Statement of Profit and Loss when the intangible asset is derecognized.

**- Goodwill**

Goodwill is amortized over a period of five years on straight line basis.

**d) Borrowing costs**

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

**e) Impairment of PPE and Intangible assets**

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

Impairment losses are recognized in the Restated Unconsolidated Summary Statement of Profit and loss. The impairment loss is reversed to the extent that the assets carrying amount does not exceed the carrying value that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized. Such a reversal is recognized in the Restated Unconsolidated Summary Statement of Profit and loss.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

**3.3. Government grants and subsidies**

Grants and subsidies from the Government are recognized when there is reasonable assurance that (i) the Company will comply with the conditions attached to them, and (ii) the grant/subsidy will be received.

When the grant or subsidy relates to revenue, it is recognized as income on a systematic basis in the Restated Unconsolidated Summary Statement of Profit and Loss over the periods necessary to match them with the related costs, which they are intended to compensate. Where the grant relates to an asset, it is recognized as deferred income and released to income in equal amounts over the expected useful life of the related asset.

Where the Company receives non-monetary grants, the asset is accounted for on the basis of its acquisition cost. In case a non-monetary asset is given free of cost, it is recognized at a nominal value.

Government grants of the nature of promoters' contribution are credited to capital reserve and treated as a part of the shareholders' funds.

**3.4. Investments**

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as non-current investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties. If an investment is acquired, or partly acquired, by the issue of shares or other securities, the acquisition cost is the fair value of the securities issued.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

**3.5. Inventories**

Inventories are valued as under:

Raw materials, components, stores and spares	Lower of cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost is determined on a first-in-first-out method.
Work-in-progress and finished goods	Lower of cost and net realizable value. Cost includes direct materials, labour and a portion of manufacturing overheads based on normal operating capacity. Cost is determined on first-in-first-out method. For the years ended 31 March 2017, 2016, 2015, 2014 and 2013, Excise duty liability was included in the valuation of closing inventory of Finished Goods (FG)

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

**3.6. 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. The following specific recognition criteria must also be met before revenue is recognized:

- **Sale of goods**

Revenue from sale of goods is recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer, on delivery of the goods and no significant uncertainty exists regarding the collection of the consideration. Effect of price revision on sale is accounted on the basis of acknowledgement/confirmations received from the customers. The Company collects sales taxes and value added taxes (VAT) on behalf of the Government and, therefore, these are not economic benefits flowing to the Company, hence, they are excluded from revenue. Excise duty deducted from revenue (gross) is the amount that is included in the revenue (gross) and not the entire amount of liability arising during the period.

Goods and Service Tax ("GST") has been implemented with effect from 1 July 2017 which replaces Excise Duty and other input taxes (Sales tax act and Value added taxes). As per the requirement of Accounting Standard – 9, Revenue Recognition ("AS-9") the revenue for the three-month period beginning from 1 July 2017 to 30 September 2017 is reported net of GST.

- **Income from services**

Job work and development charges are recognized upon full completion of the job work and development services and when all the significant risks and rewards of ownership of the goods have been passed to the buyer, on delivery of the goods and no significant uncertainty exists regarding the collection of the consideration.

- **Interest**

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "other income" in the Restated Unconsolidated Summary Statement of Profit and Loss.

- **Dividend**

Dividend income is recognized when the Company's right to receive dividend is established by the reporting date.

**3.7. Foreign currency translation**

**Foreign currency transactions and balances**

**(i) Initial recognition**

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

**(ii) Conversion**

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

**(iii) Exchange differences**

Exchange differences arising on a monetary item that, in substance, form part of the Company's net investment in a non-integral foreign operation is accumulated in a foreign currency translation reserve in the Restated financial Information until the disposal of the net investment, at which time they are recognised as income or as expenses.

Exchange differences arising on the settlement of monetary items not covered above, or on reporting such monetary items of Company at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise.

**(iv) Forward exchange contracts entered into to hedge foreign currency risk of an existing assets/liability not intended for trading or speculation purposes**

The premium or discount arising at the inception of forward exchange contracts is amortised and recognised as an expense or income over the life of the contract. Exchange differences on such contracts are recognised in the Restated Unconsolidated Summary Statement of Profit and loss in the year in which the exchange rates change. Any profit or loss arising on cancellation or renewal of forward exchange contract is also recognized as income or as expense for the year.

**(v) Derivative Instruments and hedge accounting**

Apart from forward exchange contracts taken to hedge existing assets or liabilities, the Company also uses derivatives to hedge its foreign currency risk exposure relating to firm commitments and highly probable transactions. In accordance with the Guidance Note on Accounting for Derivative Contracts issued by the Institute of Chartered Accountants of India, the company should recognize all derivative contracts at the balance sheet date on fair value and provide for losses / recognize income in respect of such outstanding derivative contracts at the balance sheet date by marking them to market. The contracts are aggregated category-wise, to determine the net gain/loss.

**3.8. Employee benefits**

**Short term employee benefits**

All employee benefits payable wholly within twelve months of receiving employee services are classified as short-term employee benefits. These benefits include salaries and wages, bonus and ex-gratia. The undiscounted amount of short-term employee benefits to be paid in exchange for employee services is recognized as an expense as the related service is rendered by employees.

## **Post-employment benefits**

### **Defined contribution plans**

A defined contribution plan is a post-employment benefit plan under which an entity pays specified contributions to a separate entity and has no obligation to pay any further amounts. The Company makes specified monthly contributions towards employee provident fund to Government administered provident fund scheme which is a defined contribution plan. The Company's contribution is recognized as an expense in the Restated Unconsolidated Summary Statement of Profit and Loss during the period in which the employee renders the related service.

### **Defined benefit plans**

The Company provides for gratuity, a defined benefit plan (The Gratuity plan) to employees. Liability with regard to Gratuity plan is accrued based on actuarial valuation, based on projected unit credit method at the balance sheet date, carried out by an independent actuary. Actuarial gain and losses comprises experience adjustments and the effect of changes in the actuarial assumptions and are recognized immediately in the Restated Unconsolidated Summary Statement of Profit and Losses as income or expense. Gratuity fund benefits are administered by a trust for this purpose.

### **Compensated absences**

The employees can carry-forward a portion of the unutilized accrued compensated absences and utilize it in future service periods or receive cash compensation on termination of employment. Since the compensated absences do not fall due wholly within twelve months after the end of the period in which the employees render the related service and are also not expected to be utilized wholly within twelve months after the end of such period, the benefit is classified as a long-term employee benefit. The Company records an obligation for such compensated absences in the period in which the employee renders the services that increase this entitlement. The obligation is measured on the basis of independent actuarial valuation using the projected unit credit method.

As per the compensated absence encashment policy, the Company does not have an unconditional right to defer the compensated absence of employees, accordingly the entire compensated absence obligation as determined by an independent actuary has been classified as current liability as at the period end.

### **Termination benefits**

Termination benefits are recognized as an expense when, as a result of a past event, the Company has a present obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

## **3.9. Income Tax**

Tax expense comprises current and deferred tax. Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-Tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the Company operates. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognized directly in equity is recognized in equity and not in the Restated Unconsolidated Summary Statement of Profit and Loss.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date. Deferred income tax relating to items recognized directly in equity is recognized in equity and not in the Restated Unconsolidated Summary Statement of Profit and Loss.

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

In the situations where the Company is entitled to a tax holiday under the Income Tax Act, 1961 enacted in India or tax laws prevailing in the respective tax jurisdictions where it operates, no deferred tax (asset or liability) is recognized in respect of timing differences which are reversed during the tax holiday period, to the extent the Company's gross total income is subject to the deduction during the tax holiday period. Deferred tax in respect of timing differences which reverse after the tax holiday period is recognized in the year in which the timing differences originate. However, the Company restricts recognition of deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized. For recognition of deferred taxes, the timing differences which originate first are considered to reverse first.

At each reporting date, the Company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax asset to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The carrying amount of deferred tax assets are reviewed at each reporting date. The Company writes-down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes virtually certain, as the case may be, that sufficient future taxable income will be available.

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The Company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income

tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Company recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement." The Company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

### **3.10. Segment reporting**

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components, and for which discrete financial information is available. All operating segments' operating results are reviewed regularly by the Management to make decisions about resources to be allocated to the segments and assess their performance.

### **3.11. Earnings per share**

Basic earnings/ (loss) per share are calculated by dividing the net profit/ (loss) for the period/ year attributable to equity shareholders by the weighted average number of equity shares outstanding during the period/ year. The weighted average number of equity shares outstanding during the period is adjusted for events of bonus issue and share split. For the purpose of calculating diluted earnings/ (loss) per share, the net profit/ (loss) for the period/ year attributable to equity shareholders and the weighted average number of shares outstanding during the period/ year are adjusted for the effects of all dilutive potential equity shares except where the results will be anti-dilutive. The dilutive potential equity shares are deemed converted as of the beginning of the period, unless they have been issued at a later date.

### **3.12. Provisions**

A provision is recognized when the Company has a present obligation as a result of past event. It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

Where the Company expects some or all of a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the Restated Unconsolidated Summary Statement of Profit and Loss, net of any reimbursement.

#### **Warranty provision**

Provision for warranty related costs is recognized when the product is sold or service provided, provision is based on historical experience. The estimates of such warranty related costs are reviewed periodically and revisions are made, as and when required.

### **3.13. Leases**

#### **Where the Company is lessee**

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the Restated Unconsolidated Summary Statement of Profit and loss.

### **3.14. Contingent liabilities**

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. The Company does not recognize a contingent liability but discloses its existence in the Restated Unconsolidated Financial Information.

### **3.15. Cash and Cash equivalents**

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

### **3.16. Measurement of EBITDA**

The Company has elected to present earnings before interest, tax depreciation and amortization (EBITDA) as a separate line item on the face of the Restated Unconsolidated Summary Statement of Profit and loss. The Company measures EBITDA on the basis of profit/(loss). In its measurement, the Company does not include depreciation and amortization expense, interest income, finance costs and tax expense.

### **3.17. Amalgamation accounting**

The Company treats an amalgamation in the nature of merger if it satisfies all the following criteria:

- i. All the assets and liabilities of the transferor Company become, after amalgamation, the assets and liabilities of the transferee Company.



- ii. Shareholders holding not less than 90% of the face value of the equity shares of the transferor Company (other than the equity shares already held therein, immediately before the amalgamation, by the transferee Company or its subsidiaries or their nominees) become equity shareholders of the transferee Company.
- iii. The consideration for amalgamation receivable by those equity shareholders of the transferor Company who agree to become shareholders of the transferee Company is discharged by the transferee Company wholly by the issue of equity shares, except that cash may be paid in respect of any fractional shares.
- iv. The business of the transferor Company is intended to be carried on, after the amalgamation, by the transferee Company.
- v. The transferee Company does not intend to make any adjustment to the book values of the assets and liabilities of the transferor Company, except to ensure uniformity of accounting policies.

All other amalgamations are in the nature of purchase.

The Company accounts for all amalgamations in the nature of merger using the pooling of interest method. The application of this method requires the Company to recognize any non-cash element of the consideration at fair value. The Company recognizes assets, liabilities and reserves, whether capital or revenue, of the transferor Company at their existing carrying amounts and in the same form as at the date of the amalgamation. The balance in the statement of profit and loss of the transferor Company is transferred to the general reserve. The difference between the amount recorded as share capital issued, plus any additional consideration in the form of cash or other assets, and the amount of share capital of the transferor Company is adjusted in reserves.

An amalgamation in the nature of purchase is accounted for using the purchase method. The cost of an acquisition/ amalgamation is measured as the aggregate of the consideration transferred, measured at fair value. Other aspects of accounting are as below:

- i. The assets and liabilities of the transferor Company are recognized at their fair values at the date of amalgamation. The reserves, whether capital or revenue, of the transferor Company, except statutory reserves, are not recognized.
- ii. Any excess consideration over the value of the net assets of the transferor Company acquired is recognized as goodwill. If the amount of the consideration is lower than the value of the net assets acquired, the difference is treated as capital reserve.
- iii. The goodwill arising on amalgamation is amortized to the statement of profit and loss on a systematic basis over its useful life not exceeding five years.

#### **Amalgamation in the year 2012- 13:**

During the year ended 31 March 2013, The Hon'ble High Court of Delhi, on 2 May 2013 sanctioned scheme of amalgamation ('the scheme') under section 391 to 394 of the Companies Act, 1956. In accordance with the scheme, Mag Engineering Private Limited (Transferor Company) merged with the Company with effect from 1 April 2012 (the appointed date). Besides simplifying the corporate structure, the amalgamation is expected to channelize synergies and lead to better utilization of available resources and result in greater economies of scale.

The scheme became effective on 9 May 2013 upon filing of the order of the aforesaid Hon'ble High Court date 2 May 2013 with the Registrar of Companies, Delhi and Haryana.

The Salient features of the scheme are as follows:

- a) The entire equity paid up capital of Mag Engineering Private Limited stand fully cancelled.
- b) With effect from the appointed date, the undertaking of the transferor Company, stand succeeded/ transferred to and vested in the Company on a going concern basis so as to become the assets or liabilities of the Company.
- c) The amalgamation has been accounted as per the scheme which is in accordance with the purchase method as described in Accounting Standard-14 "Accounting for amalgamation" notified by the Company (Accounting Standard) Rule, 2006 with effect from the appointed date of the scheme being 1 April 2012 and recognized assets and liabilities acquired at fair value.
- d) Mag Engineering Private Limited stands dissolved without being wound up from the effective date.
- e) From the effective date i.e. 9 May 2013, the authorised share capital stood increase by Rs. 50 Million consisting of equity share of Rs. 2 each without any further act or deed on the part of the Company and the Memorandum of Association and Article of Association of the Company stand amended accordingly without any further act or deed on the part of the Company.
- f) The amount by which the fair values of the assets and liabilities of the transferor company exceeded the purchase consideration paid by the Company has been credited to Capital Reserve. The fair value of the assets and liabilities acquired and resulted capital reserve is as follows:

Particulars	Rs.in Million
<b>LIABILITIES</b>	
<b>Non-current liabilities</b>	
(a) Long-term borrowings	67.50
<b>Current liabilities</b>	-
(b) Trade payables	82.65
(c) Other current liabilities	41.13
(d) Short-term provisions	18.47
<b>Total liabilities (A)</b>	<b>209.75</b>
<b>ASSETS</b>	
<b>Non-current assets</b>	-
(a) Fixed assets	896.27
(b) Long-term loans and advances (Security Deposit)	2.38
(c) Deferred tax assets (net)	3.87
<b>Current assets</b>	-
(a) Inventories	60.37
(b) Trade receivables	152.28
(c) Cash and cash equivalents	55.30
(d) Short-term loans and advances	3.55
(e) Other current assets	2.85
<b>Total assets (B)</b>	<b>1,176.87</b>
<b>Net amount (B-A) = (C)</b>	<b>967.12</b>
<b>Purchase consideration (D)</b>	<b>710.31</b>
<b>Capital reserve (C-D)</b>	<b>256.81</b>

#### 4. Change in Accounting Estimates

##### 4.1 Change in Accounting estimates

###### a. Useful lives/depreciation rates

Till the year ended 31 March 2014, depreciation rates prescribed under Schedule XIV were treated as minimum rates and the Company was not allowed to charge depreciation at lower rates even if such lower rates were justified by the estimated useful life of the asset. Schedule II Part C to the 2013 Act prescribes useful lives for property, plant and equipment which, in many cases, are different from the useful lives prescribed under the erstwhile Schedule XIV. However, Schedule II allows companies to use higher/ lower useful lives and residual values if such useful lives and residual values can be technically supported and justification for difference is disclosed in the financial statements.

Considering the applicability of Schedule II, the management has re-estimated useful lives and residual values of all its property, plant and equipment. The management believes that depreciation rates currently used fairly reflect its estimate of the useful lives and residual values of property, plant and equipment, though these rates in certain cases are different from lives prescribed under Schedule II there is no material impact of the same.

###### b. Component accounting:

During the previous year i.e., with effect from 1 April 2015, the Company has adopted component accounting as required under Schedule II to the Companies Act, 2013. The Company was previously not identifying components of property, plant and equipment separately for depreciation purposes; rather, a single useful life/ depreciation rate was used to depreciate each item of property, plant and equipment.

Due to application of Schedule II to the 2013 Act, the Company has changed the manner of depreciation for its property, plant and equipment. Now, the Company identifies and determines cost of each component/part of the asset separately, if the component/part has a cost which is significant to the total cost of the asset having useful life that is materially different from that of the remaining asset. These components are depreciated over their useful lives, the remaining asset is depreciated over the life of the principal asset. However, it does not have any impact on the Restated Unconsolidated Summary Statement of Profit and Loss for the year ended 31 March 2015. The aforesaid policy has been consistently applied by the Company during the current year.

## Notes to Accounts

### A. Leases

#### Operating Lease: Company as lessee

The Company has taken various office premises under operating lease agreements. These are cancellable in nature and are renewable by mutual consent on mutually agreed terms. There are no restrictions imposed by lease agreement and there are no sub-leases also.

### B. Gratuity

The Company has a defined benefit gratuity plan for its employees. Every employee who has completed at least five years of service gets a gratuity on departure at 15 days of last drawn salary for each completed year of service. The scheme is funded with insurance companies in the form of qualifying insurance policies.

The following tables summarise the components of net benefit expense recognised in the Restated Unconsolidated Summary Statement of Profit and Loss and the funded status and amounts recognised in the balance sheet for the above plan.

#### Restated Unconsolidated Summary Statement of Profit and Loss

Net employee benefit expense recognised in employee cost

(Rs. in Million)

Particulars	30 September 2017	31 March 2017	31 March 2016	31 March 2015	31 March 2014	31 March 2013
Current service cost	9.94	19.45	16.09	13.84	10.32	10.69
Interest cost on benefit obligation	6.04	10.35	8.83	7.25	5.95	4.39
	(5.60)	(8.98)	(7.48)		(5.80)	(4.16)
Expected return on plan assets				(5.72)		
Net actuarial (gain)/loss recognized in the period/ year	(3.21)	5.31	(1.23)	8.95	(3.86)	4.95
Net benefit expense	7.17	26.13	16.20	24.32	6.61	15.87
Actual return on plan assets	(6.88)	(12.08)	(8.98)	(10.81)	(2.32)	(6.18)

#### Balance sheet

Benefit asset/liability

(Rs. in Million)

Particulars	30 September 2017	31 March 2017	31 March 2016	31 March 2015	31 March 2014	31 March 2013
Present value of defined benefit obligation	170.50	161.20	128.46	111.09	79.66	74.35
Fair value of plan assets	147.26	139.90	112.29	93.54	71.47	68.27
Plan asset / (liability)	(23.24)	(21.30)	(16.17)	(17.55)	(8.19)	(6.08)

Changes in the present value of defined benefit obligation are as follows:

(Rs. in Million)

Particulars	30 September 2017	31 March 2017	31 March 2016	31 March 2015	31 March 2014	31 March 2013
Opening defined benefit obligation	161.20	128.46	111.09	79.66	74.35	45.66
Adjusted on account of amalgamation	-	-	-	-	-	9.33
Current service cost	9.94	19.45	16.09	13.84	10.32	10.69
Interest cost	6.04	10.35	8.83	7.25	5.95	4.39
Benefit paid	(4.76)	(5.47)	(7.81)	(3.70)	(3.62)	(2.69)
Actuarial (gains)/losses on obligation	(1.93)	8.41	0.27	14.04	(7.34)	6.97
Closing defined benefit obligation	170.50	161.20	128.46	111.09	79.66	74.35

Changes in the fair value of plan assets are as follows:

(Rs. in Million)

Particulars	30 September 2017	31 March 2017	31 March 2016	31 March 2015	31 March 2014	31 March 2013
Opening fair value of plan assets	139.90	112.29	93.54	71.47	68.27	45.14
Adjusted on account of amalgamation	-	-	-	-	-	6.89
Expected return	5.60	8.98	7.48	5.72	5.80	4.16
Contributions by employer	5.00	21.00	17.50	14.96	4.00	11.40

Benefits paid	(4.52)	(5.47)	(7.72)	(3.70)	(3.11)	(1.34)
Actuarial gain/(loss)	1.28	3.10	1.49	5.09	(3.49)	2.02
Closing fair value of plan assets	147.26	139.90	112.29	93.54	71.47	68.27

The Company expects to contribute the following amount in the next year:

Particulars	30 September 2017	31 March 2017	31 March 2016	31 March 2015	31 March 2014	31 March 2013
Contribution	27.45	26.77	16.20	21.68	16.30	13.80

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

Particulars	30 September 2017	31 March 2017	31 March 2016	31 March 2015	31 March 2014	31 March 2013
Investment with insurers	100%	100%	100%	100%	100%	100%

The principal assumptions used in determining gratuity benefit obligation for the Company's plans are shown below:

Particulars	30 September 2017	31 March 2017	31 March 2016	31 March 2015	31 March 2014	31 March 2013
Mortality table (LIC)	IALM (2006-08)	IALM (2006-08)	IALM (2006-08)	1994-96 duly modified	1994-96 duly modified	1994-96 duly modified
Discount rate	7.42%	7.49%	8.06%	7.95%	9.10%	8%
Expected rate of return on plan assets	8%	8%	8%	8%	8.5%	8%
Rate of escalation in salary	8%	8%	8%	8%	8%	8%
<b>Employee turnover</b>						
Up to 30 years	10%	10%	10%	10%	10%	3%
From 31 to 44 years	3%	3%	3%	3%	3%	2%
Above 44 years	1%	1%	1%	1%	1%	1%

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

Amounts for the current and previous five periods are as follows:

Gratuity	30 September 2017	31 March 2017	31 March 2016	31 March 2015	31 March 2014	31 March 2013
Defined benefit obligation at end of the year	170.50	161.20	128.46	111.09	79.66	74.35
Plan assets at end of the year	147.26	139.90	112.29	93.54	71.47	68.27
Plan assets/(liability) (net)	(23.24)	(21.30)	(16.17)	(17.55)	(8.19)	(6.08)
Experience adjustments on plan liabilities (loss)/ gain	3.17	0.99	(1.85)	(0.64)	(3.57)	(6.97)
Experience adjustments on plan assets (loss)/ gain	1.28	3.10	1.49	4.74	(3.14)	2.02

### C. Derivative instruments and un-hedged foreign currency exposure

#### (a) Derivatives outstanding as at the reporting date:

(Amount in Million)

Description	Purpose	Currency	30 September 2017	31 March 2017	31 March 2016	31 March 2015	31 March 2014	31 March 2013
Cross Currency cum interest rate swap	Hedge against exposure on loan repayment for USD loan and its interest payments. The interest rate has been swapped to pay fixed interest @ 9.75% p.a.	USD	-	0.34	1.25	2.25	3.25	4.00
		INR	-	18.99	67.19	120.94	174.69	215.00
Principal swap only	Hedge against long term Buyers Line of Credit for JPY Exposure	JPY	-	-	52.61	52.61	52.61	-
		INR	-	-	31.25	31.25	31.25	-
Principal swap only	Hedge against long term Buyers Line of Credit for USD Exposure	USD	-	0.24	1.07	1.07	0.48	-
		INR	-	15.09	67.59	67.59	29.75	-
Forward cover	Forward cover for outstanding Buyers Line of Credit for USD Exposure	USD	-	-	-	-	0.15	-
		INR	-	-	-	-	9.35	-
Principal and interest swap only	Hedge against exposure on loan repayment for USD loan and its interest payments	USD	1.52	1.52	-	-	-	-
		INR	107.82	107.82	-	-	-	-

(b) Particulars of hedged foreign currency exposure as at the reporting date:

## Import trade payables

(Amount in Million)

Description	Currency	30 September 2017	31 March 2017	31 March 2016	31 March 2015	31 March 2014	31 March 2013
USD	FC	-	0.29	0.90	-	0.67	-
	INR	-	19.14	60.35	-	41.44	-
JPY	FC	30.96	21.08	-	-	23.43	-
	INR	17.96	12.40	-	-	14.28	-
<b>Total</b>	<b>INR</b>	<b>17.96</b>	<b>31.54</b>	<b>60.35</b>	<b>-</b>	<b>55.72</b>	<b>-</b>

(c) Particulars of un-hedged foreign currency exposure as at the reporting date:

## Import trade payables

(Amount in Million)

Description	Currency	30 September 2017	31 March 2017	31 March 2016	31 March 2015	31 March 2014	31 March 2013
USD	FC	3.51	3.45	2.25	5.63	1.83	1.49
	INR	219.87	226.12	149.05	351.76	110.01	80.90
JPY	FC	303.04	50.92	132.35	119.13	48.66	10.33
	INR	177.61	29.81	77.40	61.76	27.78	5.95
GBP	FC	0.04	0.05	0.03	0.02	0.01	0.01
	INR	3.51	3.77	2.85	1.40	1.36	0.74
EURO	FC	0.20	0.04	0.05	0.05	-	-
	INR	15.03	3.01	3.86	3.33	-	-
<b>Total</b>	<b>INR</b>	<b>416.02</b>	<b>262.71</b>	<b>233.16</b>	<b>418.25</b>	<b>139.15</b>	<b>87.59</b>

## Export trade receivables

(Amount in Million)

Description	Currency	30 September 2017	31 March 2017	31 March 2016	31 March 2015	31 March 2014	31 March 2013
USD	FC	0.01	0.008	0.03	0.06	0.12	0.1
	INR	0.94	0.52	1.86	3.96	7.34	7.08
GBP	FC	-	-	-	-	-	0.01
	INR	-	-	-	-	-	0.01
<b>Total</b>	<b>INR</b>	<b>0.94</b>	<b>0.52</b>	<b>1.86</b>	<b>3.96</b>	<b>7.34</b>	<b>7.09</b>

**Buyer's credit facility**

(Amount in Million)

Description	Currency	30 September 2017	31 March 2017	31 March 2016	31 March 2015	31 March 2014	31 March 2013
USD	FC	-	-	-	1.64	0.74	2.17
	INR	-	-	-	103.91	44.26	117.63
JPY	FC	-	-	-	43.21	-	-
	INR	-	-	-	22.39	-	-
EURO	FC	0.18	0.18	0.18	-	-	-
	INR	13.62	12.24	13.15	-	-	-
<b>Total</b>	<b>INR</b>	<b>13.62</b>	<b>12.24</b>	<b>13.15</b>	<b>126.30</b>	<b>44.26</b>	<b>117.63</b>

**D. Detail of dues to micro and small enterprises as defined under the MSMED Act, 2006**

(Rs. in Million)

Particulars	30 September 2017	31 March 2017	31 March 2016	31 March 2015	31 March 2014	31 March 2013
The principal amount remaining unpaid as at the end of the period/ year	189.38	145.11	120.76	124.42	136.26	100.22
Interest due on above principal and remaining unpaid as at the end of the period/ year	0.06	0.008	0.17	0.17	0.64	0.11
Amount of interest paid by the buyer in terms of Section 16 along with the amounts of the payments made to suppliers beyond the appointed day during each accounting period/ year	0.66	19.28	4.74	-	-	-
(a) Interest paid						
(b) Payment to suppliers	18.59	186.21	902.96	509.48	1,070.54	732.16
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 Micro Small and Medium Enterprises Development Act, 2006.	1.51	4.77	10.19	2.06	7.40	5.18
The amount of the interest accrued and remaining unpaid at the end of each accounting period/ year; and	1.57	4.78	10.36	2.24	8.04	5.29
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 small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro Small and Medium Enterprises Development Act, 2006.	18.08	17.18	31.67	26.05	23.81	15.77

**E. Interest in Joint Venture**

Relevant information relating to the joint venture companies is as follows:

S. No.	Name of the Joint Venture Company	JV Partner	% Share in JV						Country of Incorporation	
			As at Sept, 2017	2017-18	2016-17	2015-16	2014-15	2013-14		2012-13
1	Indo Toolings Private Limited (ITPL)	JBM Auto Limited	50	50	50	50	50	50	50	India
2	Sandhar Components Private Limited (SCCPL) (till 30 <sup>th</sup> June 2015)*	Mr. Ashim Talwar and Mrs. Charoo Talwar	-	-	-	50	50	50	50	India
3	Sandhar Technologies Private Limited (SHTPL)	Han Sung Imp Co. Limited	50	50	50	50	50	N.A.	N.A.	India

S.	Name of the Joint	JV Partner	% Share in JV							Country of
4	Sandhar Ecco Green Energy Private Limited (w.e.f.15th January,2016)	DMRG Investment Pvt Ltd and Tarun Agarwal	50	50	50	50	N.A.	N.A.	N.A.	India
5	Jinyoung Sandhar Mechatronics Private Limited (incorporated as on 20th March 2017)	Jinyoung Electro-Machines Co. Ltd.	50	50	50	N.A.	N.A.	N.A.	N.A.	India
6	Sandhar Amkin Industries Private Limited (incorporated as on 6 <sup>th</sup> September 2017)	Amkin Group Private Limited	50	50	N.A.	N.A.	N.A.	N.A.	N.A.	India

\*Pursuant to the share purchase agreement dated 30 June 2015, the Company has exited from the joint venture and has sold its 50 % shareholding to the other partner at a nominal value of Re 1. The loss on this account amounting to Rs 55,000,000 had been considered in the year ended 31 March 2015. Further during the financial year ended 31 March 2016, in addition to the above the following amounts have also been charged off to the Statement of Profit and Loss and shown under exceptional item amounting to Rs.20,170,528:

- (i) Advance of Rs 4,327,558 given to JV in the earlier year.
- (ii) 50% share of Rs 14,483,970 towards discharge of bank liability on behalf of this JV.
- (iii) Share of fair value deficit of Rs.1,359,000

The Company's share of the assets, liabilities, income and expenses of the joint ventures for the period and five years are as follows:

**a. Sandhar Caama Components Private Limited (SCCPL)**

(Rs. in Million)

Particulars	31 March 2017#	31 March 2016#	31 March 2015	31 March 2014	31 March 2013
Current assets	-	-	11.19	21.86	20.80
Non-current assets	-	-	14.41	14.42	16.96
Current liabilities	-	-	34.11	34.74	28.55
Non-current liabilities	-	-	2.46	1.56	2.41
Equity	-	-	5.50	5.50	5.50
Particulars	31 March 2017#	31 March 2016#	31 March 2015	31 March 2014	31 March 2013
Revenue	-	6.47	90.16	100.28	109.24
Cost of goods sold	-	4.41	74.42	74.99	82.81
Employee benefit expense	-	0.87	5.19	5.65	11.80
Other expense	-	1.94	15.86	28.33	13.59
Depreciation and amortization	-	0.46	2.23	2.08	1.66
Loss before tax	-	(1.95)	(10.92)	(3.33)	(3.75)
Income-tax expense including deferred tax	-	-	-	3.50	0.11
Loss after tax	-	(1.95)	(10.92)	(6.83)	(3.86)

#SCCPL was a JV of the Company upto 30 June 2015, hence disclosures have given accordingly.

**b. Indo Toolings Private Limited (ITPL)**

(Rs in Million)

Particulars	30 September 2017	31 March 2017	31 March 2016	31 March 2015	31 March 2014	31 March 2013
Current assets	81.77	86.96	53.54	59.44	105.91	67.80
Non-current assets	36.28	37.46	36.95	36.54	32.12	32.20
Current liabilities	74.62	76.69	48.26	49.59	85.34	53.92
Non-current liabilities	1.85	1.71	1.29	1.58	1.15	1.01
Equity	35.25	35.25	35.25	35.25	35.25	35.25
Revenue	45.11	138.91	96.97	120.67	115.41	56.26
Cost of goods sold	14.49	56.57	42.46	67.80	49.16	49.92
Employee benefit expense	12.73	25.91	21.25	21.64	16.43	12.52
Other expense	21.32	49.14	34.94	39.27	38.59	24.63
Depreciation and Amortization	0.38	0.96	0.76	0.46	0.55	0.53
Profit/(loss) before tax	4.44	5.04	(3.98)	(9.28)	9.87	8.50
Income-tax expense/(credit) including deferred tax	-	(0.04)	(0.10)	(2.57)	3.40	2.97
Profit/(loss) after tax	4.44	5.09	(3.88)	(6.71)	6.47	5.53

**c. Sandhar Han Sung Technologies Private Limited (SHSTPL)**

(Rs in Million)

Particulars	30 September 2017	31 March 2017	31 March 2016	31 March 2015	31 March 2014	31 March 2013
Current assets	29.03	13.88	7.59	4.32	-	-
Non-current assets	47.75	36.61	21.41	16.79	-	-

Current liabilities	24.44	10.25	4.30	4.50	-	-
Non-current liabilities	1.18	0.81	0.39	0.11	-	-
Equity	71.99	54.56	31.66	9.15	-	-
Revenue	11.82	15.42	1.17	0.10	-	-
Cost of goods sold	7.89	10.12	0.73	-	-	-
Depreciation	1.21	1.82	1.41	0.01	-	-
Employee benefit expense	4.12	7.51	5.78	0.20	-	-
Other expense	4.51	6.86	3.04	0.50	-	-
Loss before tax	(5.92)	(10.85)	(9.76)	(0.58)	-	-
Income-tax expense/(credit) including deferred tax	(0.23)	(3.05)	(2.84)	(0.16)	-	-
Loss after tax	(5.69)	(7.80)	(6.92)	(0.42)	-	-

**d. Sandhar Ecco Green Energy Private Limited (SEGEPL)**

(Rs in Million)

Particulars	30 September 2017	31 March 2017	31 March 2016	31 March 2015	31 March 2014	31 March 2013
Current assets	15.31	12.84	22.43	-	-	-
Non-current assets	2.15	1.74	0.67	-	-	-
Current liabilities	5.28	1.18	8.19	-	-	-
Non-current liabilities	0.50	0.34	0.04	-	-	-
Equity	6.89	6.89	6.89	-	-	-
Particulars	30 September 2017	31 March 2017	For the period 15 January 2016 to 31 March 2016	31 March 2015	31 March 2014	31 March 2013
Revenue	14.27	22.12	7.63	-	-	-
Cost of goods sold	12.58	16.20	5.72	-	-	-
Depreciation	0.13	0.20	0.06	-	-	-
Employee benefit expense	2.18	3.98	0.78	-	-	-
Other expense	1.35	3.99	1.62	-	-	-
Loss before tax	1.96	(2.26)	(0.45)	-	-	-
Income-tax expense/(credit) including deferred tax	0.58	(0.44)	0.01	-	-	-
Loss after tax	1.38	(1.82)	(0.46)	-	-	-

**e. Jinyoung Sandhar Mechatronics Private Limited (JSMPL)**

(Rs in Million)

Particulars	30 September 2017	31 March 2017
Current assets	20.98	-
Non-current assets	35.42	-
Current liabilities	3.39	-
Non-current liabilities	-	-
Equity	56.90	-
Revenue	8.90	-
Cost of goods sold	12.51	-
Depreciation	0.18	-
Employee benefit expense	0.95	-
Other expense	1.70	-
Loss before tax	(6.42)	-
Income-tax expense/ (credit) including deferred tax	(2.53)	-
Loss after tax	(3.89)	-

The above figures are based on the audited financial statements for the period ended 30 September 2017 and audited financial statement for the year ended 31 March 2017 done by another firm of Chartered Accountants.

**F. Research and Development (R & D) expenses**

The Company has incurred the following expenditure on its research and development center at Gurgaon approved and recognized by the Ministry of Science and Technology, Government of India.



**a. Capital expenditure**

(Rs. in Million)

Particulars	30 September 2017	31 March 2017	31 March 2016	31 March 2015	31 March 2014	31 March 2013
Capital expenditure	0.04	0.22	2.76	2.37	0.98	5.18

**b. Revenue expenditure for the six months period and year ended:**

(Rs. in Million)

Particulars	30 September 2017	31 March 2017	31 March 2016	31 March 2015	31 March 2014	31 March 2013
Employee benefits expenses	17.66	24.84	19.58	15.04	17.10	15.00
Power and fuel	0.25	0.31	0.94	0.70	0.45	0.49
Repair and maintenance	1.01	2.65	2.47	3.30	2.01	2.46
Vehicle lease rent	-	0.26	0.78	1.56	1.50	1.18
Travelling and conveyance	0.61	0.88	1.11	0.74	0.58	0.45
Legal and professional charges	0.06	1.84	5.14	4.92	4.54	3.90
Miscellaneous expenses	1.72	9.42	3.64	1.48	1.66	1.82
<b>Total</b>	<b>21.33*</b>	<b>40.21</b>	<b>33.66</b>	<b>27.74</b>	<b>27.84</b>	<b>25.30</b>

\*This includes an amount of Rs. 1.25 Million which is not allowed as deduction under section 35(2AB) of Income Tax Act 1961 as R & D Expenditure.

**G. Slump sale**

- During the financial year ended 31 March 2015, the business of fabrication of Cabins from Arkay Fab-Steel System Private Limited ("Arkay") was acquired by way of a "Slump Sale" and goodwill amounting to Rs. 76.17 million was recognized in the book of account for the year ended 31 March 2015. This goodwill is being amortized on a straight line basis over a period of five years.
- Pursuant to Escrow Agreement dated 4 December 2014 entered between the Company and the Promoters of erstwhile Arkay Fab-Steel System Private Limited ('Arkay') to cover certain potential liabilities relating to pre-acquisition period of Arkay business, an amount of Rs. 9,958,507 lying in escrow account was paid to 'Arkay' during the year ended 31 March 2017 on completion of the specified period of two years as mentioned in the Slump Sale agreement.

**H. Corporate Social Responsibility**

From the financial year beginning 1 April 2014, Corporate Social Responsibility ("CSR") norms were applicable to the Company as per the requirements of Section 135 of the Companies Act, 2013.

During the year 2017-18, the gross amount required to be spent by the Company on CSR related activities amounted to Rs. 8.36 Million.

Further, the amount spent during the six month period ended 30 September 2017 and for the years ended 31 March 2017, 2016 and 2015 in cash are as follows:

(Rs. in Million)

Particulars	For the period 1 April 2017 to 30 September 2017	For the financial years ended 31 March 2017	For the financial years ended 31 March 2016	For the financial years ended 31 March 2015
Construction/acquisition of any asset	Nil	Nil	Nil	Nil
On any other purpose				
- Sandhar Foundation	2.81	6.60	2.62	2.55
- Khushi Kinship	1.48	-	-	-
- Maa Durga Charitable Trust	1.00	-	-	-
- Society for Promotion of Youth and Masses	-	-	-	3.25
- Rotary South-end Charitable Trust	-	1.27	0.25	0.52
- Hans Vahini Shiksha Samiti	-	1.50	-	-
- Lala Bhan Chandra Memorial Society	-	-	1.50	-
<b>Total</b>	<b>5.29</b>	<b>9.37</b>	<b>4.37</b>	<b>6.32</b>

**I. Share application money pending allotment**

Share application money pending allotment as at 31 March 2014, represents application money received from existing shareholders, GTI Capital Auto Investments-1 PTE Limited which was in compliance with the share purchase agreement dated 23 July 2012 between Company and GTI Capital Auto Investments-1 PTE Limited. During the year ended 31 March 2015, equity shares were allotted against the said share application money pending allotment at Rs. 77 per share (i.e., Face value of Rs. 2 each at a Security Premium of Rs. 75 per equity share).

**J. Segment Reporting**

The Company is engaged in the business of manufacturing and assembling of automotive components. Accordingly, the Company only has automotive components as its business segment. Further, the economic environment in which the company operates is significantly similar and not subject to materially different risk and rewards. Accordingly, as the company operates in a single business and geographical segment, the reporting requirements for primary and secondary disclosures under Accounting Standard-17 Segment Reporting, specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014, have not been provided in the Restated Unconsolidated financial Information.

**Sandhar Technologies Limited**

**Annexure V – Statement of Restatement Adjustments to Audited Unconsolidated Financial Statements**

A. The summary of results of restatements made in the audited Unconsolidated Summary Statements for the respective years and its impact on the profits of the Company is as follows:

(Rs in Million)								
S. No	Particulars	Note	For the period from 1 April 2017 to 30 September 2017	31-Mar-17	31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13
	<b>Profit after tax as per audited financial statements</b>		<b>346.33</b>	<b>337.27</b>	<b>269.46</b>	<b>348.38</b>	<b>337.64</b>	<b>228.66</b>
<b>A</b>	<b>Restatement adjustment on account of Auditor's Qualification</b>							
	Provision in respect of diminution in the value of the Investment in a wholly owned subsidiary of the Company	1	-	-	(40.39)	-	-	-
	Provision for loans and advances	1	-	-	(41.97)	-	-	20.65
	<b>Total</b>		<b>-</b>	<b>-</b>	<b>(82.36)</b>	<b>-</b>		<b>20.65</b>
<b>B</b>	<b>Material item relating to previous years</b>							
	Share issue expenses provided for	3	-	(29.15)	29.15	-	-	-
	<b>Total readjustment adjustments</b>		<b>-</b>	<b>(29.15)</b>	<b>(53.21)</b>	<b>-</b>		<b>20.65</b>
<b>C</b>	Deferred tax impact of the above adjustment		-	-	-	-	-	-
<b>D</b>	Total impact of restated adjustment		-	(29.15)	(53.21)	-	337.64	20.65
	Net Profit as per restated financial statement.		<b>346.33</b>	<b>366.42</b>	<b>322.67</b>	<b>348.38</b>	<b>337.64</b>	<b>208.01</b>

(Rs in Million)		
Particulars		Amount
Net surplus in the Statement of Profit and Loss as at 1 April 2012 as per audited financial statements		213.17
<b>Adjustments</b>		
<b>Effect of the Auditor's Qualification in FY 2010 and FY 2011 adjusted through retained earning</b>		
Investment in Subsidiary Company before 2011	40.39	
Loans and Advances to PTSI in 2011	16.99	
Loans and Advances to PTSI in 2012	4.32	61.72
Net surplus in the Statement of Profit and Loss as at 1 April 2012 as per restated financial statements		151.45

## Explanatory Notes:

### 1. Auditor's qualifications

Statutory Auditor of the Company had qualified their audit reports for the financial year ended 31 March 2013 onwards, with regards to the realizability of the investment and recoverability of loans and advances given to a wholly owned subsidiary. The, impact of these qualifications has been considered in the opening retained earnings as on 1 April 2012 and subsequently adjusted to the extent related to each year in the Restated Unconsolidated Financial Information of the Company. Audit qualifications of the Statutory Auditor are reproduced below:

#### a) In the main audit report for the financial year ended on March 31, 2015

The Company has invested Rs. 40.39 Million in a wholly owned subsidiary and has a recoverable amount of Rs. 41.97 Million from such subsidiary, as at March 31, 2015. As per the unaudited management accounts provided to us, the subsidiary's accumulated losses of Rs. 70.59 Million exceed its net worth as at March 31, 2015. The subsidiary also has net current liabilities of Rs. 32.10 Million as at March 31, 2015. In earlier year subsidiary filed for liquidation. For reasons as stated in note below, we are unable to comment on the realizability of the investment and recoverability of the aforesaid advance and adjustments, if any, that may be required to be made to the financial statements in the event of non-realizability / non-recoverability of any part or whole of investment value / advance respectively. Our audit opinion on the financial statements for the previous year was also qualified in respect of the above matter.

The impact of provision of investment of Rs.40.39 million and loan of Rs.13.60 million were considered in opening retained earnings as mentioned in note 1(e) below. Impact of provision of loan of Rs.41.97 million was considered in the restated statement of profit and loss for the year ended March 31, 2011, 2012 and 2013 as mentioned in note 1(e), 1(d) and 1(c) below.

#### Note in the audited unconsolidated financial statements

As at March 31, 2015, the Company has an investment of Rs.40.39 Million (Previous year Rs. 40.39 Million) and loans and advances of Rs.41.97 Million (Previous year Rs. 41.97 Million) with its wholly owned subsidiary PT Sandhar Indonesia (PTSI). Due to its continuing losses, the Company has decided to wound up PT Sandhar Indonesia (PTSI) and the process of its liquidation was started in the previous year which is expected to be completed by the end of next Financial Year. The Company had started this subsidiary in Indonesia to manufacture products for one of Company's key customer. However, due to lack of adequate business by customer, this subsidiary suffered losses. The matter to compensate the Company towards its investment in Sandhar Indonesia (PTSI) is under discussion with the concerned key customer. In view of the same, no provision against the amount of aforesaid investment and loans and advances is made in its financial statements as at March 31, 2014 and March 31, 2015.

#### b) In the main audit report for the financial year ended on March 31, 2014

The Company has invested Rs. 40.39 Million in a wholly owned subsidiary and has a recoverable amount of Rs. 41.97 Million from such subsidiary, as at March 31, 2014. As per the unaudited management accounts provided to us, the subsidiary's accumulated losses of Rs. 72.39 Million exceed its net worth as at March 31, 2014. The subsidiary also has net current liabilities of Rs. 29.88 Million as at March 31, 2014. During the previous year subsidiary has filed for liquidation. For reasons more fully described as stated in note below, we are unable to comment on the realizability of the investment and recoverability of the aforesaid advance and adjustments, if any, that may be required to be made to the financial statements in the event of non-realizability / non-recoverability of any part or whole of investment value / advance respectively. Our audit opinion on the financial statements for the previous year was also qualified in respect of the above matter.

The impact of provision of investment of Rs.40.39 million and loan of Rs.13.60 million were considered in opening retained earnings as mentioned in note 1(e) below. Impact of provision of loan of Rs.41.97 million was considered in the restated statement of profit and loss for the year ended March 31, 2011, 2012 and 2013 as mentioned in note 1(e), 1(d) and 1(c) below.

#### Note in the audited unconsolidated financial statements

As at March 31, 2014, the Company has an investment of Rs.40.39 Million (Previous year Rs. 40.39 Million) and loans and advances of Rs.41.97 Million (Previous year Rs. 41.97 Million) with its wholly owned subsidiary PT Sandhar Indonesia (PTSI). Due to its continuing losses, the Company has decided to wound up PT Sandhar Indonesia (PTSI) and the process of its liquidation was started in the previous year which is expected to be completed by the end of next Financial Year. The Company had started this subsidiary in Indonesia to manufacture products for one of Company's key customer. However, due to lack of adequate business by customer, this subsidiary suffered losses. The matter to compensate the Company towards its investment in Sandhar Indonesia (PTSI) is under discussion with the concerned key customer. In view of the same, no provision against the amount of aforesaid investment and loans and advances is made in its financial statements as at March 31, 2013 and March 31, 2014.

**c) In the main audit report for the financial year ended on March 31, 2013**

The Company has invested Rs. 40.39 Million in a wholly owned subsidiary and has a recoverable amount of Rs. 41.97 Million from such subsidiary, as at March 31, 2013. As per the unaudited management accounts provided to us, the subsidiary's accumulated losses of Rs. 74.11 Million exceed its net worth as at March 31, 2013. The subsidiary also has net current liabilities of Rs. 29.21 Million as at March 31, 2013. During the year subsidiary has filed for liquidation. Accordingly we are unable to comment on the realizability of the investment and recoverability of the aforesaid advance and adjustments, if any, that may be required to be made to the financial statements in the event of non-realizability / non-recoverability of any part or whole of investment value / advance respectively. Our audit opinion on the financial statements for the previous year was also qualified in respect of the above matter.

The impact of provision of investment of Rs.40.39 million and loan of Rs.13.60 million were considered in opening retained earnings as mentioned in note 1(e) below. Impact of provision of loan of Rs.7.72 million was considered in the restated statement of profit and loss for the year ended March 31, 2011 and 2012 as mentioned in note 1(e) and 1(d) below. Impact of provision of balance of loan of Rs.20.65 million was considered in the restated statement of profit and loss for the year ended March 31, 2013.

**Note in the audited unconsolidated financial statements**

As at March 31, 2013, the Company has an investment of Rs.40.39 Million (Previous year Rs. 40.39 Million) and loans and advances of Rs.41.97 Million (previous year Rs. 21.32 Million) with its wholly owned subsidiary PT Sandhar Indonesia (PTSI). Due to its continuing losses, the Company has decided to wound up PT Sandhar Indonesia (PTSI) and the process of its liquidation was started during the year which is expected to be completed by the end of next year. The Company had started this subsidiary in Indonesia to manufacture products for one of Company's key customer. However, due to lack of adequate business by customer, this subsidiary suffered losses. The matter to compensate the Company towards its investment (including debtor balance) in Sandhar Indonesia (PTSI) is under discussion with the concerned key customer. In view of the same, no provision against the amount of aforesaid investment and debtors is made in its financial statements as at March 31, 2013.

**2. Prior period adjustment**

**A. Recognition and measurement**

**i. Applicability of Schedule III:**

W.e.f, April 1 2014, Schedule III notified under the Companies Act, 2013 has become applicable to the Company for preparation and presentation of its financial statements. Revised Schedule VI notified under the Companies Act, 1956 became applicable to the Company from April 1, 2011, for preparation and presentation of its financial statements. The adoption of Schedule III / Revised Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements.

There is no significant impact on the presentation and disclosures made in the financial statements on adoption of Schedule III as compared to Revised Schedule VI. The Company has reclassified the figures for the previous financial year ended March 31, 2013 in accordance with the requirements of Schedule III.

Appropriate adjustments have been made in the Restated Summary Statements, 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 financial statements of the Company as at year ended 30 September 2017, prepared in accordance with Schedule III and the requirements of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (as amended).

**B. Non-adjusting items**

**i. Audit qualifications for the respective years which do not require any adjustments in the financial information are as follows:**

**Annexure to the auditor's report for the financial year ended March 31, 2017 - Clause (i) (c)**

According to the information and explanations given by the management the title deeds of immovable properties included in Property, Plant and Equipments are held in the name of the company except 7 number of lands aggregating Rs. 560.34 Millions as at March 31, 2017 transferred to the company pursuant to the scheme of amalgamation dated December 29, 2005 and May 02, 2013 for which registration in the name of company is pending. Further, we have been explained that title deed and possession letter of lands have been given as security (Mortgaged and charged) against the term loans taken from banks and therefore the same could not be made available to us for our verification.

**Annexure to the auditor's report for the financial year ended March 31, 2016 - Clause (i) (c)**

According to the information and explanations given by the management the title deeds of immovable properties included in Property, Plant and Equipments are held in the name of the company except 7 number of lands aggregating Rs. 560.34 Millions as at March 31, 2016 transferred to the company pursuant to the scheme of amalgamation dated December 29, 2005 and May 02, 2013 for which registration in the name of company is pending. Further, we have been explained that title deed and possession letter of lands have been given as security (Mortgaged and charged) against the term loans taken from banks and therefore the same could not be made available to us for our verification.

**Annexure to the auditor's report for the financial year ended March 31, 2014 - Clause (xviii)**

According to the information and explanations given to us and on overall examination of the balance sheet of the Company, we report that funds amounting to Rs. 261.18 Million raised on short term basis in the form of working capital have been used for long term investment representing part payment of long term loans falling due within the year.

**ii. Audit Emphasis of Matter for the respective years which do not require any adjustments in the financial information are as follows:**

**For the period ended 31 March 2014:**

The other auditor, who has audited the financial statements of the company for the period ended 31 March 2014 has mentioned in the emphasis of matter paragraph that relating to a demand notice received by the Company from Haryana State Industrial & Infrastructure Development Corporation Limited (HSIIDC) for Rs. 50,349,600 towards payment of enhanced cost/charges in respect of the land where the factory is located. The Company, is being represented by the Manesar Industries Welfare Association which has filed an appeal in the Hon'ble High Court of Punjab & Haryana challenging the rate at which demand has been computed by HSIIDC. In the appeal, the association has computed a rate of enhanced cost which they estimate as payable and the Company has, accordingly, provided an amount of Rs.4,451,000 based on such computation. Our opinion is not qualified in respect of this matter.

**For the period ended 31 March 2013:**

The other auditor, who has audited the financial statements of the company for the period ended 31 March 2013 has mentioned in the emphasis of matter paragraph that relating to a demand notice received by the Company from Haryana State Industrial & Infrastructure Development Corporation Limited (HSIIDC) for Rs. 50,349,600 towards payment of enhanced cost/charges in respect of the land where the factory is located. The Company, is being represented by the Manesar Industries Welfare Association which has filed an appeal in the Hon'ble High Court of Punjab & Haryana challenging the rate at which demand has been computed by HSIIDC. In the appeal, the association has computed a rate of enhanced cost which they estimate as payable and the Company has, accordingly, provided an amount of Rs.4,451,000 based on such computation. Our opinion is not qualified in respect of this matter.

**iii. Audit matters reported in the Companies (Auditor's Report) Order (CARO) for the respective years:**

**For the period ended 31 March 2017:**

Clause (i) (c) Companies (Auditor's Report) Order, 2016 the other auditor, who has audited the financial statements of the company for the period ended 31 March 2017, has reported that the title deeds of immovable properties included in property, fixed assets are held in the name of the Company except 7 number of lands aggregating Rs 560,075,582 as at March 31, 2016 transferred to the Company pursuant to the schemes of amalgamation dated December 29, 2005 and May 2, 2013 for which registration in the name of the Company is pending. Further they have been explained that title deeds and possession letters of lands have been given as security (mortgaged and charged) against the term loans taken from banks and therefore the same could not be made available to us for their verification.

**For the period ended 31 March 2016:**

Clause (i) (c) Companies (Auditor's Report) Order, 2016 the other auditor, who has audited the financial statements of the company for the period ended 31 March 2016, has reported that the title deeds of immovable properties included in property, fixed assets are held in the name of the Company except 7 number of lands aggregating Rs 560,075,582 as at March 31, 2016 transferred to the Company pursuant to the schemes of amalgamation dated December 29, 2005 and May 2, 2013 for which registration in the name of the Company is pending. Further they have been explained that title deeds and possession letters of lands have been given as security (mortgaged and charged) against the term loans taken from banks and therefore the same could not be made available to us for their verification.

**For the period ended 31 March 2014:**

Clause (xvii) Companies (Auditor's Report) Order, 2003 (as amended) the other auditor, who has audited the financial statements of the company for the period ended 31 March 2014, has reported that funds amounting to Rs. 261,185,340 raised on short term basis in the form of working capital have been used for long term investment representing part repayment of long term loans falling due within the year.

**For the period ended 31 March 2013:**

Clause (xvi) (a) Companies (Auditor's Report) Order, 2003 (as amended) the other auditor, who has audited the financial statements of the company for the period ended 31 March 2013, has reported that ten loans were applied for the purpose for which the loans were obtained, though idle/surplus funds which were not required for immediate utilization have been gainfully invested in liquid investments payable on demand. The maximum amount of idle/surplus funds invested during the year was Rs. 68,000,000, of which Rs. Nil was outstanding at the end of the year.

Clause (ix) (c) Companies (Auditor's Report) Order, 2003; Clause (vii) (c) Companies (Auditor's Report) Order, 2015 and Clause vii (c) Companies (Auditor's Report) Order, 2016:

Year Ended				31-Mar-17	31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13
Name of Statute	Nature of dues	Period to which the amount related	Forum where dispute is pending	Amount (Rs. In Million)	Amount (Rs. In Million)	Amount (Rs. In Million)	Amount (Rs. In Million)	Amount (Rs. In Million)
Income Tax Act, 1961	Disallowance of certain expenses u/s 14A and also certain penalty proceedings on the above	A.Y 2008-09	Income Tax Appellate Tribunal New Delhi	-	-	-	0.60	1.99
Income Tax Act, 1961	Penalty U/S 271 (1)(c), Expenses Disallowed (Depreciation, wealth tax) order u/s 143(3) r.w.s 147	A.Y 2009-10	Commissioner of Income Tax (A)	-	4.81	4.81	3.57	3.57
Income Tax Act, 1961	Demand u/s 143(1)	A.Y 2010-11	Assistant Commissioner of Income Tax	0.76	1.27	0.76	0.76	0.76
Income Tax Act, 1961	Demand u/s 143(3)/ 147	A.Y 2010-11	Commissioner of Income Tax (A)	0.51	-	-	-	-
Income Tax Act, 1961	Interest u/s 201 (1A)	A.Y 2011-12	Commissioner of Income Tax (A)	1.27	-	-	-	-
Income Tax Act, 1961	Demand for tax on distribution of profit	A.Y 2007-08	Assistant Commissioner of Income Tax	-	-	-	-	3.79
Income Tax Act, 1961	Demand u/s 154	A.Y 2009-10	Assistant Commissioner of Income Tax	-	-	0.04	0.04	0.04
Income Tax Act, 1961	Disallowance of expenses u/s 14A	A.Y 2010-11	Commissioner of Income Tax (A)	-	-	-	-	8.01
Central Excise Act, 1944	Refund of excise duty rejected on export sales	F.Y. 2009-10	Joint Secretary, Department of revenue	-	-	-	-	1.35
Central Excise Act, 1944	Refund of excise duty rejected on export sales	F.Y. 2009-10	High Court, Delhi	-	-	-	1.35	-
Central Excise Act, 1944	Refund of excise duty rejected on export sales	F.Y. 2009-10	Dy. Commission	-	-	-	-	0.24
Central Excise Act, 1944	Refund of excise duty rejected on export sales	F.Y. 2009-10	Commission (Appeal), Central Excise	-	-	-	0.13	-
Income Tax Act, 1961	Disallowance u/s 40(a), Disallowance of royalty, ESI & P.F, TDS Short payment	A.Y 2011-12	Commissioner of Income Tax (A)	-	-	-	14.34	-
Income Tax Act, 1961	Disallowance u/s 40(a), Disallowance of royalty, ESI & P.F, TDS Short payment	A.Y 2011-12	Commissioner of Income Tax (A), ITO (OSD)	-	-	10.61	-	-

Year Ended				31-Mar-17	31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13
Name of Statute	Nature of dues	Period to which the amount related	Forum where dispute is pending	Amount (Rs. In Million)	Amount (Rs. In Million)	Amount (Rs. In Million)	Amount (Rs. In Million)	Amount (Rs. In Million)
Income Tax Act, 1961	Disallowance u/s 40(a), Disallowance of royalty, ESI & P.F, TDS Short payment	A.Y 2011-12	Income Tax Appellant Tribunal	-	7.83	-	-	-
Income Tax Act, 1961	Disallowance of royalty expenses	A.Y 2012-13	Commissioner of Income Tax (A)	0.03	0.03	3.59	-	-
Haryana Sales Tax Act	Local Area Development Tax levied	F.Y. 2000-2001	Joint Commissioner (A), Sales Tax	0.13	0.13	0.13	0.13	0.13
Central Sales Tax Act	Movement of material for Jobwork, without discharge of duty	F.Y. Apr-11 to Nov-11	Dy. Commissioner, Central Excise LTU Delhi	-	-	-	-	2.54
Finance Act 1994, Service Tax	Service tax on freight	F.Y. 2005-2006 to F.Y. 2011-2012	Dy. Commissioner, Central Excise	-	-	-	0.68	0.63
Finance Act 1994, Service Tax	Service tax on freight	F.Y. 2005-2006 to F.Y. 2013-2014	Dy. Commissioner, Central Excise	-	1.54	1.36	-	-
Finance Act 1994, Service Tax	Show cause notice on contract labour service	F.Y. 2005-2006 to Dec 2011	Commissioner and Jt. Commissioner	-	-	-	-	16.09
Finance Act 1994, Service Tax	Show cause notice on contract labour service	F.Y. 2005-2006 to Dec 2011	Commissioner and Additional Commissioner, Central Excise	-	-	-	16.09	-
Finance Act 1994, Service Tax	Show cause notice on Man Power for Job work	Dec-12 to Sep-13	Additional Commissioner, Central Excise	-	-	-	4.10	-
Finance Act 1994, Service Tax	Show cause notice on Commercial & industrial construction	F.Y. 2006-2007 to F.Y. 2011-2012	Commissioner (Appeal) & CESTAT	-	-	-	-	1.83
Finance Act 1994, Service Tax	Show cause notice on Commercial & industrial construction	F.Y. 2006-2007 to F.Y. 2011-2012	Asst. Commissioner, Commissioner (Appeal) & CESTAT	-	-	-	0.54	-
Finance Act 1994, Service Tax	Service tax on freight	F.Y. 2008-2009 to F.Y.2010-2011	Joint Commissioner, Central Excise	-	1.33	1.33	1.33	1.33



Year Ended				31-Mar-17	31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13
Name of Statute	Nature of dues	Period to which the amount related	Forum where dispute is pending	Amount (Rs. In Million)	Amount (Rs. In Million)	Amount (Rs. In Million)	Amount (Rs. In Million)	Amount (Rs. In Million)
Finance Act 1994, Service Tax	Service tax on freight	F.Y. 2005-2006 to F.Y. 2016-2017	Assistant Commissioner, Central Excise	2.80	-	-	-	-
Finance Act 1994, Service Tax	Service tax on freight	F.Y. 2008-2009 to F.Y.2010-2011	Assistant Commissioner, Central Excise	1.33	-	-	-	-
Finance Act 1994, Service Tax	Service tax on freight	Nov-12 to Sep-13	Additional Commissioner, Central Excise	-	1.84	1.18	0.60	-
Finance Act 1994, Service Tax	Service tax on freight	Nov-12 to Sep-13	Assistant Commissioner, Central Excise	1.84	-	-	-	-
Finance Act 1994, Service Tax	Show cause notice on Man Power for Job work	F.Y. 2005-2006 to 2009-10	Commissioner, Central Excise	6.54	6.54	6.54	-	-
Finance Act 1994, Service Tax	Show cause notice on Man Power for Job work	F.Y. 2009-2010 to F.Y 2010-11	Joint Commissioner, Central Excise	3.54	3.54	3.54	-	-
Finance Act 1994, Service Tax	Show cause notice on Man Power for Job work	Mar-11 to Aug-14	Additional Commissioner, Central Excise	16.03	16.03	14.00	-	-
Finance Act 1994, Service Tax	Show cause notice on Commercial & industrial construction	F.Y. 2006-2007 and F.Y 2011-12	Asst. Commissioner, Commissioner (Appeal), Central Excise & CESTAT	-	1.04	0.54	-	-
Finance Act 1994, Service Tax	Show cause notice on Commercial & industrial construction	F.Y. 2006-2007 and F.Y 2011-12	Commissioner (Appeal), Central Excise	1.04	-	-	-	-
Finance Act 1994, Service Tax	Show cause notice against canteen charges & courier services	F.Y. 2004-2005 to F.Y. 2011-2012	CESTAT, Supdt. Central Excise, Dy. Commissioner, Central excise	0.12	0.31	0.31	0.92	-
Finance Act 1994, Service Tax	Show cause notice against canteen charges & courier services	F.Y. 2004-2005 to F.Y. 2011-2012	Appeal Filed with CESTAT	-	-	-	-	0.92

Year Ended				31-Mar-17	31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13
Name of Statute	Nature of dues	Period to which the amount related	Forum where dispute is pending	Amount (Rs. In Million)	Amount (Rs. In Million)	Amount (Rs. In Million)	Amount (Rs. In Million)	Amount (Rs. In Million)
Finance Act 1994, Service Tax	Show cause notice on various input services i.e. Civil construction, CHA maintainance or repair, otward freight, travel agent, catering, pandal, shamiana,authorised service station and telephone service.	F.Y. 2011-12 to F.Y. 2016-17	Assistant Commisioner, Cental Excise	0.64	-	-	-	-
Finance Act 1994, Service Tax	Show cause notice on various input services i.e. Civil construction, CHA maintainance or repair, otward freight, travel agent, catering, pandal, shamiana,authorised service station and telephone service.	Feb 2004- Nov 2011	Commisioner and Dy. Commisioner of Cental Excise	3.38	-	-	-	-
Finance Act 1994, Service Tax	Show cause notice no.IV( 1 6)CE/Div-I/Tech/Div-i/SCN/IAR-148/Sandhar/412010/2083-26/02/2010	Feb-2004 to Aug-2014	Commissioner and Dy.Commissioner, Central Excise	-	3.69	3.59	-	-
Finance Act 1994, Service Tax	Show cause notice no.IV( 1 6)CE/Div-I/Tech/Div-i/SCN/IAR-148/Sandhar/412010/2083-26/02/2010	Feb-2004 to Nov-2011	Commissioner and Dy.Commissioner, Central Excise	-	-	-	2.73	-
Finance Act 1994, Service Tax	Show cause notice no.IV( 1 6)CE/Div-I/Tech/Div-i/SCN/IAR-148/Sandhar/412010/2083-26/02/2010	Feb-2004 to Nov-2011	Commissioner, Commissioner and Dy.Commissioner	-	-	-	-	2.60

Year Ended				31-Mar-17	31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13
Name of Statute	Nature of dues	Period to which the amount related	Forum where dispute is pending	Amount (Rs. In Million)	Amount (Rs. In Million)	Amount (Rs. In Million)	Amount (Rs. In Million)	Amount (Rs. In Million)
KVAT Act, 2003	Show cause notice no. ADCOM/ ENF/ AC- 8/ SZ/ INS- 52/12-13	2005-06 to 2012-13	Asst. Commissioner of Commercial Taxes, Bangalore	-	-	-	2.30	-
KVAT Act, 2003	Assessment under CST and KVAT	F.Y.2012-13	Joint Commissioner Commercial Taxes (A), Bangalore	-	0.26	0.26	-	-
KVAT Act, 2003	Assessment under CST and KVAT	F.Y.2009-10	Joint Commissioner Commercial Taxes (A), Bangalore	-	0.48	-	-	-

### C. Other items

**Applicability of Schedule II:** In the financial year ended March 31,2015, pursuant to the Companies Act 2013 ('the Act') being effective from April 1 2014, the Company has revised the depreciation rates on its fixed assets as per the useful life specified in Part C of the schedule II of the Act. Till the year ended 31 March 2014, depreciation rates prescribed under Schedule XIV of the Companies Act 1956 were treated as minimum rates and the Group was not allowed to charge depreciation at lower rates even if such lower rates were justified by the estimated useful life of the asset. Schedule II to the Companies Act 2013 prescribes useful lives for fixed assets which, in many cases, are different from lives prescribed under the erstwhile Schedule XIV. However, Schedule II allows companies to use higher/ lower useful lives and residual values if such useful lives and residual values can be technically supported and justification for difference is disclosed in the financial statements. Considering the applicability of Schedule II, the management has re-estimated useful lives and residual values of all its fixed assets. The management believes that depreciation rates currently used fairly reflect its estimate of the useful lives and residual values of fixed assets, though these rates in certain cases are different from lives prescribed under Schedule II. Hence, this change in accounting estimate did not have any material impact on the Restated Unconsolidated Financial Information of the Company.

### 3. Share issue expenses

During the year ended 31 March 2016, the Company had incurred IPO related expenses of Rs. 29 million which was disclosed under the head "Other current assets" in anticipation of adjusting these expenses against security premium to the extent permissible under Section 52 of the Companies Act, 2013 on successful completion of the IPO.

During the year ended 31 March 2017, the Company had further incurred IPO related expense amounting Rs. 4 million. The Company charged off Rs. 33 million (Rs. 29 million pertaining to the year ended 31 March 2016 and Rs. 4 million pertaining to the year ended 31 March 2017) as an exceptional item in the Statement of Profit and Loss.

In the Restated Unconsolidated Summary of Statement of Profit and Loss, expense of Rs. 29 million has been charged to the Restated Unconsolidated Summary of Statement of Profit and Loss in the year ended 31 March 2016, and the balance expense of Rs. 4 million has been charged to the Restated Unconsolidated Summary of Statement of Profit and Loss in the year ended 31 March 2017.

Sandhar Technologies Limited

Annexure VI - Restated Unconsolidated Statement of Share Capital

(Rs in Million except for number of Shares)

Particulars	30 September 2017	31 March 2017	31 March 2016	31 March 2015	31 March 2014	31 March 2013
Authorised Shares		-	-			
<b>a) Equity Shares</b>						
<b>Pre-organised /Pre-consolidated:</b>						
- Number of Shares	68,000,000	68,000,000	68,000,000	140,750,000	140,750,000	115,750,000
- Face Value of Equity Shares	10	10	10	2	2	2
<b>Post-organised /Post consolidated</b>						
(refer note no 1 below)						
- Number of Shares as restated	68,000,000	68,000,000	68,000,000	28,150,000	28,150,000	23,150,000
- Face Value of Equity Shares as restated	10	10	10	10	10	10
- Authorised Share Capital (Rs in Million)	<b>680.00</b>	<b>680.00</b>	<b>680.00</b>	<b>281.50</b>	<b>281.50</b>	<b>231.50</b>
<b>b) Preference Shares</b>						
- Number of Shares	200,000	200,000	200,000	200,000	200,000	200,000
- Face Value of Preference Shares	100	100	100	100	100	100
- Authorised Share Capital (Rs in million)	<b>20.00</b>	<b>20.00</b>	<b>20.00</b>	<b>20.00</b>	<b>20.00</b>	<b>20.00</b>
Total Authorised Capital (Rs. in million)	<b>700.00</b>	<b>700.00</b>	<b>700.00</b>	<b>301.50</b>	<b>301.50</b>	<b>251.50</b>
<b>Issued, subscribed and fully paid up</b>						
<b>Post consolidated</b>						
Number of Equity Shares as restated						
Opening balance of shares	51,154,564	51,154,564	10,230,913	9,373,770	9,373,770	9,373,770
Issued during the year - Bonus shares	-	-	40923651.2	-	-	-
Issued during the year - New issue	-	-	-	857,143	-	-
Outstanding at the end of the year	<b>51,154,564</b>	<b>51,154,564</b>	<b>51,154,564</b>	<b>10,230,913</b>	<b>9,373,770</b>	<b>9,373,770</b>
Face value of each share	10	10	10	10	10	10

Particulars	30 September 2017	31 March 2017	31 March 2016	31 March 2015	31 March 2014	31 March 2013
<b>Amount (in Million)</b>	<b>511.55</b>	<b>511.55</b>	<b>511.55</b>	<b>102.31</b>	<b>93.74</b>	<b>93.74</b>
<b>Details of Shareholders holding more than 5% share in the Company</b>						
<b>- Number of Shares held</b>						
<b>Pre-organised /Pre-consolidated (face Value Rs 10 )</b>						
Jayant Davar	31,215,517	31,215,517	31,215,517	6,243,103	6,165,181	6,165,181
Monica Davar	2,622,725	2,622,725	2,622,725	524,545	524,545	524,545
GTI Capital Beta Pvt Ltd. (Formerly Baby Nova Capital PTE Ltd)	8,934,505	8,934,505	8,934,505	1,786,901	1,007,680	1,007,680
<b>% Holding of Equity Shares more than 5 percent</b>						
Jayant Davar	61.02%	61.02%	61.02%	61.02%	65.77%	65.77%
Monica Davar	5.13%	5.13%	5.13%	5.13%	5.60%	5.60%
GTI Capital Beta Pvt Ltd.	17.47%	17.47%	17.47%	17.47%	10.75%	10.75%

**Note:**

**1. Note on rights, preference and restrictions attached to Equity shares**

The Company has one class of equity shares having par value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend 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 share holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders. During the year ended 31 March 2017, the amount per share recognised as distribution to equity shareholder is Rs. 1.00 as interim dividend and Rs. 1.00 per share as final dividend.

2. The Company's authorized, issued, subscribed and paid up share capital stands increased as on 8 August 2015 on account of issuance of Bonus shares. The share capital has also been re-organized on account of change in the face value of the equity shares from Rs.2 per share to Rs.10 per share.

<b>Authorized capital:</b>	<b>No. of Shares</b>	<b>Rs. (in Million)</b>
<b>Pre-organized :</b>		
Equity Shares of Rs. 2 each	340,000,000	680.00
Preference Shares of Rs. 100 each	200,000	20.00
<b>Post-organized :</b>		
Equity Shares of Rs.10 each	68,000,000	680.00
Preference Shares of Rs. 100 each	200,000	20.00
<b>Issued capital, subscribed and fully paid up capital:</b>		
Equity Shares of Rs.10 each	51,154,564	511.55

The Company had during the financial year ended 31 March 2016, issued bonus shares by way of 204,618,256 equity shares of Rs. 2 each in the ratio of 4:1. These bonus shares were allotted on 8 August 2015 by way of utilization of Capital Redemption Reserve and part capitalization of Securities Premium Account. The equity shares of Rs. 2 each with face value were re-organized and consolidated into equity shares of Rs. 10 each of face value on the even date.

**Sandhar Technologies Limited**

**Annexure VII – Restated Unconsolidated Statement of Reserve and Surplus**

(Rs in Million)

Particulars	30 September 2017	31 March 2017	31 March 2016	31 March 2015	31 March 2014	31 March 2013
<b>Securities premium account</b>						
Balance as per last financial statements	31.14	31.14	431.43	110.00	110.00	110.00
Add: Premium on issue of equity shares	-	-	-	321.43	-	-
Less: Utilised during the period/ year for Issue of Bonus shares	-	-	(400.29)	-	-	-
<b>Closing Balance</b>	<b>31.14</b>	<b>31.14</b>	<b>31.14</b>	<b>431.43</b>	<b>110.00</b>	<b>110.00</b>
<b>Capital redemption reserve</b>						
Balance as per last financial statements	-	-	8.95	8.95	8.95	8.95
Less: Capitalisation by way of bonus shares	-	-	(8.95)	-	-	-
<b>Closing balance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8.95</b>	<b>8.95</b>	<b>8.95</b>
<b>Capital reserve</b>						
<b>Balance as per last financial statements</b>	<b>268.37</b>	<b>268.37</b>	<b>268.37</b>	<b>268.37</b>	<b>259.81</b>	<b>-</b>
Additions on account of amount received during the year	-	-	-	-	8.55	-
Scheme of amalgamation	-	-	-	-	-	256.81
Recognition of capital investment government subsidy	-	-	-	-	-	3.00
<b>Closing balance</b>	<b>268.37</b>	<b>268.37</b>	<b>268.37</b>	<b>268.37</b>	<b>268.36</b>	<b>259.81</b>
<b>General reserve</b>						
Balance as per last financial statements	985.89	985.89	985.89	951.05	917.28	894.42
Add: Amount transferred from surplus balance in the Statement of Profit and Loss	-	-	-	34.84	33.77	22.86
<b>Closing balance</b>	<b>985.89</b>	<b>985.89</b>	<b>985.89</b>	<b>985.89</b>	<b>951.05</b>	<b>917.28</b>
<b>Surplus in the statement of profit and loss</b>						
Balance as per the last financial statements as restated	1,086.30	810.77	703.58	530.82	336.61	213.18
Add Regrouping of provision created for Proposed Dividend and Tax thereon in previous financial year	-	-	-	-	-	40.85
Less Effect of Auditor's qualification for the financial year ended 31 March 2010 and 2011	-	-	-	-	-	(61.72)
Less: Impact of revision in useful lives of certain tangible fixed assets (net of tax)	-	-	-	(31.10)	-	-
Profit for the period/ year, as restated	346.33	366.42	322.67	348.38	337.64	208.01
<b>Profit available for appropriations</b>	<b>1,432.63</b>	<b>1,177.19</b>	<b>1,026.26</b>	<b>848.09</b>	<b>674.25</b>	<b>400.32</b>
Less: Appropriations						
Transferred to general reserve	-	-	-	34.84	33.77	22.87
Dividend on equity shares						
- Interim	-	51.15	76.73	-	-	-

Particulars	30 September 2017	31 March 2017	31 March 2016	31 March 2015	31 March 2014	31 March 2013
- Proposed	51.15	-	-	(0.00)	-	-
Corporate tax on dividend						
- Interim	-	8.95	15.62	-	-	-
- Proposed	10.19	-	-	0.00	-	-
- Dividend paid	-	25.59	102.32	93.74	93.74	35.13
- Dividend tax paid	-	5.21	20.83	15.95	15.92	5.70
<b>Total appropriations</b>	<b>61.34</b>	<b>90.90</b>	<b>215.50</b>	<b>144.53</b>	<b>143.43</b>	<b>63.70</b>
<b>Net surplus in the Statement of Profit and Loss, as restated</b>	<b>1,371.29</b>	<b>1,086.29</b>	<b>810.76</b>	<b>703.56</b>	<b>530.82</b>	<b>336.62</b>
<b>Total reserves and surplus</b>	<b>2,656.69</b>	<b>2,371.69</b>	<b>2,096.16</b>	<b>2,398.20</b>	<b>1,869.18</b>	<b>1,632.66</b>

**Notes:**

1. Amalgamation: During the year ended 31 March 2013, the Hon'ble High Court of Delhi approved scheme of amalgamation of MAG Engineering Private Limited with the Company, which created Capital Reserve of Rs. 256.81 Million. Refer Annexure IV, Note 4.2.
2. During the year ended 31 March 2015, the committee of directors approved the issue of shares on 7 July 2014. Number of shares issued 4,285,714 with a face value of Rs. 2 each at premium of Rs. 75 each aggregating up to Rs. 330 Million.
3. The figures disclosed above are based on the restated unconsolidated summary statement of assets and liabilities of the Company.
4. The above statement should be read with the notes to restated unconsolidated summary statements of assets and liabilities, profit and loss and cash flows as appearing in Annexure IV, statement of restatement to audited unconsolidated financial statements.
5. The Company had during the financial year ended 31 March 2016, issued bonus shares by way of issuing 204,618,256 equity shares of Rs. 2 each in the ratio of 4:1. (Pre-organised / Pre-consolidated). These bonus shares were allotted on 8 August 2015 by way of utilisation of Capital Redemption Reserve and part capitalisation of Securities Premium Account. The equity shares of Rs. 2 each with face value were re-organised and consolidated into equity shares of Rs. 10 each of face value on the even date. As there is no impact on total shareholders' fund hence there will be no change in any ratios.
6. As per the amendments in AS-4 (Contingencies and Events Occurring after the Balance Sheet Date), if an enterprises declare dividend to the shareholders after the balance sheet date, the enterprises should not recognized those dividend as a liability at the balance sheet date unless a statute requires otherwise. Hence, the Company had not considered the final dividend proposed by the Board of directors after the balance sheet date for the year ended 31 March 2017, 2016, 2015, 2014 and 2013. The Corporate Dividend tax and amount transferred to General Reserve have been adjusted accordingly.



**Sandhar Technologies Limited**

**Annexure VIII – Restated Unconsolidated Statement of Long Term and Short Term Borrowings**

(Rs. in Million)

	<b>Particulars</b>	<b>30 September 2017</b>	<b>31 March 2017</b>	<b>31 March 2016</b>	<b>31 March 2015</b>	<b>31 March 2014</b>	<b>31 March 2013</b>
<b>A</b>	<b>Long term borrowings</b>						
	<b>- Non - current portion</b>						
	Indian rupee loan from banks (secured)	978.55	1,050.73	439.06	488.87	520.14	513.72
	Indian rupee loan from others (secured)	377.50	194.87	349.58	466.66	491.48	564.29
	Indian rupee loan from others (unsecured)	412.50	492.50	652.50	427.50	-	-
	USD Foreign currency loan from bank (secured)	-	-	107.60	188.43	181.94	174.69
	<b>Total non-current portion of Long Term Borrowings</b>	<b>1,768.55</b>	<b>1,738.10</b>	<b>1,548.74</b>	<b>1,571.46</b>	<b>1,193.56</b>	<b>1,252.70</b>
	<b>The above amount includes</b>						
	-Secured borrowings	1,356.05	1,245.60	896.24	1,143.96	1,193.56	1,252.70
	-Unsecured borrowings	412.50	492.50	652.50	427.50	-	-
	<b>Total</b>	<b>1,768.55</b>	<b>1,738.10</b>	<b>1,548.74</b>	<b>1,571.46</b>	<b>1,193.56</b>	<b>1,252.70</b>
	<b>- Current portion</b>						
	Indian rupee loan from banks (secured)	337.04	262.38	234.61	273.39	304.39	379.51
	Indian rupee loan from others (secured)	112.50	151.74	267.08	223.33	174.97	174.04
	Indian rupee loan from others (unsecured)	160.00	160.00	125.00	22.50	-	-
	USD Foreign currency loan from bank (secured)	13.62	40.77	71.58	53.75	53.75	40.31
	<b>Current portion of borrowings disclosed under the head "Other current liabilities"</b>	<b>623.16</b>	<b>614.89</b>	<b>698.27</b>	<b>572.97</b>	<b>533.11</b>	<b>593.86</b>

(Rs. in Million)

<b>B</b>	<b>Short Term Borrowings</b>						
	Cash Credit facilities from banks (secured)	822.85	940.12	571.61	695.38	585.64	304.68
	Others (unsecured)	-	-	-	-	150.00	-
		<b>822.85</b>	<b>940.12</b>	<b>571.61</b>	<b>695.38</b>	<b>735.64</b>	<b>304.68</b>
	<b>The above amount includes</b>						
	Secured borrowings	822.85	940.12	571.61	695.38	585.64	304.68
	Unsecured borrowings	-	-	-	-	150.00	-
	<b>Total</b>	<b>822.85</b>	<b>940.12</b>	<b>571.61</b>	<b>695.38</b>	<b>735.64</b>	<b>304.68</b>

**Notes:**

- i. The figures disclosed above are based on the Restated Unconsolidated Summary Statements of Assets and Liabilities of the Company.
- ii. The above statement should be read with the notes to Restated Unconsolidated Summary Statements as appearing in Annexure IV and Statement of Restatement Adjustments to Audited Unconsolidated Financial Statements appearing in Annexure V.
- iii. Refer 'Annexure IX – Unconsolidated Statement of Principal terms of secured borrowings outstanding as at 30 September 2017 for terms and conditions of secured loans and advance.

**Sandhar Technologies Limited**

**Annexure IX – Unconsolidated Statement of Principal Terms of Secured Borrowings outstanding as at September 30, 2017**

**a) Long term borrowings**

**(Rs. in Million)**

Sr.No	Lender	Nature of facility	Loan currency	Amount outstanding as at 30 September 2017	Rate of interest (%)	Repayment terms	Security / Principal terms and conditions
1	Citi Bank NA	Term Loan	INR	240.00	8.15%	The loan is repayable in 18 quarterly instalments of Rs. 13,333,333 from March,2019.	1. First pari passu charge on the entire present and future movable fixed assets of the borrower excluding those assets which are specifically funded by other lenders/Financial Institutions
2	IndusInd Bank Limited	Term Loan	INR	89.91	11.75%	Buyers Line of Credit Aailed for USD 239,212 (Due in September, 2016) and USD 359,100 (Due in November, 2016) and Indian rupee loan of Rs. 152,023,803 carries interest @ 11.75% p.a..The loan is repayable in 16 quarterly instalments of Rs. 1,56,25,000 from December,2015. The loan is repayable in 11 quarterly instalments of 44,57,647 from June 2016.	2. First pari passu charge on immovable properties, of the borrower as detailed below:  i. 4, HSIDC Industrial Area, Delhi Gurgaon Road, Gurgaon  ii. 3, HSIDC Industrial Area, Delhi Gurgaon Road, Gurgaon  iii. Plant at Village Dhumaspur, P.O Badshahpur, Gurgaon
3	IndusInd Bank Limited	Term Loan	INR	13.62	11.75%	Buyers Line of Credit Aailed for USD 475,199 and JPY 52,612,700 due in June 2016 and Indian rupee loan of Rs. 10,322,936 carries interest @ 11.75% p.a. .The loan is repayable in 16 quarterly instalments of Rs. 4,457,659 from February, 2015.	iv. Plot no. 24, Sector 3, IMT Manesar, Haryana  v. Plot no. 44, Sector 3, IMT Manesar, Haryana  vi. # 8, Bommasandra- Jigani Link Road Industrial Area, Hubli  vii. Plot # 12c, Sy No. 47 and 50, KIADB, Bangalore
4	IndusInd Bank Limited	Term Loan	INR	162.80	9.70%	The loan is repayable in 16 quarterly instalments of Rs. 10,175,000 from June,2018.	viii. Plot # 13a, Sy No. 47 and 50, KIADB, Bangalore
5	YES Bank Limited	Term Loan	INR	37.44	10.50%	The loan is repayable in 16 quarterly instalments of Rs. 9,380,000 from November,2014.	
6	YES Bank Limited	Term Loan	INR	42.50	10.50%	The loan is repayable in 16 quarterly instalments of Rs.5,312,500 from November, 2015.	ix. Sandhar Himachal, Bharatgarh Road, Tehsil Nalagarh, District Solan, Himachal Pradesh

Sr.No	Lender	Nature of facility	Loan currency	Amount outstanding as at 30 September 2017	Rate of interest (%)	Repayment terms	Security / Principal terms and conditions
7	YES Bank Limited	Term Loan	INR	150.00	9.60%	The loan is repayable in 20 quarterly instalments of Rs.7,500,000 from December,2017.	<p>x. Plot No. 7A, KIADB Industrial Area, Attibele Hobli, Anekal Taluk, Bangalore</p> <p>xi. Killa No. 1217/2, 1216 Behrampur Road, Village Khandsa, Gurgaon, Haryana</p> <p>* The Property Killa No. 1217/2, 1216 Behrampur Road, Village Khandsa, Gurgaon, Haryana was part of the security structure till February,2016.</p> <p>3. Second Pari passu charge on entire present and future current assets of the borrower (Yes Bank does not have second pari-passu charge on entire present and future current assets of the borrower) other than vehicles which are financed exclusively by other lenders. ;Unless mentioned otherwise</p>
8	ICICI Bank Limited	Term Loan	INR	75.00	10.50%	The loan is repayable in 16 quarterly instalments of Rs.9,375,000 from December, 2015.	
9	HDFC Bank Limited	Term Loan	INR	192.21	10.95%	<p>Indian rupee loan of Rs.250,000,000 out of which Rs.150,000,000 has been drawn in July 2015 carries interest @ 10.95% to 11.65% p.a. The loan is repayable in 16 quarterly instalments of Rs.9,375,000 from October, 2016.</p> <p>b) Indian rupee loan of Rs.6,693,750 has been drawn from balance Rs. 100,000,000 in March, 2016 which carries interest @ 10.95% to 11.25% p.a. The loan is repayable in 16 quarterly instalments of Rs. 418,359 from October, 2016</p> <p>c) Indian rupee loan of Rs.26,654,935 has been drawn from balance Rs. 100,000,000 which carries interest @ 10.95% to 11.25% p.a. The loan is repayable in 16 quarterly instalments of Rs. 1,665,933 from October, 2016</p> <p>d) Indian rupee loan of Rs.50,078,761 has been drawn from balance Rs. 100,000,000 which carries interest @ 10.95% p.a. The loan is repayable in 15 quarterly instalments of Rs. 3,338,584 from Jan, 2017</p>	
10	HDFC Bank Limited	Term Loan	INR	250.00	9.9%-9.5%	<p>Indian rupee loan of Rs.250,000,000 out of which Rs.150,000,000 has been drawn in December 2016 is repayable in quarterly instalments of Rs.6,000,000 from March 2018.</p> <p>Indian rupee loan of Rs.250,000,000 out of which</p>	

Sr.No	Lender	Nature of facility	Loan currency	Amount outstanding as at 30 September 2017	Rate of interest (%)	Repayment terms	Security / Principal terms and conditions
						Rs.100,000,000 has been drawn in January 2017 is repayable in quarterly instalments of Rs.4,000,000 from March, 2018.	
11	HDFC Bank Limited	Term Loan	INR	100.00	9.15%	The loan is repayable in 20 quarterly instalments of Rs. 5,000,000 from September, 2018.	
12	RBL Bank Limited	Term Loan	INR	200.00	9.85%	The loan is repayable in 54 monthly instalments of Rs.3,703,704 from August, 2018.	
13	Tata Capital Financial Services Limited	Term Loan	INR	37.50	10.50%	The loan is repayable in 16 quarterly instalments of Rs.62,50,000 April, 2015 .	Security Clause First and Exclusive Charge over the Immovable property being land and building belonging to the Borrower having clear and marketable title deeds as acceptable to TCFSL-Plot No16, Village Begumpur, Roorkee Tehsil, Haridwar, Plot No13, Sector 5, Phase II,Industrial Estate IMT Bawal, Haryana and Plot No14, Sector 5, Phase II, Industrial Estate IMT Bawal, Haryana. Subservient Charge on entire current assets of the borrower both present and future.
14	Tata Capital Financial Services Limited	Term Loan	INR	100.00	10.50%	The loan is repayable in 16 quarterly instalments of Rs.12,500,000 from November, 2015.	
15	Tata Capital Financial Services Limited	Term Loan	INR	112.50	10.50 – 12.25%	The loan is repayable in 16 quarterly instalments of Rs.9,375,000 from December,2016.	
16	Hero FinCorp Limited	Term Loan	INR	292.50	10.50 – 12.50%	The loan is repayable in 20 Quarterly instalment of Rs 22,500,000 from January, 2016 and February 2016	Unsecured Loan
17	Hero FinCorp Limited	Term Loan	INR	280.00	10.50 – 12.00%	The loan is repayable in 20 Quarterly instalment of Rs 17,500,000 from November 2016	Unsecured Loan
18	HDFC Bank (Mercedes Benz Loan)	Vehicle Loan	INR	8.28	9.36%	The loan is repayable in 60 monthly instalment of Rs 218,992 from July 2016.	Vehicle Loan taken, secured by hypothecation of the financed vehicle
19	HDFC Bank (Vehicle Loan)	Vehicle Loan	INR	0.66	9.39%	The loan is repayable in 35 monthly instalment of Rs 27,358 from February 2017.	Vehicle Loan taken, secured by hypothecation of the financed vehicle
20	HDFC Bank (Mercede Loan)	Vehicle Loan	INR	5.29	7.85%	The loan is repayable in 60 monthly instalment of Rs 108,363 from September 2017.	Vehicle Loan taken, secured by hypothecation of the financed vehicle
21	Toyota Financial Services India Limited	Vehicle Loan	INR	1.48	7.98%	The loan is repayable in 36 monthly instalment of Rs 54,831 from April 2017.	Vehicle Loan taken, secured by hypothecation of the financed vehicle

Sr.No	Lender	Nature of facility	Loan currency	Amount outstanding as at 30 September 2017	Rate of interest (%)	Repayment terms	Security / Principal terms and conditions
	<b>Total</b>			<b>2,391.69</b>			

**Notes:**

- The figures disclosed above are based on the Restated Unconsolidated Summary Statements of Assets and Liabilities of the Company.
- The above statement should be read with the notes to Restated Unconsolidated Summary Statements as appearing in Annexure IV, Statement of Restatement Adjustments to Audited Unconsolidated Financial Statements appearing in Annexure V.
- The rate of interest given above are base rate plus spread as agreed with the lenders in the respective facility letters.
- The above includes long-term borrowings disclosed under Annexure VIII and the current maturities of long-term borrowings included in other current liabilities under Annexure XII.

**b) Short-term borrowings**

								(Rs. in Million)
S No.	Lender	Nature of facility	Loan currency	Amount outstanding as at 30 September 2017	Rate of interest (%)	Repayment terms	Security/Principal terms and conditions	
1	Citi Bank N.A.	Cash Credit	INR	31.02	11.00%	On Demand	1. First Pari passu charge on entire present and future current assets of the borrower other than vehicles which are financed exclusively by other lenders. Unless mentioned otherwise 2. Second Pari passu charge on the entire present and future movable fixed assets of the borrower excluding those assets which are specifically funded by other lenders/Financial Institutions 3. Second Pari passu charge on immovable properties, of the borrower as detailed below: i. 4, HSIDC Industrial Area, Delhi Gurgaon Road, Gurgaon ii. 3, HSIDC Industrial Area, Delhi Gurgaon Road, Gurgaon iii. Plant at Village Dhumaspur, P.O Badshahpur, Gurgaon iv. Plot no. 24, Sector 3, IMT Manesar, Haryana v. Plot no. 44,	
2	State Bank of India	Cash Credit	INR	34.46	10.40%	On Demand		
3	ICICI Bank Limited	Cash Credit	INR	10.10	10.50%	On Demand		
4	Indusind Bank Limited	Cash Credit	INR	13.49	10.20%	On Demand		
5	Yes Bank Limited	Cash Credit	INR	39.24	11.25%	On Demand		
6	DBS Bank Limited	Cash Credit	INR	63.91	10.65%	On Demand		
7	HDFC Bank Limited	Cash Credit	INR	37.81	11.30%	On Demand		

S No.	Lender	Nature of facility	Loan currency	Amount outstanding as at 30 September 2017	Rate of interest (%)	Repayment terms	Security/Principal terms and conditions
							Sector 3, IMT Manesar, Haryana vi. # 8, Bommasandra-Jigani Link Road Industrial Area, Hubli vii. Plot # 12c, Sy No. 47 and 50, KIADB, Bangalore viii. Plot # 13a, Sy No. 47 and 50, KIADB, Bangalore ix. Sandhar Himachal, Bharatgarh Road, Tehsil Nalagarh, District Solan, Himachal Pradesh x. Plot No. 7A, KIADB Industrial Area, Attibele Hobli, Anekal Taluk, Bangalore xi. Killa No. 1217/2, 1216 Behrampur Road, Village Khandsa, Gurgaon, Haryana
8	HDFC Bank Limited	Commercial Paper	INR	200.00	7.40%	90 days	Not applicable
9	Citi Bank N.A.	FCNR	INR	100.00	9.00%	1 year	Not applicable
10	Yes Bank Limited	Vendor Financing Facility	INR	85.54	8.50%	Not applicable	Not applicable
11	HDFC Bank Limited	HMCL bill discounting	INR	207.28	8.50%	Not applicable	Not applicable
	<b>Total</b>			<b>822.85</b>			

**Notes:**

- i. The figures disclosed above are based on the Restated Unconsolidated Summary Statements of assets and liabilities of the Company.
- ii. The above statement should be read with the notes to Restated Unconsolidated Summary Statements as appearing in Annexure IV and Statement of Restatement Adjustments to Audited Unconsolidated Financial Statements appearing in Annexure V.
- iii. The rates of interest given above are base rate plus spread as agreed with the lenders in the respective facility letters.

**Sandhar Technologies Limited**

**Annexure X - Restated Unconsolidated Statement of Deferred tax liability**

(Rs. in Million)

Particulars	30 September 2017	31 March 2017	31 March 2016	31 March 2015	31 March 2014	31 March 2013
<b>Deferred tax liability</b>						
Excess of Written Down Value (“WDV”) of PPE under Income-tax law over WDV of PPE in accounts	121.29	125.51	117.59	118.11	136.86	134.95
<b>Gross deferred tax liability</b>	<b>121.29</b>	<b>125.51</b>	<b>117.59</b>	<b>118.11</b>	<b>136.86</b>	<b>134.95</b>
<b>Deferred tax asset</b>						
Impact of expenditure charged to the statement of profit and loss in the current /earlier years but allowed for tax purposes on payment basis:						
-Provision for employee benefit	31.88	30.16	23.90	21.38	13.21	10.86
-Provision for doubtful debt & advances	20.32	20.32	19.48	4.78	4.79	4.85
-Others (Provision for Bonus, LTA and Commission payable)	10.82	12.81	11.32	5.21	6.84	5.29
<b>Gross deferred tax asset</b>	<b>63.02</b>	<b>63.29</b>	<b>54.70</b>	<b>31.37</b>	<b>24.84</b>	<b>21.00</b>
<b>Deferred tax liabilities (net)</b>	<b>58.27</b>	<b>62.22</b>	<b>62.89</b>	<b>86.74</b>	<b>112.02</b>	<b>113.95</b>

**Note:**

- i. The figures disclosed above are based on the restated unconsolidated summary statement of Assets and Liabilities and Profit and Loss of the Company.
- ii. The above statement should be read with the notes to Restated Unconsolidated Summary Statements as appearing in Annexure IV and Statement of Restatement Adjustments to Audited Unconsolidated Financial Statements appearing in Annexure V.



**Sandhar Technologies Limited**

**Annexure XI - Restated Unconsolidated Statement of Short term provisions**

(Rs. in Million)

Particulars	30 September 2017	31 March 2017	31 March 2016	31 March 2015	31 March 2014	31 March 2013
<b>Short term provisions</b>						
<b>Provision for employee benefits</b>						
(i) Provision for Compensated absences	68.89	65.86	52.89	44.24	30.69	27.25
(ii) Provision for gratuity	23.24	21.30	16.17	17.55	8.19	6.08
	<b>92.13</b>	<b>87.16</b>	<b>69.06</b>	<b>61.79</b>	<b>38.88</b>	<b>33.33</b>
<b>Other provisions</b>						
Provision for income tax (net of tax paid)	111.61	14.76	9.16	44.20	25.51	-
Provision for wealth tax	-	-	-	0.29	0.23	0.23
Provision for warranty*	6.29	10.02	11.13	10.97	7.11	7.05
Provision for contingencies**	-	-	0.25	0.25	0.25	0.25
	<b>117.90</b>	<b>24.78</b>	<b>20.54</b>	<b>55.71</b>	<b>33.10</b>	<b>7.53</b>
Provision for proposed dividend	-	-	-	-	-	-
Provision for tax on proposed dividend	-	-	-	-	-	-
<b>Total</b>	<b>210.03</b>	<b>111.94</b>	<b>89.60</b>	<b>117.50</b>	<b>71.98</b>	<b>40.86</b>

**\* Provision for warranty**

At the beginning of the year	10.02	11.13	10.97	7.11	7.05	5.33
Arising during the year	2.27	4.80	6.71	7.65	5.23	6.46
Utilized during the year	(6.00)	(5.91)	(6.55)	(3.79)	(5.17)	(4.74)
<b>At the end of the year</b>	<b>6.29</b>	<b>10.02</b>	<b>11.13</b>	<b>10.97</b>	<b>7.11</b>	<b>7.05</b>

**\*\*Provision for contingencies**

At the beginning of the year	-	0.25	0.25	0.25	0.25	1.79
Arising during the year	-	-	-	-	-	-
Utilized during the year	-	(0.25)	-	-	-	(1.54)
<b>At the end of the year</b>	<b>-</b>	<b>-</b>	<b>0.25</b>	<b>0.25</b>	<b>0.25</b>	<b>0.25</b>

Provision for income tax (net of tax paid) represents the estimated amount of liability out of income tax cases for earlier years.

**Notes:**

- i. The figures disclosed above are based on the Restated Unconsolidated Summary Statement of Assets and Liabilities of the Company.
- ii. The above statement should be read with the notes to Restated Unconsolidated Summary Statements as appearing in Annexure IV and Statement of Restatement Adjustments to Audited Unconsolidated Financial Statements appearing in Annexure V.
- iii. As per the amendments in AS-4 (Contingencies and Events Occurring after the Balance Sheet Date), if an enterprises declare dividend to the shareholders after the balance sheet date, the enterprises should not recognized those dividend as a liability at the balance sheet date unless a statute requires otherwise. Hence, we had not considered the final dividend proposed by the company after the balance sheet date for the year ended March 31, 2017, 2016, 2015, 2014 and 2013. The Corporate Dividend tax and amount transferred to General Reserve have been adjusted accordingly.

**Sandhar Technologies Limited**

**Annexure XII – Restated Unconsolidated Statement of Trade Payable and Other Current Liabilities**

(Rs. in Million)

S. No.	Particulars	30 September 2017	31 March 2017	31 March 2016	31 March 2015	31 March 2014	31 March 2013
A	<b>Trade payable</b>						
	Trade payable						
	-Dues of micro and small enterprises	189.38	145.11	120.76	124.42	136.26	100.22
	-Dues of creditors other than micro and small enterprises	2,374.73	1,709.34	1,664.13	1,677.40	1,262.40	1,164.96
B	<b>Other current liabilities</b>						
	Current maturities of long-term borrowings	623.16	614.89	698.27	572.97	533.12	593.86
	Interest accrued but not due on borrowings	4.50	8.68	9.23	7.73	4.19	5.60
	Interest accrued and due on borrowings	8.71	9.38	5.20	4.91	6.58	1.78
	Statutory dues	178.18	71.93	62.24	52.07	51.84	32.51
	Others payable	18.08	17.18	31.66	26.04	23.81	15.77
	Retention money	2.01	2.44	2.51	1.02	1.00	1.00
	Payable for capital goods	249.28	134.46	166.07	66.21	103.56	70.10
	<b>Total other current liabilities</b>	<b>1,083.92</b>	<b>858.96</b>	<b>975.18</b>	<b>730.95</b>	<b>724.10</b>	<b>720.62</b>
	<b>Total</b>	<b>3,648.03</b>	<b>2,713.41</b>	<b>2,760.07</b>	<b>2,532.77</b>	<b>2,122.76</b>	<b>1,985.80</b>

**Notes:**

- The figures disclosed above are based on the restated Unconsolidated Summary Statement of Assets and Liabilities of the Company.
- The above statement should be read with the notes to Restated Unconsolidated Summary Statements as appearing in Annexure IV and Statement of Restatement Adjustments to Audited Unconsolidated Financial Statements appearing in Annexure V.
- Following are the amounts due to related parties which are grouped under Trade payables and other current liabilities:

(Rs in Million)

Particulars	30-Sep-17	31-Mar-17	31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13
<b>Subsidiaries:</b>						
Sandhar Tooling Private Limited	-	1.88	0.01	0.49	21.96	11.58
<b>Joint Ventures:</b>						
Sandhar Caama Components Pvt Ltd	-	-	-	-	0.31	-
Sandhar ECCO Energy Private Limited	-	14.33	3.74	-	-	-
Sandhar Han Sung Technologies Private Limited	0.03	0.04	-	-	-	-
<b>Relatives of Key Managerial Person:</b>						
Urmila Joshi	-	0.06	0.06	-	0.06	-
Sonal Joshi	-	-	-	-	0.06	-
<b>Enterprises over which relatives of Key Managerial Person are able to exercise significant control:</b>						
Swaran Enterprises	31.22	24.87	27.62	21.68	24.90	21.45
<b>Key Managerial Person</b>						
Jayant Davar	21.38	17.11	15.08	16.64	14.04	-
Arvind Joshi	3.67	3.59	3.31	2.84	2.20	-

Sandhar Technologies Limited

Annexure XIII – Restated Unconsolidated Statement of Property, plant and equipment and Intangible Assets

Property, plant and equipment (Rs. in Million)								
Particulars	Land - Freehold	Land - Leasehold	Buildings	Furniture and fixtures	Office equipment	Plant and equipment	Vehicles	Total
<b>Gross block (at cost)</b>								
<b>At 1 April 2012</b>	<b>339.68</b>	<b>109.88</b>	<b>694.70</b>	<b>50.27</b>	<b>133.07</b>	<b>1,896.55</b>	<b>71.01</b>	<b>3,295.16</b>
Additions	27.95	14.13	31.99	2.82	14.82	178.30	4.07	274.07
Disposals	-	-	-	-	-	23.95	5.81	29.76
Acquisitions through amalgamation	484.86	-	182.15	2.60	1.90	217.89	6.28	895.68
<b>At 31 March 2013</b>	<b>852.49</b>	<b>124.01</b>	<b>908.83</b>	<b>55.69</b>	<b>149.80</b>	<b>2,268.79</b>	<b>75.54</b>	<b>4,435.15</b>
<b>Accumulated Depreciation/Amortization</b>								
<b>At 1 April 2012</b>	-	<b>2.40</b>	<b>110.52</b>	<b>16.02</b>	<b>79.07</b>	<b>761.36</b>	<b>36.95</b>	<b>1,006.32</b>
For the year	-	1.22	31.81	3.44	16.21	204.62	10.09	267.39
Disposals	-	-	-	-	-	22.23	3.03	25.26
<b>At 31 March 2013</b>	<b>-</b>	<b>3.62</b>	<b>142.34</b>	<b>19.47</b>	<b>95.28</b>	<b>943.75</b>	<b>44.01</b>	<b>1,248.46</b>
<b>Net block At 31 March 2013</b>	<b>852.49</b>	<b>120.40</b>	<b>766.50</b>	<b>36.22</b>	<b>54.52</b>	<b>1,325.04</b>	<b>31.53</b>	<b>3,186.70</b>
<b>Gross block (at cost)</b>								
<b>At 1 April 2013</b>	<b>852.49</b>	<b>124.01</b>	<b>908.83</b>	<b>55.69</b>	<b>149.80</b>	<b>2,268.79</b>	<b>75.54</b>	<b>4,435.15</b>
Additions	0.53	41.24	176.82	12.43	23.81	271.04	3.86	529.74
Disposals	-	-	0.07	0.37	6.54	47.59	-	54.57
<b>At 31 March 2014</b>	<b>853.03</b>	<b>165.25</b>	<b>1,085.59</b>	<b>67.75</b>	<b>167.07</b>	<b>2,492.24</b>	<b>79.40</b>	<b>4,910.32</b>
<b>Accumulated Depreciation/Amortization</b>								
<b>At 1 April 2013</b>	-	<b>3.62</b>	<b>142.34</b>	<b>19.47</b>	<b>95.28</b>	<b>943.75</b>	<b>44.01</b>	<b>1,248.46</b>
For the year	-	1.57	31.90	4.30	19.54	216.59	8.79	282.69
Disposals	-	-	0.01	0.29	6.36	38.55	-	45.21
<b>At 31 March 2014</b>	<b>-</b>	<b>5.18</b>	<b>174.23</b>	<b>23.47</b>	<b>108.46</b>	<b>1,121.80</b>	<b>52.80</b>	<b>1,485.94</b>
<b>Net block At 31 March 2014</b>	<b>853.03</b>	<b>160.07</b>	<b>911.36</b>	<b>44.28</b>	<b>58.61</b>	<b>1,370.44</b>	<b>26.60</b>	<b>3,424.39</b>
<b>Gross block (at cost)</b>								
<b>At 1 April 2014</b>	<b>853.03</b>	<b>165.25</b>	<b>1,085.59</b>	<b>67.75</b>	<b>167.07</b>	<b>2,492.24</b>	<b>79.40</b>	<b>4,910.32</b>
Additions	137.78	-	126.24	6.32	29.32	609.79	8.11	917.56
Disposals	-	1.74	14.77	0.32	1.52	32.71	0.23	51.29
Transfer to assets held for sale	-	-	-	-	-	0.38	-	0.38
<b>At 31 March 2015</b>	<b>990.80</b>	<b>163.51</b>	<b>1,197.05</b>	<b>73.75</b>	<b>194.87</b>	<b>3,068.94</b>	<b>87.28</b>	<b>5,776.21</b>
<b>Accumulated Depreciation/Amortization</b>								
<b>At 1 April 2014</b>	-	<b>5.18</b>	<b>174.23</b>	<b>23.47</b>	<b>108.46</b>	<b>1,121.80</b>	<b>52.80</b>	<b>1,485.94</b>
For the year	-	1.76	45.82	9.47	28.74	308.30	7.89	401.98
Depreciation adjustments in retained earnings	-	-	0.23	1.76	4.75	40.38	-	47.12

Property, plant and equipment (Rs. in Million)								
Particulars	Land - Freehold	Land - Leasehold	Buildings	Furniture and fixtures	Office equipment	Plant and equipment	Vehicles	Total
Disposals	-	1.71	14.28	0.31	1.52	30.20	0.23	48.24
<b>At 31 March 2015</b>	<b>-</b>	<b>5.24</b>	<b>206.00</b>	<b>34.39</b>	<b>140.43</b>	<b>1,440.28</b>	<b>60.46</b>	<b>1,886.80</b>
<b>Net block At 31 March 2015</b>	<b>990.80</b>	<b>158.27</b>	<b>991.05</b>	<b>39.35</b>	<b>54.45</b>	<b>1,628.66</b>	<b>26.82</b>	<b>3,889.41</b>
<b>Gross block (at cost)</b>								
<b>At 1 April 2015</b>	<b>990.80</b>	<b>163.51</b>	<b>1,197.05</b>	<b>73.75</b>	<b>194.87</b>	<b>3,068.94</b>	<b>87.28</b>	<b>5,776.21</b>
Additions	33.77	85.52	140.04	2.25	37.27	378.14	11.23	688.21
Disposals	-	-	0.80	1.92	11.07	29.66	8.92	52.37
<b>At 31 March 2016</b>	<b>1,024.57</b>	<b>249.03</b>	<b>1,336.29</b>	<b>74.08</b>	<b>221.07</b>	<b>3,417.43</b>	<b>89.58</b>	<b>6,412.05</b>
<b>Accumulated Depreciation/Amortization</b>								
<b>At 1 April 2015</b>	<b>-</b>	<b>5.24</b>	<b>206.00</b>	<b>34.39</b>	<b>140.43</b>	<b>1,440.28</b>	<b>60.46</b>	<b>1,886.80</b>
For the year	-	2.47	52.66	7.31	28.92	325.44	8.62	425.42
Disposals	-	-	0.10	1.64	10.42	25.73	7.90	45.78
<b>At 31 March 2016</b>	<b>-</b>	<b>7.71</b>	<b>258.56</b>	<b>40.06</b>	<b>158.93</b>	<b>1,739.99</b>	<b>61.18</b>	<b>2,266.43</b>
<b>Net block At 31 March 2016</b>	<b>1,024.57</b>	<b>241.32</b>	<b>1,077.73</b>	<b>34.02</b>	<b>62.14</b>	<b>1,677.43</b>	<b>28.40</b>	<b>4,145.62</b>
<b>Gross block (at cost)</b>								
<b>At 1 April 2016</b>	<b>1,024.57</b>	<b>249.03</b>	<b>1,336.29</b>	<b>74.08</b>	<b>221.07</b>	<b>3,417.43</b>	<b>89.58</b>	<b>6,412.05</b>
Addition for the year	-	-	267.07	11.19	59.47	585.22	19.59	942.54
Disposals	-	3.22	2.96	0.12	2.29	10.39	3.94	22.91
<b>At 31 March 2017</b>	<b>1,024.57</b>	<b>245.82</b>	<b>1,600.40</b>	<b>85.16</b>	<b>278.24</b>	<b>3,992.26</b>	<b>105.23</b>	<b>7,331.67</b>
<b>Accumulated Depreciation/Amortization</b>								
<b>At 1 April 2016</b>	<b>-</b>	<b>7.71</b>	<b>258.56</b>	<b>40.06</b>	<b>158.93</b>	<b>1,739.99</b>	<b>61.18</b>	<b>2,266.43</b>
For the year	-	2.61	56.52	8.25	31.95	338.17	10.96	448.47
Deletion	-	0.07	1.45	0.12	2.24	7.74	3.87	15.49
<b>At 31 March 2017</b>	<b>-</b>	<b>10.25</b>	<b>313.63</b>	<b>48.19</b>	<b>188.63</b>	<b>2,070.43</b>	<b>68.27</b>	<b>2,699.41</b>
<b>Net block At 31 March 2017</b>	<b>1,024.57</b>	<b>235.57</b>	<b>1,286.77</b>	<b>36.96</b>	<b>89.61</b>	<b>1,921.83</b>	<b>36.96</b>	<b>4,632.27</b>
<b>Gross block (at cost)</b>								
<b>At 1 April 2017</b>	<b>1,024.57</b>	<b>245.82</b>	<b>1,600.40</b>	<b>85.16</b>	<b>278.24</b>	<b>3,992.26</b>	<b>105.23</b>	<b>7,331.67</b>
Addition for the year	-	-	22.91	9.97	12.20	268.06	12.01	325.14
Disposals	-	-	1.34	0.53	1.88	6.76	4.13	14.64
<b>At 30 September 2017</b>	<b>1,024.57</b>	<b>245.82</b>	<b>1,621.97</b>	<b>94.59</b>	<b>288.56</b>	<b>4,253.56</b>	<b>113.11</b>	<b>7,642.18</b>
<b>Accumulated Depreciation/Amortization</b>								
<b>At 1 April 2017</b>	<b>-</b>	<b>10.25</b>	<b>313.63</b>	<b>48.19</b>	<b>188.63</b>	<b>2,070.43</b>	<b>68.27</b>	<b>2,699.41</b>
For the year	-	1.29	32.91	4.05	16.70	192.01	5.65	252.60
Deletion	-	-	1.23	0.45	1.88	6.41	4.13	14.10
<b>At 30 September 2017</b>	<b>-</b>	<b>11.55</b>	<b>345.31</b>	<b>51.79</b>	<b>203.45</b>	<b>2,256.02</b>	<b>69.79</b>	<b>2,937.90</b>
<b>Net block At 30 September 2017</b>	<b>1,024.57</b>	<b>234.27</b>	<b>1,276.66</b>	<b>42.81</b>	<b>85.11</b>	<b>1,997.54</b>	<b>43.32</b>	<b>4,704.27</b>

<b>Intangible Assets (Rs. in Million)</b>				
<b>Particulars</b>	<b>Computer Software</b>	<b>Technical Know How</b>	<b>Goodwill</b>	<b>Total</b>
<b>Gross block ( at cost)</b>				
<b>At 1 April 2012</b>	<b>33.46</b>	<b>51.59</b>	-	<b>85.05</b>
Additions	8.20	14.97	-	23.17
Disposals	-	-	-	-
Acquisitions through amalgamation	0.59	-	-	0.59
<b>At 31 March 2013</b>	<b>42.25</b>	<b>66.56</b>	-	<b>108.81</b>
<b>Accumulated Depreciation/Amortization</b>				
<b>At 1 April 2012</b>	<b>20.57</b>	<b>26.68</b>	-	<b>47.25</b>
For the year	8.94	8.84	-	17.78
Disposals	-	-	-	-
<b>At 31 March 2013</b>	<b>29.51</b>	<b>35.52</b>	-	<b>65.03</b>
<b>Net block At 31 March 2013</b>	<b>12.74</b>	<b>31.04</b>	-	<b>43.78</b>
<b>Gross block (at cost)</b>				
<b>At 1 April 2013</b>	<b>42.25</b>	<b>66.56</b>	-	<b>108.81</b>
Additions	29.03	12.94	-	41.97
Disposals	-	-	-	-
<b>At 31 March 2014</b>	<b>71.28</b>	<b>79.50</b>	-	<b>150.78</b>
<b>Accumulated Depreciation/Amortization</b>				
<b>At 1 April 2013</b>	<b>29.51</b>	<b>35.52</b>	-	<b>65.03</b>
For the year	6.85	11.57	-	18.42
Disposals	-	-	-	-
<b>At 31 March 2014</b>	<b>36.36</b>	<b>47.09</b>	-	<b>83.45</b>
<b>Net block At 31 March 2014</b>	<b>34.92</b>	<b>32.41</b>	-	<b>67.33</b>
<b>Gross block (at cost)</b>				
<b>At 1 April 2014</b>	<b>71.28</b>	<b>79.50</b>	-	<b>150.78</b>
Additions	10.18	22.34	76.17	108.69
Disposals	-	-	-	-
Transfer to assets held for sale	-	-	-	-
<b>At 31 March 2015</b>	<b>81.46</b>	<b>101.84</b>	<b>76.17</b>	<b>259.47</b>
<b>Accumulated Depreciation/Amortization</b>				
<b>At 1 April 2014</b>	<b>36.36</b>	<b>47.09</b>	-	<b>83.45</b>
For the year	9.78	11.08	5.70	26.56
Disposals	-	-	-	-

<b>Intangible Assets (Rs. in Million)</b>				
<b>Particulars</b>	<b>Computer Software</b>	<b>Technical Know How</b>	<b>Goodwill</b>	<b>Total</b>
At 31 March 2015	46.14	58.17	5.70	110.01
<b>Net block At 31 March 2015</b>	<b>35.32</b>	<b>43.67</b>	<b>70.47</b>	<b>149.46</b>
<b>Gross block (at cost)</b>				
<b>At 1 April 2015</b>	<b>81.46</b>	<b>101.84</b>	<b>76.17</b>	<b>259.47</b>
Additions	20.31	-	-	20.31
Disposals	0.06	-	-	0.06
<b>At 31 March 2016</b>	<b>101.71</b>	<b>101.84</b>	<b>76.17</b>	<b>279.72</b>
<b>Accumulated Depreciation/Amortization</b>				
<b>At 1 April 2015</b>	<b>46.14</b>	<b>58.17</b>	<b>5.70</b>	<b>110.01</b>
For the year	12.86	13.55	15.23	41.64
Disposals	0.04	-	-	0.04
<b>At 31 March 2016</b>	<b>58.96</b>	<b>71.72</b>	<b>20.93</b>	<b>151.61</b>
<b>Net block At 31 March 2016</b>	<b>42.75</b>	<b>30.12</b>	<b>55.24</b>	<b>128.11</b>
<b>Gross block (at cost)</b>				
<b>At 1 April 2016</b>	<b>101.71</b>	<b>101.84</b>	<b>76.17</b>	<b>279.72</b>
Addition for the year	22.60	6.87	-	29.47
Disposals	-	-	-	-
<b>At 31 March 2017</b>	<b>124.31</b>	<b>108.71</b>	<b>76.17</b>	<b>309.19</b>
<b>Accumulated Depreciation/Amortization</b>				
<b>At 1 April 2016</b>	<b>58.96</b>	<b>71.72</b>	<b>20.93</b>	<b>151.61</b>
For the year	16.27	13.01	15.23	44.51
Deletion	-	-	-	-
<b>At 31 March 2017</b>	<b>75.23</b>	<b>84.73</b>	<b>36.16</b>	<b>196.12</b>
<b>Net block At 31 March 2017</b>	<b>49.08</b>	<b>23.98</b>	<b>40.01</b>	<b>113.07</b>
<b>Gross block (at cost)</b>				
<b>At 1 April 2017</b>	<b>124.31</b>	<b>108.71</b>	<b>76.17</b>	<b>309.19</b>
Addition for the year	1.73	8.86	-	10.59
Disposals	16.91	-	-	16.91
<b>At 30 September 2017</b>	<b>109.13</b>	<b>117.57</b>	<b>76.17</b>	<b>302.87</b>
<b>Accumulated Depreciation/Amortization</b>				
<b>At 1 April 2017</b>	<b>75.23</b>	<b>84.73</b>	<b>36.16</b>	<b>196.12</b>
For the year	8.63	6.44	7.64	22.71
Deletion	16.92	-	-	16.92

<b>Intangible Assets (Rs. in Million)</b>				
<b>Particulars</b>	<b>Computer Software</b>	<b>Technical Know How</b>	<b>Goodwill</b>	<b>Total</b>
<b>At 30 September 2017</b>	<b>66.94</b>	<b>91.17</b>	<b>43.80</b>	<b>201.91</b>
<b>Net block At 30 September 2017</b>	<b>42.19</b>	<b>26.40</b>	<b>32.37</b>	<b>100.96</b>

**Notes:**

- i. The figures disclosed above are based on the restated Unconsolidated Summary Statement of Assets and Liabilities of the Company.
- ii. The above statement should be read with the notes to Restated Unconsolidated Summary Statements as appearing in Annexure IV and Statement of Restatement Adjustments to Audited Unconsolidated Financial Statements appearing in Annexure V.
- iii. Other Notes on Property, plant and equipment
  - a. Land aggregating to Rs 59.67 million transferred to the Company pursuant to the scheme of amalgamation dated December 29, 2005 are pending for registration in the name of the Company.
  - b. Land aggregating to Rs 500.67 million transferred to the Company pursuant to the scheme of amalgamation duly approved by Honorable High Court of Delhi, vide its order dated 2 May 2013 are pending for registration in the name of the Company.

**Sandhar Technologies Limited**

**Annexure XIV – Restated Unconsolidated Statement of Non-Current Investment**

(Rs. in Million except for number of shares)

	Particulars	Face value per share	No. of Shares	30-Sep-17	No. of Shares	31-Mar-17	No. of Shares	31-Mar-16	No. of Shares	31-Mar-15	No. of Shares	31-Mar-14	No. of Shares	31-Mar-13
	<b>Non-current investments</b>													
	<b>Trade investments (valued at cost unless stated otherwise)</b>													
	<b>Unquoted investments</b>													
A	<b>Investment in Subsidiaries</b>													
	(i) In fully paid equity shares													
	-Sandhar Tooling Private Limited	Rs.10	47,95,000	38.72	47,95,000	38.72	47,95,000	38.7192	47,95,000	38.72	47,95,000	38.72	47,95,000	38.72
	-PT Sandhar Indonesia	IDR 916500	8,750	40.39	8,750	40.39	8,750	40.39	8,750	40.39	8,750	40.39	8,750	40.39
	-Sandhar Technologies Barcelona SL	EUR 1	32,48,403	202.90	32,48,403	202.90	32,48,403	202.90	31,88,379	165.32	26,88,444	122.61	26,15,953	117.50
	-Sandhar Euro Holdings B.V.	EUR 100	-	-	10,000	67.93	10,000	67.93	10,000	67.93	10,000	67.93	10,000	67.93
	-Sandhar Strategic Systems Private Limited	Rs.10	9,999	0.10	9,999	0.10	-	-	-	-	-	-	-	-
	-Sandhar Daewha Automotive Systems Private Limited	Rs.10	9,999	0.10	-	-	-	-	-	-	-	-	-	-
B	<b>Investment in joint ventures</b>													
	(i) In fully paid equity shares													
	-Indo Toolings Private Limited	Rs.10	2,00,000	2.00	2,00,000	2.00	2,00,000	2.00	2,00,000	2.00	2,00,000	2.00	2,00,000	2.00
	-Sandhar CAAMA Components Private Limited	Rs.10	-	-	-	-	50,000	50	50,000	50.00	50,000	50.00	50,000	50.00
	-Sandhar Han Sung Technologies Private Limited	Rs.10	48,54,872	48.55	48,54,872	48.55	31,65,622	31.66	9,14,739	9.15	-	-	-	-
	-Sandhar Ecco Green Energy Private Limited	Rs.10	6,89,214	22.25	6,89,214	22.25	6,89,214	22.25	-	-	-	-	-	-
	-Jinyoung Sandhar Mechatronics Private Limited	Rs.10	24,96,988	24.97	9,999	0.10	-	-	-	-	-	-	-	-
	(ii) In fully paid preference shares													
	-Indo Toolings Private Limited	Rs.100	3,32,500	33.25	3,32,500	33.25	3,32,500	33.25	3,32,500	33.25	3,32,500	33.25	3,32,500	33.25
	-Sandhar CAAMA Components Private Limited	Rs.100	-	-	-	-	50,000	5	50,000	5.00	50,000	5.00	50,000	5.00
	-6% non-cumulative redeemable Preference shares of Jinyoung Sandhar Mechatronics Private Limited	Rs.10	31,92,750	31.93	-	-	-	-	-	-	-	-	-	-
	-6% non-cumulative redeemable Preference shares of Sandhar Han Sung Technologies Private Limited	Rs.10	23,43,837	23.44	6,01,065	6.01	-	-	-	-	-	-	-	-



	Particulars	Face value per share	No. of Shares	30-Sep-17	No. of Shares	31-Mar-17	No. of Shares	31-Mar-16	No. of Shares	31-Mar-15	No. of Shares	31-Mar-14	No. of Shares	31-Mar-13
C	<b>Non-current investments (valued at cost unless stated otherwise)</b>													
	-VNM Polymers Private Limited (In fully paid equity shares)	Rs.10	20,000	0.2	20,000	0.2	20,000	0.2	20,000	0.20	20,000	0.20	20,000	0.20
	<b>Total</b>			<b>468.79</b>		<b>462.40</b>		<b>494.29</b>		<b>411.96</b>		<b>360.10</b>		<b>354.99</b>
D	<b>Less: Aggregate provision for diminution in the value of investments</b>													
	<b>Investment in Subsidiaries</b>													
	(i) In fully paid equity shares			(40.39)		(40.39)		(40.39)		(40.39)		(40.39)		(40.39)
	<b>Less: Cessation of Sandhar Euro Holding of B.V. (on account of closure)</b>													
	Investment in Subsidiaries													
	(i) In fully paid equity shares			-		(67.93)		-		-		-		-
	<b>Investment in joint ventures</b>													
	(i) In fully paid equity shares			-		-		(50)		(50.00)		-		-
	(ii) In fully paid preference shares			-		-		(5)		(5.00)		-		-
	<b>Total Provision for diminution in the Value of Investment</b>			<b>(40.39)</b>		<b>(108.32)</b>		<b>(95.39)</b>		<b>(95.39)</b>		<b>(40.39)</b>		<b>(40.39)</b>
	<b>Non-Current Investments (net of Provisions)</b>			<b>428.40</b>		<b>354.08</b>		<b>398.90</b>		<b>316.57</b>		<b>319.71</b>		<b>314.60</b>
	<b>Aggregate book value of unquoted investment</b>			<b>428.40</b>	<b>-</b>	<b>354.08</b>	<b>-</b>	<b>398.90</b>	<b>-</b>	<b>316.57</b>	<b>-</b>	<b>319.71</b>	<b>-</b>	<b>314.60</b>

**Notes:**

- The figures disclosed above are based on the Restated Summary Statement of Assets and Liabilities of the Company
- These investments are in the name of the Company.
- The Company invested Indian Rs. 40.39 Million equivalent Indonesian Rupiahs in its wholly owned subsidiary PT Sandhar Indonesia which had been put under voluntary liquidation. The management, keeping in view the going concern concept, had evaluated its investment in the said subsidiary for the purpose of determination of potential diminution in the value of its investment and accordingly recognised a provision of Rs. 40.39 Million towards the same. The said amount has been adjusted in retained earnings as at 1 April 2010 in the Restated Unconsolidated Summary Statements.
- The Company had invested Indian Rs. 55.00 Million in Sandhar Caama Components (P) Ltd. in accordance with the terms of the joint venture agreement with Talwar Group. Subsequent to 31 March 2015, the Company had entered into a share purchase agreement with the Joint venture partner to sell off its 50% share in the joint venture Company i.e. Sandhar CAAMA Components Private Limited at a nominal value of Rs.1 (cost of investment – Rs.55 Million) and bear the liability to the extent of Rs.20.19 Million. The Company has already considered the provision of Rs.55 Million towards the investment in its financial statements for the year ended 31 March 2015. The provision for liability would be considered in the subsequent period i.e., 2015-16
- The above statement should be read with the notes to Restated Unconsolidated Summary Statements as appearing in Annexure IV and Statement of Restatement Adjustments to Audited Unconsolidated Financial Statements appearing in Annexure V.
- During the financial year ended 31 March 2017, the Company's subsidiary "Sandhar Euro Holding B.V." registered in Netherland was dissolved by filing necessary application with the Netherland Chamber of Commerce. The net surplus of Euro 770,000 was received back and the residual investment of Rs. 11,148,031 had been written off and disclosed as an exceptional item in the Statement of Profit and Loss.

Sandhar Technologies Limited

Annexure XV - Restated Unconsolidated Statement of Long Term Loans And Advances And Other Non-Current Assets

(Rs. in Million)

S. No.	Particulars	30-Sep-17	31-Mar-17	31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13
A	<b>Capital advances</b>						
	Unsecured, considered good	140.51	70.10	79.33	74.95	207.21	107.09
	Unsecured, considered doubtful	-	-	-	-	-	-
	<b>Total</b>	<b>140.51</b>	<b>70.10</b>	<b>79.33</b>	<b>74.95</b>	<b>207.21</b>	<b>107.09</b>
B	<b>Security deposits</b>						
	<b>Unsecured, considered good</b>						
	With related parties, unsecured considered good	13.49	13.49	13.49	13.49	13.49	13.49
	With others	50.35	49.63	43.04	39.74	32.91	24.95
	<b>Total</b>	<b>63.84</b>	<b>63.12</b>	<b>56.53</b>	<b>53.23</b>	<b>46.40</b>	<b>38.44</b>
C	<b>Loans and advances to related parties</b>						
	-Secured considered good						
	<b>Unsecured</b>						
	Considered Good	-	-	-	9.28	-	-
	Less: Provision for bad and doubtful advances						
	<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9.28</b>	<b>-</b>	<b>-</b>
D	<b>Advances recoverable in cash or kind</b>						
	<b>Secured considered good</b>						
	<b>Unsecured</b>						
	Considered good						
	Considered doubtful	2.40	2.40	2.40	2.40	2.40	2.40
	Less: Provision for bad and doubtful advances	(2.40)	(2.40)	(2.40)	(2.40)	(2.40)	(2.40)
E	<b>Other loans and advances</b>						
	Advance income-tax (net of provision for taxation)	9.88	9.88	18.08	18.07	14.43	22.74
	Balances with statutory/government authorities						
	<b>Total</b>	<b>9.88</b>	<b>9.88</b>	<b>18.08</b>	<b>18.07</b>	<b>14.43</b>	<b>22.74</b>
	<b>Total (a+b+c+d+e)</b>	<b>214.23</b>	<b>143.10</b>	<b>153.94</b>	<b>155.53</b>	<b>268.04</b>	<b>168.27</b>

**Notes:**

- i. The figures disclosed above are based on the restated Unconsolidated Summary Statement of Assets and Liabilities of the Company.
- ii. The above statement should be read with the notes to Restated Unconsolidated Summary Statements as appearing in Annexure IV and Statement of Restatement Adjustments to Audited Unconsolidated Financial Statements appearing in Annexure V.
- iii. Following are the amounts due from related parties:

<b>Particulars</b>	<b>30-Sep-17</b>	<b>31-Mar-17</b>	<b>31-Mar-16</b>	<b>31-Mar-15</b>	<b>31-Mar-14</b>	<b>31-Mar-13</b>
<b>Security deposits to related parties include</b>						
Sandhar Estate Private Limited	3.60	3.60	3.60	3.60	3.60	3.60
Jubin Finance and Investment Limited	9.89	9.89	9.89	9.89	9.89	9.89
<b>Capital advances to related parties include</b>						
Haridwar Estates Private Limited	9.95	9.95	9.95	8.93	66.50	66.50
<b>Total</b>	<b>23.44</b>	<b>23.44</b>	<b>23.44</b>	<b>22.42</b>	<b>79.99</b>	<b>79.99</b>

**Sandhar Technologies Limited**  
**Annexure XVI – Restated Unconsolidated Statement of Inventory**

(Rs. in Million)

Particulars	30-Sep-17	31-Mar-17	31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13
Raw materials and components (includes in transit Rs. 36,911,931 (Previous year Rs.83,077,315 ))	752.57	669.96	647.21	717.07	444.32	411.26
Work-in-progress	76.18	64.28	60.62	60.72	52.60	74.10
Finished goods (includes in transit Rs. 56,871,049 (Previous year Rs.63,085,052))	114.87	159.30	113.88	96.97	65.63	78.56
Stores and spares	103.85	66.11	70.71	56.81	13.75	11.27
	1,047.47	959.65	892.42	931.57	576.30	575.19
Provision for slow moving stock-raw material and components	(2.50)	(2.50)	(2.50)	(2.50)	(2.50)	(2.50)
<b>Total inventory</b>	<b>1,044.97</b>	<b>957.15</b>	<b>889.92</b>	<b>929.07</b>	<b>573.80</b>	<b>572.69</b>

**Note:**

- i. The figures disclosed above are based on the Restated Unconsolidated Summary Statement of Assets and Liabilities of the Company.
- ii. The above statement should be read with the notes to Restated Unconsolidated Summary Statements as appearing in Annexure IV and Statement of Restatement Adjustments to Audited Unconsolidated Financial Statements appearing in Annexure V.

**Sandhar Technologies Limited**

**Annexure XVII – Restated Unconsolidated Statement of Trade Receivables**

(Rs. in Million)

S. No.	Particulars	30-Sep-17	31-Mar-17	31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13
A	<b>Trade Receivables</b>						
	Outstanding for a period exceeding six months from the date they are due for payment						
	Unsecured, considered good	17.74	11.75	12.25	3.47	3.39	5.58
	Doubtful	16.73	16.73	14.31	13.82	14.08	14.27
	Less: Provision for doubtful debts	(16.73)	(16.73)	(14.31)	(13.82)	(14.08)	(14.27)
		<b>17.74</b>	<b>11.75</b>	<b>12.25</b>	<b>3.47</b>	<b>3.39</b>	<b>5.58</b>
B	Other receivable						
	Unsecured, considered good	2,251.27	1,703.54	1,334.47	1,620.07	1,174.66	779.23
		<b>2,251.27</b>	<b>1,703.54</b>	<b>1,334.47</b>	<b>1,620.07</b>	<b>1,174.66</b>	<b>779.23</b>
	<b>Total (A+B)</b>	<b>2,269.01</b>	<b>1,715.29</b>	<b>1,346.72</b>	<b>1,623.54</b>	<b>1,178.05</b>	<b>784.81</b>

**Notes:**

- i. The figures disclosed above are based on the Restated Unconsolidated Summary Statement of Assets and Liabilities of the Company.
- ii. The above statement should be read with the notes to Restated Unconsolidated Summary Statements as appearing in Annexure IV and Statement of Restatement Adjustments to Audited Unconsolidated Financial Statements appearing in Annexure V.
- iii. Following are the amounts due from related parties:

(Rs. in Million)

Particulars	30-Sep-17	31-Mar-17	31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13
Sandhar Caama Components Pvt Ltd	-	-	-	1.26	-	0.18
Indo Toolings Pvt Ltd	-	-	-	0.03	0.03	0.01
Sandhar Tooling Pvt Ltd	-	-	-	1.37	-	-
Sandhar Hansung Technologies Pvt Ltd	0.82	2.11	-	0.17	-	-
Sandhar Ecco Energy Private Limited	5.87	0.05	11.36	-	-	-
Sandhar Intelli Glass Solution Limited	-	-	0.01	0.01	-	-
<b>Total</b>	<b>6.69</b>	<b>2.16</b>	<b>11.37</b>	<b>2.84</b>	<b>0.03</b>	<b>0.19</b>

**Sandhar Technologies Limited**  
**Annexure XVIII – Restated Unconsolidated Statement of Cash and Bank Balances**

Particulars	(Rs. in Million)					
	30-Sep-17	31-Mar-17	31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13
<b>Cash and cash equivalents</b>						
<b>Balances with banks:</b>						
<b>On current account</b>						
-In Rupee	0.36	3.13	4.30	10.06	4.69	11.21
-In Foreign currency	-	-	-	-	-	0.06
Cheques on hand	-	20.20	0.07	0.10	0.76	-
Cash on hand	0.95	0.76	1.44	1.50	1.06	1.08
<b>Other bank balances</b>						
Deposits with original maturity for more than 3 months but less than 12 months*	12.22	10.29	12.32	32.28	5.09	46.71
<b>Total of Cash and bank balance</b>	<b>13.53</b>	<b>34.38</b>	<b>18.13</b>	<b>43.94</b>	<b>11.60</b>	<b>59.06</b>

**Note:**

- i. The figures disclosed above are based on the Restated Unconsolidated Summary Statement of Assets and Liabilities of the Company.
- ii. The above statement should be read with the notes to Restated Unconsolidated Summary Statements as appearing in Annexure IV and Statement of Restatement Adjustments to Audited Unconsolidated Financial Statements appearing in Annexure V.

**Sandhar Technologies Limited**

**Annexure XIX – Restated Unconsolidated Statement of Short Term Loans and Advances and Other Current Assets**

(Rs. in Million)

S. No.	Particulars	September 30, 2017	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
<b>A</b>	<b>Short - term Loans and advances to related parties</b>						
	Unsecured, considered good	2.39	0.52	8.52	10.74	11.40	9.69
	Unsecured Considered Doubtful	41.97	41.97	41.97	41.97	41.97	41.97
	Less Provision for Doubtful	(41.97)	(41.97)	(41.97)	(41.97)	(41.97)	(41.97)
	<b>Total</b>	<b>2.39</b>	<b>0.52</b>	<b>8.52</b>	<b>10.74</b>	<b>11.40</b>	<b>9.69</b>
<b>B</b>	<b>Advances recoverable in cash or kind</b>						
	Unsecured considered good	63.83	35.20	25.90	24.11	21.61	13.95
	Considered doubtful	-	-	-	-	-	-
	Less provision for bad and doubtful advances	-	-	-	-	-	-
	<b>Total</b>	<b>63.83</b>	<b>35.20</b>	<b>25.90</b>	<b>24.11</b>	<b>21.61</b>	<b>13.95</b>
<b>C</b>	<b>Other loans and advances</b>						
	Prepaid expenses	26.43	21.33	18.10	19.08	21.62	15.33
	Loan to employees	4.88	5.34	8.16	3.75	4.18	1.93
	MAT credit entitlement	4.97	4.97	-	15.28	36.26	12.04
	Balances with statutory/government authorities	184.96	88.13	93.24	79.32	45.84	27.15
	<b>Total</b>	<b>221.24</b>	<b>119.77</b>	<b>119.50</b>	<b>117.43</b>	<b>107.90</b>	<b>56.45</b>
	<b>Total (a+b+c)</b>	<b>287.46</b>	<b>155.49</b>	<b>153.92</b>	<b>152.28</b>	<b>140.91</b>	<b>80.09</b>

**Other current assets - Unsecured, considered good unless stated otherwise**

(Rs. in Million)

D	Other current assets	September 30, 2017	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
	Unsecured, considered good unless stated otherwise						
	Assets held for sale	16.04	14.02	-	0.46	1.56	1.56
	Interest accrued but not due on fixed deposits	0.48	0.42	1.14	1.12	0.21	2.69
	Subsidy receivable	-	-	-	-	-	3.00
	Unbilled revenue	6.04	114.74	4.93	22.28	-	-
	<b>Total</b>	<b>22.56</b>	<b>129.18</b>	<b>6.07</b>	<b>23.86</b>	<b>1.77</b>	<b>7.25</b>

**Notes:**

- i. The figures disclosed above are based on the Restated Unconsolidated Summary Statement of Assets and Liabilities of the Company.
- ii. The above statement should be read with the notes to Restated Unconsolidated Summary Statements as appearing in Annexure IV, and Statement of Restatement Adjustments to Audited Unconsolidated Financial Statements appearing in Annexure V.
- iii. Following are the amounts due from related parties:

(Rs. in Million)

Particulars	September 30, 2017	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
Sandhar Technologies Barcelona SL	-	-	8.52	10.74	11.40	9.69
PT Sandhar Indonesia	41.97	41.97	41.97	41.97	41.97	41.97
<b>Dues from – JVs</b>						
-Jinyoung Sandhar Mechatronics Private Limited	0.03	0.52	-	-	-	-
-Sandhar Strategic Systems Private Limited	0.01	-	-	-	-	-
-Sandhar Amkin Industries Private Limited	1.03	-	-	-	-	-
<b>Dues from Others</b>						
-Sandhar Infosystems Limitd	0.0002	-	-	-	-	-
-Sandhar Daewha Automotive Systems Private Limited	0.51	-	-	-	-	-

Sandhar Technologies Limited

Annexure XX - Restated Unconsolidated Statement of Revenue

(Rs. in Million)

Particulars	September 30, 2017	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
<b>Revenue from operation</b>						
Sale of products	8,772.17	14,695.43	13,851.63	13,456.62	11,216.23	10,422.56
Sale of services	110.67	201.64	206.54	213.66	116.48	95.94
<b>Other operating revenue</b>	-	-	-			
Scrap sales	79.74	137.01	129.65	105.58	93.15	77.54
<b>Revenue from operations (gross)</b>	<b>8,962.58</b>	<b>15,034.08</b>	<b>14,187.82</b>	<b>13,775.86</b>	<b>11,425.86</b>	<b>10,596.04</b>
Less Excise duty	377.83	1,347.52	1,280.70	1,206.57	1,013.33	972.37
<b>Revenue from operations (Net)</b>	<b>8,584.75</b>	<b>13,686.56</b>	<b>12,907.12</b>	<b>12,569.29</b>	<b>10,412.53</b>	<b>9,623.67</b>

**Detail of Finished Goods Sold:**

(Rs. in Million)

Particulars	September 30, 2017	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
Locks	2288.36	3933.91	3846.13	3622.80	3341.07	3091.41
Mirror Assembly	1201.71	2158.43	2263.54	2172.11	1612.29	1276.33
Sheet Metal Components	1344.23	2236.39	2201.18	2095.44	2173.17	2268.75
Wheel Assembly	1371.37	1945.06	1885.79	1983.04	1831.37	1838.08
Handle bar assembly	497.61	764.64	594.67	665.86	0.00	0.00
Cabins	706.15	1227.22	826.82	497.74	0.00	0.00
Plastic parts	396.38	758.85	657.12	949.89	0.00	0.00
Other products	966.36	1670.93	1576.38	1469.74	2258.33	1947.99
<b>Total</b>	<b>8,772.17</b>	<b>14,695.43</b>	<b>13,851.63</b>	<b>13,456.62</b>	<b>11,216.23</b>	<b>10,422.56</b>

**Detail of Sale of services rendered:**

Particulars	September 30, 2017	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
Job work	110.67	201.64	206.54	213.66	116.48	95.94
<b>Total</b>	<b>110.67</b>	<b>201.64</b>	<b>206.54</b>	<b>213.66</b>	<b>116.48</b>	<b>95.94</b>

**Notes:**

- i. The figures disclosed above are based on the Restated Unconsolidated Summary Statement of Profit and loss of the Company.
- ii. The above statement should be read with the notes to Restated Unconsolidated Summary Statements as appearing in Annexure IV and Statement of Restatement Adjustments to Audited Unconsolidated Financial Statements appearing in Annexure V.



**Sandhar Technologies Limited**

**Annexure XXI – Restated Unconsolidated Statement of Other Income**

(Rs. in Million)

Particulars	Recurring / Non Recurring	Related / Not related to business activity	30-Sep-17	31-Mar-17	31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13
<b>Other income</b>								
Foreign exchange fluctuation gain (net)	Non-recurring	Related	-	3.73	-	-	-	-
Dividend income on long-term investments (trade investment)	Recurring	Non-related	1.20	7.19	3.60	3.61	0.29	3.15
Profit on sale of fixed assets	Non-recurring	Non-related	1.37	26.74	0.42	2.49	-	0.27
Profit on sale of short-term investments (non-trade)	Non-recurring	Non-related	-	-	-	-	-	0.25
Other non-operating income	Recurring	Related	8.83	18.92	22.45	48.77	25.42	16.47
<b>Total</b>			<b>11.40</b>	<b>56.58</b>	<b>26.47</b>	<b>54.87</b>	<b>25.71</b>	<b>20.14</b>

Particulars			30-Sep-17	31-Mar-17	31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13
<b>Interest income</b>								
Interest income on								
Bank deposits	Recurring	Non-related	0.37	1.39	1.60	1.31	1.49	14.54
Others	Recurring	Non-related	1.55	2.12	2.06	1.74	1.43	0.84
<b>Total</b>			<b>1.92</b>	<b>3.51</b>	<b>3.66</b>	<b>3.05</b>	<b>2.92</b>	<b>15.38</b>

**Note:**

- i. The classification of other income as recurring / non-recurring, related / not-related to business activity is based on the current operations and business activity of the Company as determined by the management.
- ii. The amounts disclosed above are based on the Restated Unconsolidated Summary Statement of Profit and loss of the Company.
- iii. The above statement should be read with the notes to Restated Unconsolidated Summary Statements as appearing in Annexure IV and Statement of Restatement Adjustments to Audited Unconsolidated Financial Statements appearing in Annexure V

**Sandhar Technologies Limited**

**Annexure XXII – Restated Unconsolidated Statement of Cost of raw material and components consumed**

Particulars	(Rs. in Million)					
	30 Sep 2017	31-Mar-17	31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13
<b>Cost of raw material and components consumed</b>						
Inventories at the beginning of the year	669.96	647.21	717.07	444.32	411.26	397.53
Add: Stock acquired on amalgamation	-	-	-	-	-	26.59
Add: Purchases during the year	5,628.24	8,849.45	8,238.12	8,713.28	6,985.81	6,637.57
Less: Inventories at the end of the year	752.57	669.96	647.21	717.07	444.32	411.26
<b>Cost of raw material and components consumed</b>	<b>5,545.63</b>	<b>8,826.70</b>	<b>8,307.98</b>	<b>8,440.53</b>	<b>6,952.75</b>	<b>6,650.43</b>

**Details of Cost of raw material and components consumed**

Particulars	(Rs. in Million)					
	30 Sep 2017	31-Mar-17	31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13
Zinc	527.61	750.94	698.07	640.07	592.73	778.04
Aluminum	516.42	873.48	786.59	938.20	839.52	812.49
Bought out parts	1,582.75	2,713.42	2,655.23	2,486.79	2,169.34	1,797.31
Plastic granules	658.28	981.89	927.57	1,230.93	869.66	610.75
Sheet metal parts	1,073.38	1,695.09	1,600.84	1,720.50	1,394.88	1,531.14
Nickel	54.31	100.97	102.88	129.35	90.60	85.11
Glass	106.80	174.95	129.21	134.13	88.12	81.43
Tyres	396.60	612.80	582.41	439.55	333.30	349.14
Brass	123.24	234.70	155.61	176.21	174.87	215.26
Wheel & RIM	234.08	109.93	181.02	148.89	150.13	187.35
Copper	5.72	6.88	7.68	7.84	7.17	7.91
Other	266.44	571.65	480.87	388.07	242.43	194.50
<b>Total</b>	<b>5,545.63</b>	<b>8,826.70</b>	<b>8,307.98</b>	<b>8,440.53</b>	<b>6,952.75</b>	<b>6,650.43</b>

**Details of Cost of Raw Material & Components**

Particulars	(Rs. in Million)					
	30 Sep 2017	31-Mar-17	31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13
Zinc	74.34	54.85	46.07	37.40	30.38	26.59
Aluminum	43.62	30.39	6.12	56.33	19.68	13.70
Bought out parts	225.78	220.48	157.97	194.06	134.27	112.73
Plastic granules	128.63	132.39	85.61	115.10	59.45	65.06
Sheet metal parts	103.60	78.71	42.67	99.20	65.23	51.23
Nickel	14.03	9.02	4.55	7.29	3.51	2.36
Glass	17.24	16.28	4.03	6.67	4.19	3.62
Tyres	6.29	9.12	12.11	11.47	10.40	8.59
Brass	36.30	54.84	8.48	31.78	26.11	43.84
Wheel & RIM	14.37	11.56	4.91	6.95	7.87	23.50
Copper	7.44	8.32	3.94	3.21	1.37	1.82
Other	80.93	44.00	270.75	147.61	81.86	58.22
<b>Total</b>	<b>752.57</b>	<b>669.96</b>	<b>647.21</b>	<b>717.07</b>	<b>444.32</b>	<b>411.26</b>

**Notes:**

- i. The amounts disclosed above are based on the Restated Unconsolidated Summary Statement of profit and loss of the Company.
- ii. The above statement should be read with the notes to Restated Unconsolidated Summary Statements as appearing in Annexure IV and Statement of Restatement Adjustments to Audited Unconsolidated Financial Statements appearing in Annexure V.

**Sandhar Technologies Limited**

**Annexure XXIII – Restated Unconsolidated Statement of Changes in inventories of finished goods and work-in-progress**

(Rs. in Million)

Particulars	30 Sep 2017	31-Mar-17	31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13
<b>Inventories at the end of the year</b>						
Work-in-progress	76.18	64.28	60.62	60.72	52.60	74.10
Finished goods	114.87	159.30	113.88	96.97	65.63	78.56
Stock acquired on amalgamation	-	-	-	-	-	26.98
	<b>191.05</b>	<b>223.58</b>	<b>174.50</b>	<b>157.69</b>	<b>118.23</b>	<b>179.64</b>
<b>Inventories at the beginning of the year</b>						
Work-in-progress	64.28	60.62	60.72	52.60	74.10	27.36
Finished goods	159.30	113.88	96.97	65.63	78.56	62.38
Stock acquired on amalgamation	-	-	-	-	26.98	-
	<b>223.58</b>	<b>174.50</b>	<b>157.69</b>	<b>118.23</b>	<b>179.64</b>	<b>89.74</b>
<b>Total (Increase)/Decrease in Inventory</b>	<b>32.53</b>	<b>(49.08)</b>	<b>(16.81)</b>	<b>(39.46)</b>	<b>61.41</b>	<b>(89.90)</b>

**Details of Inventory of Work in Progress**

Particulars	30 Sep 2017	31-Mar-17	31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13
Locks	9.47	7.71	9.71	3.10	4.26	5.29
Mirror Assembly	8.04	4.26	6.18	6.27	2.10	2.66
Sheet Metal Components	4.38	6.89	5.91	8.87	8.30	43.02
Wheel Assembly	1.27	2.84	3.86	2.06	0.90	2.02
Other Products	53.02	42.58	34.96	40.42	37.04	21.11
<b>Total</b>	<b>76.18</b>	<b>64.28</b>	<b>60.62</b>	<b>60.72</b>	<b>52.60</b>	<b>74.10</b>

**Details of Inventory of Finish Goods**

Particulars	30 Sep 2017	31-Mar-17	31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13
Locks	13.13	15.52	13.49	13.14	7.70	8.45
Mirror Assembly	9.27	15.10	11.24	12.57	9.74	9.45
Sheet Metal Components	8.68	5.77	5.04	4.87	10.02	3.22
Wheel Assembly	12.34	7.37	4.29	7.25	5.84	6.98
Other Products	71.45	115.54	79.82	59.14	32.33	50.46
<b>Total</b>	<b>114.87</b>	<b>159.30</b>	<b>113.88</b>	<b>96.97</b>	<b>65.63</b>	<b>78.56</b>

**Notes: -**

- i. The figures disclosed above are based on the restated unconsolidated summary statement of profit and loss of the Company.
- ii. The above statement should be read with the notes to Restated Unconsolidated Summary Statements as appearing in Annexure IV and Statement of Restatement Adjustments to Audited Unconsolidated Financial Statements appearing in Annexure V.

**Sandhar Technologies Limited**  
**Annexure XXIV – Restated Unconsolidated Statement of Employee Benefit Expenses**

(Rs. in Million)

Particulars	30 Sep 2017	31-Mar-17	31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13
<b>Employee benefit expenses</b>						
Salaries, wages and bonus	872.01	1,518.13	1,320.36	1,124.26	927.90	867.12
Contribution to provident and other funds	42.80	93.19	79.09	73.83	55.28	52.31
Staff welfare expenses	55.43	90.54	82.10	71.34	63.91	58.31
Gratuity expense	7.17	26.13	16.20	24.32	6.62	15.88
	<b>977.41</b>	<b>1,727.99</b>	<b>1,497.75</b>	<b>1,293.75</b>	<b>1,053.71</b>	<b>993.62</b>

**Notes: -**

- i. The figures disclosed above are based on the restated unconsolidated summary statement of profit and loss of the Company.
- ii. The above statement should be read with the notes to Restated Unconsolidated Summary Statements as appearing in Annexure IV and Statement of Restatement Adjustments to Audited Unconsolidated Financial Statements appearing in Annexure V.

**Sandhar Technologies Limited**  
**Annexure XXV – Restated Unconsolidated Statement of Other Expenses**

(Rs. in Million)						
Particulars	30-Sep-17	31-Mar-17	31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13
Consumption of stores and spares	153.89	264.92	234.45	219.22	201.86	199.33
Packing material	99.79	159.99	143.08	140.74	113.62	96.28
Job work charges	190.71	376.04	327.51	262.14	217.15	179.67
Rent	27.90	63.23	64.46	49.85	40.35	50.91
Rates and taxes	0.17	10.41	12.81	7.32	6.85	9.93
Insurance	6.58	13.10	13.54	12.42	10.29	8.11
Freight and forwarding charges	79.44	121.09	102.04	102.71	65.44	60.34
Power and fuel	236.49	399.02	375.31	365.11	317.99	285.71
Repairs and maintenance						
- Buildings	3.49	9.06	14.25	12.04	10.73	7.54
- Plant and machinery	69.32	117.19	130.55	111.39	84.35	79.93
- Others	46.10	75.33	72.65	64.78	44.36	46.30
CSR expenditure (refer Annexure-IV Notes to accounts-H)	5.29	9.37	4.37	6.32	-	-
Legal and professional charges*	40.62	74.04	72.10	55.62	46.00	52.48
Travelling and conveyance	17.48	30.70	31.84	27.84	20.34	22.69
Provision for doubtful debts and advances	-	2.43	0.49	-	-	0.04
Bad debts and advances written off	-	0.33	0.12	2.17	0.64	0.39
Increase/(decrease) of excise duty on inventory	(0.72)	0.92	1.24	2.87	0.15	(1.34)
Provision for warranties (net of reversal)	2.27	4.78	6.71	7.65	5.23	6.46
Royalty	23.55	37.76	42.14	33.36	21.72	18.35
Commission to directors	23.56	19.28	17.40	20.73	16.91	9.24
Directors sitting fee	1.08	3.26	2.58	1.87	0.85	0.78
Foreign exchange fluctuation loss (net)	0.29	-	26.45	2.68	3.36	12.15
Loss on sale of fixed assets	-	-	-	-	6.80	-
Miscellaneous expenses	69.91	132.56	130.06	109.58	94.25	80.06
<b>Total</b>	<b>1,097.21</b>	<b>1,924.81</b>	<b>1,826.15</b>	<b>1,618.41</b>	<b>1,329.24</b>	<b>1,225.35</b>

\* Legal and Professional charges includes the payment to auditors

As auditor:	September 30, 2017	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
- Audit fee	1.95	4.65	4.65	4.65	4.65	4.65
In other capacity						
- Other services (certification fees)	0.10	1.56	1.78	0.95	0.50	0.40
- Reimbursement of expenses	-	0.53	0.37	0.38	0.36	0.03
	<b>2.05</b>	<b>6.74</b>	<b>6.79</b>	<b>5.98</b>	<b>5.51</b>	<b>5.08</b>

The audit fees for the financial years ended 31 March 2017, 2016, 2015, 2014 and 2013 were paid to another firm of Chartered Accountants.

**Notes: -**

- i. The figures disclosed above are based on the restated unconsolidated summary statement of profit and loss of the Company.
- ii. The above statement should be read with the notes to Restated Unconsolidated Summary Statements as appearing in Annexure IV and Statement of Restatement Adjustments to Audited Unconsolidated Financial Statements appearing in Annexure V.

**Sandhar Technologies Limited**

**Annexure XXVI – Restated Unconsolidated Statement of Finance Cost**

<b>Particulars</b>	<b>(Rs. in Million)</b>					
	<b>September 30, 2017</b>	<b>March 31, 2017</b>	<b>March 31, 2016</b>	<b>March 31, 2015</b>	<b>March 31, 2014</b>	<b>March 31, 2013</b>
Interest to banks on						
- Term loan	70.58	96.91	97.42	112.02	118.41	133.56
- Others	39.20	93.30	69.65	72.03	59.25	56.18
Interest to others	51.95	139.02	176.78	138.55	115.77	85.82
Cash discounting charges	14.44	24.65	27.66	28.32	30.82	32.80
Bank charges	0.28	1.70	1.93	1.58	1.65	2.40
Foreign exchange fluctuation loss on long term loan	-	-	-	0.40	10.37	0.82
	<b>176.45</b>	<b>355.58</b>	<b>373.44</b>	<b>352.90</b>	<b>336.27</b>	<b>311.58</b>

**Notes:**

- i. The figures disclosed above are based on the Restated Unconsolidated Summary Statement of Profit and Loss of the Company.
- ii. The above statement should be read with the notes to Restated Unconsolidated Summary Statements as appearing in Annexure IV and Statement of Restatement Adjustments to Audited Unconsolidated Financial Statements appearing in Annexure V.

**Sandhar Technologies Limited**

**Annexure XXVII – Restated Unconsolidated Statement of Contingent Liabilities**

(Rs. in Million)

<b>Contingent liabilities not provided for</b>							
S. No.	Particulars	September 30, 2017	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
1	Claims against the company not acknowledged as debts						
i	Excise duty demands	-	-	-	-	1.48	4.13
ii	Service tax demands	38.67	37.26	35.87	32.89	27.45	23.88
iii	Income tax demands	5.00	5.00	69.18	26.18	26.84	20.16
iv	Sales tax/ VAT demand	0.13	0.13	0.86	0.39	0.13	0.13
v	Custom duty demand	-	-	-	-	0.03	0.03
vi	Other matters	3.67	3.67	3.28	3.77	2.69	-
vii	Demand notice against Land (Chakan and Pathredi)	83.75	83.75	-	-	-	-
2	Stand by Letter of Credit (SBLC)/ Corporate Guarantees given by the company	874.33	787.90	730.27	654.28	628.28	535.78
3	Bills discounting with bank	794.13	369.15	320.63	316.70	249.67	275.20
	Total	1,799.68	1,286.86	1,160.09	1,034.21	936.57	859.31

**Notes:**

- i. In relation to the matters of income tax, excise duty, customs duty, sales tax and service tax listed above, the Company is contesting the demands and the management, including its tax advisors, believe that its position will likely be upheld in the appellate process. No provision has been accrued in the financial statements for the demand raised. The management believes that the ultimate outcome of this proceeding will not have a material adverse effect on the Company's financial position and results of operations.
- ii. In respect of Pathredi Land, Rajasthan State Industrial Development and Investment Corporation has issued a letter dated October 23, 2015 whereby demand of Rs. 76.10 million has been raised for allowing a time extension for making additional investment in the project on land allotted to the Company. The Company has filed a request letter to waive off the same.
- iii. In respect of Chakan Land, Maharashtra Industrial Development Corporation has issued a letter dated March 3, 2015, asking Company to pay an additional amount aggregating to Rs. 7.65 million for a further time extension. The Company is in the process to file the waiver letter to Maharashtra Industrial Development Corporation.

Based on the status of cases mentioned in serial ii and iii and as advised by Company's tax/legal advisors, wherever applicable, the management believes that the Company has strong chance of success and hence no provision against matters disclosed in "Claims against the Company not acknowledged as debts" are considered necessary.

- iv. The Company is confident that outflow is not probable hence the provision is not done for above mentioned cases.

**Sandhar Technologies Limited**

**Annexure XXVIII – Restated Unconsolidated Statement of Capital commitments**

(Rs. in Million)

<b>Particulars</b>	<b>September 30, 2017</b>	<b>March 31, 2017</b>	<b>March 31, 2016</b>	<b>March 31, 2015</b>	<b>March 31, 2014</b>	<b>March 31, 2013</b>
Estimated amount of contracts remaining to be executed on capital account (net of advances)	342.46	253.85	235.73	214.59	293.54	255.05



**Sandhar Technologies Limited**

**Annexure XXIX– Restated Unconsolidated Statement of Related Party Transactions**

**a) Name of related parties and related parties relationship:**

**i) Enterprises under common control**

Enterprises under common control	Sanjeevani Impex Private Limited
	Sandhar Intelli-Glass Solutions Limited (formerly known as SLD Auto Ancillary Limited)
	Sandhar Info systems Limited
	Sandhar Estate Private Limited
	YSG Estates Private Limited
	Sandhar Enterprises
	KDB Investment Private Limited
	Jubin Finance and Investment Limited
	Raasaa Retail Private Limited
	Haridwar Estates Private Limited

**ii) Related parties under AS-18 with whom transactions have taken place.**

Subsidiaries	Sandhar Tooling Private Limited
	PT Sandhar Indonesia (Closed)
	Sandhar Technologies Barcelona SL
	Sandhar Breniar Project, S.L.
	Sandhar Technologies De Mexico S de RL de CV
	Sandhar Technologies Poland sp. z o.o
	Sandhar EURO Holdings B.V. (closed on 2 <sup>nd</sup> January 2017)
	Sandhar Daewha Automotive Systems Private Limited (w.e.f. 20 <sup>th</sup> June 2017)
	Sandhar Strategic System Private Limited (w.e.f. 9 <sup>th</sup> September 2016)
Joint Ventures	Indo Tooling Private Limited
	Sandhar Han Sung Technologies Private Limited(w.e.f. October 11, 2014)
	Sandhar Ecco Green Energy Private Limited (w.e.f. 15 <sup>th</sup> Jan 2016)
	Jinyoung Sandhar Mechatronics Private Limited (w.e.f. 20 <sup>th</sup> March 2017)
	Sandhar Amkin Industries Private Limited (w.e.f. 6 <sup>th</sup> September 2017)
Individual owning an interest in the voting power of reporting enterprise that gives them significant influence over the Company	Mr. Jayant Davar
Key Managerial Personnel	Mr. Jayant Davar
	Mr. Arvind Joshi
Relatives of Key Managerial Personnel and relatives of Individual owning an interest in the voting power of reporting enterprise that gives them significant influence over the Company	Mr. D.N. Davar-Chairman
	Mrs. Monica Davar
	Master Neeljay Davar
	Mrs. Santosh Davar
	Mrs. Poonam Juneja
	Mrs. Urmila Joshi
Enterprises over which relatives of Key Managerial Personnel are able to exercise significant influence	Swaran Enterprises (Mrs .Santosh Davar is a Partner)
Individual owning an interest in the voting power of reporting enterprises that gives them significant influence over the company.	Ashim Talwar (Joint Venture partner in Sandhar Caama Components Private Limited) (till June 30, 2015)

b) Summary of transactions with above related parties are as follows:

		(Rs. in Million)					
S.NO.	Particulars	Sept 30, 2017	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
<b>A</b>	<b>Subsidiaries</b>						
<b>1</b>	<b>Purchases of Goods</b>						
	Sandhar Tooling Private Limited	-	-	0.62	0.53	5.97	9.15
<b>2</b>	<b>Purchases of PPE</b>						
	Sandhar Tooling Private Limited	0.26	3.22	-	3.43	19.46	4.86
	Pt Sandhar Indonesia	-	-	-	-	-	7.21
<b>3</b>	<b>Reimbursement of expenses from</b>						
	Sandhar Tooling Private Limited	0.14	0.23	0.26	0.55	0.73	0.10
	Sandhar Technologies Barcelona SL	1.33	2.62	8.07	3.45	7.02	13.32
	Sandhar Strategic Systems Private Limited	0.002	0.004	-	-	-	-
	Sandhar Daewha Automotive Systems Private Limited	0.509	-	-	-	-	-
<b>4</b>	<b>Dividend received from</b>						
	Sandhar Tooling Private Limited	1.20	7.19	3.60	3.60	-	2.40
<b>5</b>	<b>Services received from</b>						
	Sandhar Tooling Private Limited	0.19	1.45	0.92	0.26	-	0.00
<b>6</b>	<b>Services Given to</b>						
	Sandhar Tooling Private Limited	-	-	0.02	-	-	-
<b>7</b>	<b>Reimbursement of expenses to</b>						
	Sandhar Technologies Barcelona SL	-	-	-	-	0.20	-
	Sandhar Tooling Private Limited	-	-	0.01	-	-	-
<b>8</b>	<b>Loan given to</b>						
	Pt Sandhar Indonesia	-	-	-	-	-	20.65
<b>9</b>	<b>Investment in Subsidiaries</b>						
	Sandhar Technologies Barcelona SL	-	-	37.58	42.72	5.11	-
	Sandhar EURO Holdings B.V.	-	(67.93)	-	-	-	67.93
	Sandhar Strategic Systems Private Limited	-	0.10	-	-	-	-
	Sandhar Daewha Automotive Systems Private Limited	0.10	-	-	-	-	-
<b>Balance Outstanding</b>							
<b>1</b>	<b>Outstanding Receivable</b>						
	Pt Sandhar Indonesia	41.97	41.97	41.97	41.97	41.97	41.97
	Sandhar Technologies Barcelona SL	-	-	8.54	10.74	11.40	9.69
	Sandhar Tooling Private Limited	-	-	-	1.37	-	-

S.NO.	Particulars	Sept 30, 2017	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
	Sandhar Strategic Systems Private Limited	0.01	0.00	-	-	-	-
	Sandhar Daewha Automotive Systems Private Limited	0.51	-	-	-	-	-
<b>2</b>	<b>Outstanding Payable</b>						
	Sandhar Tooling Private Limited	-	1.88	0.01	0.49	21.96	11.58
<b>3</b>	<b>Corporate Guarantee/ Standby letter of credit given to</b>						
	Sandhar Technologies Barcelona SL	867.60	779.64	723.71	576.66	565.74	-
	Sandhar Tooling Private Limited	-	-	-	20.00	5.00	-
<b>4</b>	<b>Investment in Subsidiaries</b>						
	Sandhar Tooling Private Limited	38.72	38.72	38.72	38.72	38.72	38.72
	Sandhar Technologies Barcelona SL	202.90	202.90	202.90	165.33	122.61	117.50
	PT Sandhar Indonesia	40.39	40.39	40.39	40.39	40.39	40.39
	Sandhar Euro Holdings BV	-	-	67.93	67.93	67.93	67.93
	Sandhar Strategic Systems Private Limited	0.10	0.10	-	-	-	-
	Sandhar Daewha Automotive Systems Private Limited	0.10	-	-	-	-	-
<b>B</b>	<b>Enterprises under Common Control with the reporting enterprises</b>						
<b>1</b>	<b>Lease rentals (including service tax/ GST) paid to</b>						
	Sandhar Estate Private Limited	1.47	2.92	2.90	2.87	2.73	2.70
	Jubin Finance and Investment Limited	13.25	26.13	25.90	23.89	22.22	22.22
	YSG Estates Private Limited	-	0.22	0.11	-	-	-
<b>2</b>	<b>Paid for Land</b>						
	Haridwar Estates Private Limited	-	-	1.02	36.49	-	-
<b>3</b>	<b>Dividend Paid</b>						
	Others	5.14	7.71	17.98	10.28	10.28	3.85
<b>4</b>	<b>Payment made on behalf of supplier to</b>						
	Sandhar Enterprises	-	-	-	-	-	3.63
<b>5</b>	<b>Reimbursement of expenses from</b>						
	sandhar Infosystems Limited	0.0006	0.0012	0.0003	-	-	-
	Sandhar Intelli Glass Solutions Limited	-	-	0.01	-	-	-
<b>Balance Outstanding</b>							
<b>1</b>	<b>Outstanding Receivable</b>						
	Haridwar Estates Private Limited	9.95	9.95	9.95	8.93	66.50	66.50
	Sandhar Intelli Glass Solutions Limited	-	-	0.01	-	-	-
	sandhar Infosystems Limited	0.0002	-	-	-	-	-
<b>2</b>	<b>Security Deposit given to</b>						

S.NO.	Particulars	Sept 30, 2017	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
	Sandhar Estate Private Limited	3.60	3.60	3.60	3.60	3.60	3.60
	Jubin Finance and Investment Limited	9.89	9.89	9.89	9.89	9.89	9.89
<b>C</b>	<b>Joint Ventures of Reporting Enterprises</b>						
<b>1</b>	<b>Purchases of Goods</b>						
	Sandhar Caama Components Private Limited	-	-	-	0.11	-	-
	Sandhar Han Sung Technologies Private Limited	0.69	0.15	0.12	-	-	-
<b>2</b>	<b>Purchases of PPE</b>						
	Sandhar Caama Components Private Limited	-	-	-	0.94	3.48	-
	Sandhar Han Sung Technologies Private Limited	1.41	-	1.28	-	-	-
	Sandhar Ecco Green Energy Private Limited	-	41.39	15.90	-	-	-
<b>3</b>	<b>Sale of PPE</b>						
	Sandhar Caama Components Private Limited	-	-	-	0.04	-	-
	Sandhar Han Sung Technologies Private Limited	-	-	-	0.13	-	-
<b>4</b>	<b>Sale of Goods</b>						
	Sandhar Han Sung Technologies Private Limited	0.01	-	-	-	-	-
<b>5</b>	<b>Reimbursement of expenses from</b>						
	Sandhar Caama Components Private Limited	-	-	-	0.10	0.94	0.10
	Sandhar Han Sung Technologies Private Limited	0.31	1.31	2.11	1.10	-	-
	Indo Toolings Private Limited	-	-	-	0.00	0.03	1.12
	Sandhar Ecco Green Energy Private Limited	0.00	0.02	0.30	-	-	-
	Jinyoung Sandhar Mechatronics Private Limited	0.25	0.52	-	-	-	-
	Sandhar Amkin Industries Private Limited	1.03	-	-	-	-	-
<b>6</b>	<b>Share Application Money given to</b>						
	Sandhar Han Sung Technologies Private Limited	-	-	-	9.28	-	-
<b>7</b>	<b>Investment in JV's</b>						
	Sandhar Han Sung Technologies Private Limited	17.43	22.90	22.51	9.15	-	-
	Sandhar Caama Components Private Limited	-	-	-	-	-	5.00
	Indo Toolings Private Limited	-	-	-	-	-	-
	Sandhar Ecco Green Energy Private Limited	-	-	22.25	-	-	-
	Jinyoung Sandhar Mechatronics Private Limited	56.80	0.10	-	-	-	-
<b>8</b>	<b>Lease Rental (including service tax/ GST) received from</b>						
	Sandhar Ecco Green Energy Private Limited	0.06	0.11	0.02	-	-	-
	Sandhar Han Sung Technologies Private Limited	0.52	0.72	-	-	-	-
<b>9</b>	<b>Capital Advances Given to</b>						
	Sandhar Ecco Green Energy Private Limited	5.84	-	11.36	-	-	-

S.NO.	Particulars	Sept 30, 2017	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
	Sandhar Han Sung Technologies Private Limited	-	1.96	-	-	-	-
<b>10</b>	<b>Sale of Goods</b>						
	Sandhar Han Sung Technologies Private Limited	0.01	-	-	-	-	-
<b>Balance Outstanding</b>							
<b>1</b>	<b>Outstanding Receivable</b>						
	Sandhar Caama Components Private Limited	-	-	-	1.26	-	0.18
	Indo Toolings Private Limited	-	-	-	0.03	0.03	0.01
	Sandhar Han Sung Technologies Private Limited	0.82	2.11	-	0.17	-	-
	Sandhar Ecco Green Energy Private Limited	5.87	0.05	11.36	-	-	-
	Jinyoung Sandhar Mechatronics Private Limited	0.03	0.52	-	-	-	-
	Sandhar Daewha Automotive Systems Private Limited	0.51	-	-	-	-	-
	Sandhar Amkin Industries Private Limited	1.03	-	-	-	-	-
<b>2</b>	<b>Outstanding Payable</b>						
	Sandhar Caama Components Private Limited	-	-	-	-	0.31	-
	Sandhar Han Sung Technologies Private Limited	0.03	0.04	-	-	-	-
	Sandhar Ecco Green Energy Private Limited	-	14.33	3.74	-	-	-
<b>3</b>	<b>Corporate Guarantee/ Standby Letter of Credit given to</b>						
	Sandhar Caama Components Private Limited	-	-	-	55.00	55.00	-
<b>4</b>	<b>Investment in JV's</b>						
	Indo Toolings Private Limited	35.25	35.25	35.25	35.25	35.25	35.25
	Sandhar Han Sung Technologies Private Limited	71.99	54.56	31.66	9.15	-	-
	Sandhar Caama Components Private Limited	-	-	-	55.00	55.00	55.00
	Sandhar Ecco Green Energy Private Limited	22.25	22.25	22.25	-	-	-
	Jinyoung Sandhar Mechatronics Private Limited	56.90	0.10	-	-	-	-
<b>D</b>	<b>Key Managerial Personnel and their relatives</b>						
<b>1</b>	<b>Lease rentals (including service tax/ GST) paid to</b>						
	Urmila Joshi (part of remuneration paid to Arvind Joshi)	0.38	0.75	0.75	0.75	0.63	-
	Sonal Joshi	-	-	-	0.75	0.63	-
	Jayant Davar	0.30	0.60	0.62	0.29	-	-
<b>2</b>	<b>Equity Shares issued</b>						
	Jayant Davar	-	-	-	30.00	-	-
<b>3</b>	<b>Managerial Remuneration</b>						
	Jayant Davar	27.45	30.31	21.73	22.18	20.00	12.33
	Arvind Joshi	6.69	10.13	9.88	9.55	6.75	-
<b>4</b>	<b>Dividend Paid</b>						
	Jayant Davar	31.22	46.82	109.25	62.43	61.65	23.12

S.NO.	Particulars	Sept 30, 2017	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
	Others	5.87	8.80	20.53	11.73	11.73	4.40
<b>Balance Outstanding</b>							
<b>1</b>	<b>Outstanding Payable</b>						
	Urmila Joshi	-	0.06	0.06	-	0.06	-
	Sonal Joshi	-	-	-	-	0.06	-
<b>2</b>	<b>Managerial Remuneration Payable</b>						
	Jayant Davar	21.38	17.11	15.08	16.64	14.04	-
	Arvind Joshi	3.67	3.59	3.31	2.84	2.20	-
<b>E</b>	<b>Enterprises over which relatives of Key Managerial Personnel are able to exercise significant influence</b>						
<b>1</b>	<b>Purchase of Goods</b>						
	Swaran Enterprises	155.47	202.57	188.89	203.07	176.29	145.54
<b>2</b>	<b>Sales of Goods</b>						
	Swaran Enterprises	0.06	-	-	-	-	-
<b>Balance Outstanding</b>							
<b>1</b>	<b>Outstanding Payable</b>						
	Swaran Enterprises	31.22	24.87	27.62	21.68	24.90	21.45

**Notes:**

- i. The amounts disclosed above are based on the Restated Unconsolidated Summary Statement of assets and liabilities and profit and loss of the Company.
- ii. The above statement should be read with the notes to Restated Unconsolidated Summary Statements as appearing in Annexure IV and Statement of Restatement Adjustments to Audited Unconsolidated Financial Statements appearing in Annexure V.

**Sandhar Technologies Limited**  
**Annexure XXX – Capitalisation Statement**

(Rs. in Million)

S. No.	Particulars	Pre issue as at September 30, 2017	As adjusted for IPO
A	<b>Long Term Borrowings</b>		
	Non-current portion (A)	1,768.55	
	Current maturities (B)	623.16	
	<b>Total Long term borrowings (C) )= (A+B)</b>	<b>2,391.71</b>	
	Short term borrowings (D)	822.85	
	<b>Total debt ( E)= (C+D)</b>	<b>3,214.56</b>	
B	<b><u>Shareholder's funds/ Networth/ Equity</u></b>		
	Share capital	511.55	
	<b>Reserves and Surplus, as restated</b>		
	Securities premium account	31.14	
	Surplus in statement of profit and loss	1,371.29	
	General reserves	985.89	
	Capital reserve	268.37	
	<b>Total equity (F)</b>	<b>3,168.24</b>	
	<b>Debt /equity (E/F)</b>	<b>1.01</b>	
	<b>Long term debt/ equity (C/F)</b>	<b>0.75</b>	

**Note:**

The Company's authorised, issued, subscribed and paid up capital stands increased as on August 08, 2015 on account of issuance of Bonus shares. The share capital has also been re-organised on account of change in the face value of the equity shares from Rs.2 per share to Rs.10 per share.

Authorized Capital:	Pre issue as at September 30, 2017	As adjusted for IPO (refer note ii below)
<b>Pre-organised /Pre-consolidated:</b>		
Equity Shares of Rs.2 each	340,000,000	
Preference Shares of Rs. 100 each	200,000	
<b>Post-organised /Post consolidated:</b>		
Equity Shares of Rs.10 each	68,000,000	
Preference Shares of Rs. 100 each	200,000	
<b>Issued Capital, Subscribed and Paid Up Capital:</b>		
Equity Shares of Rs.10 each	51,154,564	

**Notes:**

- i. The above has been computed on the basis of the Restated Unconsolidated Summary Statements of Assets and Liabilities of the Company.
- ii. The issue price and number of shares are being finalized and hence the post-issue capitalization statement cannot be presented.

**Sandhar Technologies Limited**  
**Annexure XXXI – Statement of Dividend Paid**

(Rs. in Million, except number of share and per share data)

Particulars	30-Sep-2017	31-Mar-17	31-Mar-16	March 31, 2015	March 31, 2014	March 31, 2013
<b>Class of Shares</b>						
<b>Equity Shares</b>						
Equity Shares - Numbers (Rs. 10 each)	5,11,54,564.00	5,11,54,564.00	5,11,54,564.00	1,02,30,912.80	93,73,770.00	93,73,770.00
Amount	511.55	511.55	511.55	102.31	93.74	93.74
<b>Final Dividend</b>						
Rate of Dividend (%)	0%	15%	35%	92%	100%	38%
Dividend per Share (Rs.)	-	1.50	3.50	9.16	10.00	3.75
Amount of Dividend	-	76.73	179.04	93.74	93.74	35.15
Corporate Dividend Tax	-	14.16	36.45	15.93	15.93	5.70
<b>Interim Dividend</b>						
Rate of Dividend (%)	-	10.00%	15.00%	-	-	-
Dividend per Share (Rs.)	-	1.5	1.5	-	-	-
Amount of Dividend (Rs)	-	51.15	76.73	-	-	-
Corporate Dividend Tax (Rs.)	-	8.95	15.62	-	-	-

**Note:**

- i. The above statement should be read with the notes to Restated Unconsolidated Summary Statements as appearing in Annexure IV and Statement of Restatement Adjustments to Audited Unconsolidated Financial Statements appearing in Annexure V.



**Sandhar Technologies Limited**

**Annexure XXXII – Restated Unconsolidated Statement of Accounting Ratios**

S No	Particulars	September 30, 2017	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
A.	Net profit after tax as restated	346.33	366.42	322.67	348.37	337.64	208.01
B.	Net Worth at the end of the year/ period - as restated	3,168.24	2,883.24	2,607.71	2,500.51	1,962.92	1,726.40
C.	Total adjusted number of equity shares outstanding at the end of the year (face value Rs 10 each) - Refer Note No. v, vi and vii below	5,11,54,564	5,11,54,564	5,11,54,564	5,11,54,564	5,02,97,421	5,02,97,421
D.	Adjusted weighted average number of equity shares for Basic EPS outstanding at the end of the year - Refer note no. v, vi and vii below	5,11,54,564	5,11,54,564	5,11,54,564	5,09,16,881	5,02,97,421	5,02,97,421
E.	Adjusted weighted average number of equity shares for Diluted EPS outstanding at the end of the year - Refer note no. v, vi and vii below	5,11,54,564	5,11,54,564	5,11,54,564	5,09,16,881	5,02,97,421	5,02,97,421
F.	Basic and Diluted Earnings per share (face value of Rs 10 each) (A/D)	6.77	7.16	6.31	6.84	6.71	4.14
G.	Diluted Earnings per share (face value of Rs 10 each) (A/E)	6.77	7.16	6.31	6.84	6.71	4.14
H.	Return on net worth ( % ) (A/B)	10.93	12.71	12.37	13.93	17.20	12.05
I.	Net Assets Value per share of Rs. 10 each	61.93	56.36	50.98	48.88	39.03	34.32

**Notes:**

i. The ratios have been computed as below:

a. Basic Earnings per share (Rs)

$$\frac{\text{Net Profit after tax as restated attributable to equity shareholder}}{\text{Weighted average number of equity shares outstanding during the year}}$$

b. Diluted Earnings per share (Rs)

$$\frac{\text{Net Profit after tax as restated}}{\text{Weighted average number of diluted equity shares outstanding during the year}}$$

c. Return on net worth (%)

$$\frac{\text{Net profit / (loss) after tax as restated}}{\text{Net worth at the end of the year}}$$

d. Net asset value per equity share (Rs.)

$$\frac{\text{Net worth at the end of the year}}{\text{Total number of equity shares outstanding at the end of the year}}$$

ii. Weighted average number of equity shares is the number of equity shares outstanding at the beginning of the year adjusted by the number of the equity shares during the year multiplied by the time weighting factor. The time weighting factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the year.

iii. Net worth for ratios mentioned in Note i{c} and i{d} is = Equity share capital + Reserves and surplus (including Securities premium, General Reserve, Capital Reserve, Capital Redemption Reserve and surplus in the Statement of Profit and Loss).

iv. The figures disclosed above are based on the restated unconsolidated summary statement of asset and liabilities and statement of profit and loss of the Company.

v. The above statement should be read with the notes to Restated Unconsolidated Summary Statements as appearing in Annexure IV and Statement of Restatement Adjustments to Audited Unconsolidated Financial Statements appearing in Annexure V.

vi. The Company has approved the sub division of equity shares of Rs 10 each into 5 equity shares of Rs 2 each at the Extraordinary General Meeting of the Company held on October 7, 2005. The Company issued fully paid bonus shares in the ratio of 11:10 (for every 10 equity shares 11 bonus share), pursuant to the approval of the shareholders of the Company at the Extraordinary General Meeting held on April 19, 2010. The Company again issued fully paid bonus shares in the ratio of 4: 1 (for every 1 equity shares 4 bonus share) pursuant to the approval of the shareholders of the Company at the Annual General Meeting held on August 8, 2015.

- vii. The shareholders at the Annual General Meeting of the Company held on August 8, 2015 approved the consolidation (reverse share split) of 5 equity shares of Rs 2 each into 1 equity shares of face value of Rs 10 each.
- viii. All share data has been adjusted for the events of bonus issues and share consolidation as discussed in Note v and vi.

**Sandhar Technologies Limited**

**Annexure XXXIII – Restated Unconsolidated Statement of tax shelter**

(Rs. in Million)

Particulars	30-Sep-2017	31-Mar-2017	31-Mar-2016	31-Mar-2015	31-Mar-2014	31-Mar-2013
<b>A</b> Restated Profit before taxes	<b>493.53</b>	<b>453.30</b>	<b>433.67</b>	<b>478.69</b>	<b>407.61</b>	<b>263.04</b>
<b>B</b> Statutory tax rate (%)	34.61%	34.61%	34.61%	33.99%	33.99%	32.45%
<b>C</b> Tax at Statutory Rate	<b>170.80</b>	<b>156.88</b>	<b>150.09</b>	<b>162.71</b>	<b>138.55</b>	<b>85.34</b>
<b>D</b> Adjustment for Permanent Differences						
Deduction under 80 IC of Income Tax for Haridwar Unit	(41.66)	(53.25)	(64.88)	(73.36)	(218.11)	(122.81)
Incentive under 32 AC (IA) of Income Tax	-	(78.53)	(52.39)	(76.97)	-	-
Addl Deduction for R and D Expenditure	(21.41)	(37.20)	(31.16)	(24.90)	(29.80)	(35.91)
Dividend Income	(1.20)	(7.19)	(3.60)	(3.61)	(0.29)	(3.15)
Profit on Sale of Other Assets	(1.37)	(26.74)	(0.42)	-	-	-
Provision for diminution in value of investment	-	11.15	-	55.00	-	-
Provision for Doubtful Advances	-	-	-	-	-	20.65
Expenditure incurred on CSR	5.29	9.37	4.37	6.32	-	-
Interest	-	-	-	-	1.67	-
Interest under MSMED	0.61	3.02	5.62	2.24	8.04	5.29
Donations	0.23	0.05	0.11	0.10	1.09	1.14
Penalties	-	-	1.17	-	-	-
Wealth Tax	-	-	-	0.29	0.23	0.23
Expense incurred on exempted income (under 14 A)	0.82	2.20	0.91	0.87	1.17	2.37
ROC Fees	-	-	3.59	-	-	-
IPO Expenses	-	4.36	29.15	-	-	-
<b>Total (D)</b>	<b>(58.69)</b>	<b>(172.77)</b>	<b>(107.52)</b>	<b>(114.04)</b>	<b>(236.00)</b>	<b>(132.19)</b>
<b>E</b> Adjustment for Timing Difference						
Depreciation	1.35	(30.68)	(23.98)	9.61	(1.68)	(3.91)
(Loss)/Profit on Sale of Property, plant and equipment	-	-	-	(2.49)	6.80	(0.27)
Disallowance under 43 B	1.64	21.99	20.43	23.29	1.66	11.97
Excise duty on unsold stock on opening Stock	(6.63)	0.82	1.24	(4.86)	0.38	(3.57)
Provision for doubtful debts and Other provision	-	2.76	0.49	(0.26)	-	0.04
Merger related Expenses	-	(0.60)	(0.60)	(0.60)	(0.60)	2.39
Unrealized loss in Investment /MTM	-	-	-	-	-	(0.01)
Interest	4.08	9.62	33.25	-	-	-
LTA	1.46	(23.17)	5.15	-	-	-
Provision for Contingencies	-	(0.25)	-	-	-	-
Expenses Disallowed in last year	-	(5.24)	(7.67)	-	-	-
<b>Total Timing Difference ( E)</b>	<b>1.90</b>	<b>(24.75)</b>	<b>28.31</b>	<b>24.69</b>	<b>6.57</b>	<b>6.64</b>
<b>F</b> Net adjustments (D+E)	<b>(56.78)</b>	<b>(197.52)</b>	<b>(79.21)</b>	<b>(89.35)</b>	<b>(229.43)</b>	<b>(125.54)</b>
<b>G</b> Tax expense/(saving) thereon ( F* B)	<b>(19.65)</b>	<b>(68.36)</b>	<b>(27.41)</b>	<b>(30.37)</b>	<b>(77.98)</b>	<b>(40.73)</b>
<b>H</b> Provision for tax as per restated financials (C+G)	<b>151.15</b>	<b>88.52</b>	<b>122.67</b>	<b>132.34</b>	<b>60.57</b>	<b>44.61</b>
<b>Calculation of MAT</b>						
<b>I</b> Taxable income (Book Profits) as per MAT	496.40	438.05	414.10	389.35	408.73	283.67
<b>J</b> MAT Rate	21.34%	21.34%	21.34%	20.96%	20.96%	20.01%
<b>K</b> Tax liability as per MAT ( I * J)	<b>105.94</b>	<b>93.49</b>	<b>88.38</b>	<b>81.61</b>	<b>85.67</b>	<b>56.76</b>
<b>L</b> Current tax being higher of H or K	<b>151.15</b>	<b>93.49</b>	<b>122.67</b>	<b>132.34</b>	<b>85.67</b>	<b>56.76</b>
<b>M</b> MAT credit entitlement	-	(4.97)	(2.05)	-	(25.11)	(12.04)
Add Interest under 234 B and C	-	-	-	1.69	-	-
Earlier Year Tax	-	(0.97)	14.23	5.56	11.34	0.71
<b>N</b> Deferred tax	<b>(3.95)</b>	<b>(0.67)</b>	<b>(23.85)</b>	<b>(9.27)</b>	<b>(1.93)</b>	<b>9.60</b>
<b>O</b> Total tax expenses as per restated financials ( L+M+N)	<b>147.20</b>	<b>86.88</b>	<b>111.00</b>	<b>130.32</b>	<b>69.97</b>	<b>55.03</b>

**Notes**

- i. The above has been computed on the basis of the Restated Unconsolidated Summary Statements of Profit and Losses of the Company.
- ii. The above statement should be read with the notes to the Restated Unconsolidated Summary Statement of Assets and Liabilities, Profit and Loss and Cash Flows as appearing in Annexure IV.

**For and behalf of Board of Directors of Sandhar Technologies Limited**

(Jayant Davar)  
Co Chairman & Managing Director

(Arvind Joshi)  
Whole time director, Company Secretary & CFO

## SIGNIFICANT DIFFERENCES BETWEEN INDIAN GAAP AND IND AS

*Sandhar Technologies Limited has prepared and presented its audited financial statements in accordance with Indian GAAP, which differs in certain material respects from IND-AS.*

The financial information included in the section “Financial Statements of the Company” has been prepared on the basis of the Company’s audited financial information, restated in accordance with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations (“SEBI Regulations”).

The matters described below summarize certain key differences between Indian GAAP and Ind-AS that might be material to financial information of the Company. No attempt has been made to identify all recognition and measurement, disclosures, presentation or classification differences that would affect the manner in which transactions or events are presented in our financial statements (or notes thereto).

In making an investment decision, investors must rely upon their own examination of the Company, the terms of the offering and the financial information. Potential investors should consult their own professional advisors for an understanding of the differences between Indian GAAP and Ind-AS, and how those differences might affect the financial information included in this Red Herring Prospectus.

This is not an exhaustive list of differences between Indian GAAP and Ind-AS; rather, it indicates only those key differences which are considered to be more relevant to the financial position and results of operations of the Company and does not cover all differences regarding presentation, classification and disclosure requirement applicable under Indian GAAP and Ind-AS.

Ind-AS no	Particulars	Treatment as per Indian GAAP	Treatment as per Ind-AS
Ind-AS 1	Presentation of Financial Statements	<p><b>Other Comprehensive Income</b></p> <p>There is no concept of ‘Other Comprehensive Income’ and ‘Statement of changes in equity’ under Indian GAAP.</p>	<p><b>Other Comprehensive Income:</b></p> <p>The statement of profit and loss and other comprehensive income includes all items of income and expense (i.e. all ‘non-owner’ changes in equity) including (a) components of profit or loss and (b) other comprehensive income (i.e. items of income and expense that are not recognised in profit and loss as required or permitted by other accounting standards under Ind- AS). An entity is required to present all items of income and expenses including components of other comprehensive income in a period in a single statement of profit and loss.</p>
		<p><b>Statement of Change in Equity:</b></p> <p>A statement of changes in equity is currently not presented.</p> <p>Movements in share capital, retained earnings and other reserves are to be presented in the notes to accounts.</p>	<p><b>Statement of Changes in Equity:</b> On the face of the Statement of Changes in Equity, it should be disclosed:</p> <ul style="list-style-type: none"> <li>a) Total comprehensive income for the period, showing separately the total amounts attributable to owners of the parent and to non- controlling interest.</li> <li>b) for each component of equity, a reconciliation between the opening and closing balances, separately disclosing each change.</li> </ul>
		<p><b>Change in Accounting Policies:</b></p> <p>Under Indian GAAP, Changes in accounting policies should be made only if it is required by statute, for compliance with an Accounting Standard or for a more appropriate presentation of the financial statements on a retrospective basis together with a disclosure of the impact of the same, if material. If a change in the accounting policy is expected to have a material effect</p>	<p><b>Change in Accounting Policies:</b></p> <p>Ind-AS requires retrospective application of changes in accounting policies by adjusting the opening balance of each affected component of equity for the earliest prior period presented and the other comparative amounts for each period presented as if the new accounting policy had always been applied, unless transitional provisions of an accounting standard require otherwise.</p>

Ind-AS no	Particulars	Treatment as per Indian GAAP	Treatment as per Ind-AS
		in the later periods, the same should be appropriately disclosed.	
		<p><b>Prior Period Items</b></p> <p>Prior period items are included in determination of net profit or loss of the period in which the error pertaining to a prior period is discovered and are separately disclosed in the statement of profit and loss in a manner that the impact on current profit or loss can be perceived.</p>	<p><b>Prior Period Items</b></p> <p>Material prior period errors are corrected retrospectively by restating the comparative amounts for prior periods presented in which the error occurred or if the error occurred before the earliest period presented, by restating the opening balance sheet.</p>
Ind-AS 109	Classification of Financial Instruments and subsequent measurement	<p>Financial Assets and Financial Liabilities are not defined in Indian GAAP and no specific guidance is provided.</p> <p>Currently under Indian GAAP the Company classifies all its financial assets and liabilities as short term or long term. Long term investments are carried at cost less any permanent diminution in the value of such investments determined on a specific identification basis. Current investments are carried at lower of cost and fair value. Financial liabilities are carried at their transaction values.</p>	<p>All financial assets are classified as measured at amortised cost or measured at fair value through profit and loss or fair value through other comprehensive income.</p> <p>Financial liabilities held for trading are subsequently measured at fair value through profit and loss and all other financial liabilities are measured at amortised cost using the effective interest method.</p>
	Financial Instruments - Impairment	Under Indian GAAP, the Company assesses the provision for doubtful debts at each reporting period which in practice, is based on relevant information like past experience, financial position of the debtor, cash flows of the debtor etc.	The impairment model in Ind AS is based on expected credit losses and it applies equally to debt instruments measured at amortized cost or FVTOCI (the loss allowance is recognized in other comprehensive income and not reduced from the carrying amount of the financial asset), lease receivables and certain written loan commitments and financial guarantee contracts
Ind-AS 12	Deferred Taxes	Under Indian GAAP, the Company account for Deferred Tax resulting from “timing differences” between taxable and accounting income using the tax rates and laws that have been substantially enacted as of the balance sheet date. Deferred tax assets arising from timing differences are recognized to the extent there is reasonable certainty that these would be realized in future	As per Ind AS 12 <i>Income Taxes</i> , deferred tax is determined with reference to the balance sheet approach i.e. based on the differences between carrying value of the assets/ liabilities and their respective tax base.
Ind-AS 17	Leases:  Interest in leasehold land	Interests in leasehold land are recorded and classified as a fixed asset.	Interests in leasehold land are recorded and classified as operating leases or finance leases as per set definition and classification criteria. An important consideration is that the land has an indefinite economic life.
Ind AS 18	Revenues- Measurement:	Revenue is recognized at the nominal amount of consideration received / receivable.	Revenue is recognised at fair value of the consideration received / receivable. Fair value of revenue from sale of goods and services when the inflow of cash and cash equivalents is deferred is determined by discounting all future receipts using an imputed rate of interest. The difference

Ind-AS no	Particulars	Treatment as per Indian GAAP	Treatment as per Ind-AS
			between the fair value and the nominal amount of consideration is recognized as interest revenue using the effective interest method.
Ind AS 20	Government Grants – recognition	<p>When the grant or subsidy relates to revenue, it is recognised as income on a systematic basis in the Statement of Profits and Losses over the periods necessary to match them with the related costs, which they are intended to compensate.</p> <p>Government grants related to specific property, plant and equipments are presented in the Statement of Assets and Liabilities by showing the grant as a deduction from the gross value of the assets concerned in arriving at their book value.</p>	<p>Government grants related to assets are presented in the statement of financial position by setting up the grant as deferred income.</p> <p>Government grants are recognised as income to match them with expenses in respect of the related costs for which they are intended to compensate on a systematic basis. Government grants are not directly credited to shareholders' interests.</p>
Ind AS 16	Property, Plant and Equipment 0 reviewing depreciation and residual value.	Companies Act requires the company to adopt component accounting. The Companies Act, 2013 sets out the estimated useful lives of assets based on the nature of the asset and the useful life used for depreciation ordinarily should not differ from the useful life specifies in the Companies Act, 2013. However a different useful life may be used based on technical analysis and requires disclosure in financial statements. Further, as per recent amendment in Accounting Standards 10, the standard is made in line with the requirements Ind AS.	Property, plant and equipment are componentised and are depreciated separately. There is no concept of minimum statutory depreciation under Ind AS.
Ind AS 19	Accounting for Employee benefits	Currently under Indian GAAP the Company recognizes all short term and long term employee benefits in the profit and loss account as the services are received. For employee benefit, the Company uses actuarial valuation to determine the liability.	Under Ind AS 19, the change in liability is split into changes arising out of service, interest cost and remeasurements and the change in asset is split between interest income and remeasurements. Changes due to service cost and net interest cost/ income need to be recognized in the income statement and the changes arising out of remeasurements are to be recognized directly in Other Comprehensive Income.
Ind-AS 21	Effects of changes in Foreign Exchange Rates: Functional and Presentation currency	Foreign currency is a currency other than the reporting currency which is the currency in which financial statements are presented. There is no concept of functional currency.	<p>Functional currency is the currency of the primary economic environment in which the entity operates. Foreign currency is a currency other than the functional currency.</p> <p>Presentation currency is the currency in which the financial statements are presented.</p>
	Translation of foreign subsidiaries / operations	<p>Under Indian GAAP, the translation of financial statements of a foreign operation to the reporting currency of the parent / investor depends on the classification of that operation as integral or non-integral.</p> <p>In the case of an integral foreign operation, monetary assets are translated at closing rate. Non-monetary items are translated at historical rate if they are valued at cost. Non-monetary items which</p>	Under Ind-AS, assets and liabilities should be translated from the functional currency to the presentation currency at the closing rate at the date of the statement of financial position, income and expenses at actual/average rates for the period; exchange differences are recognized in other comprehensive income and accumulated in a separate component of equity. These are reclassified from equity to profit or loss (as a reclassification adjustment) when the gain or loss on disposal is recognized.

Ind-AS no	Particulars	Treatment as per Indian GAAP	Treatment as per Ind-AS
		<p>are carried at fair value or other similar valuation are reported using the exchange rates that existed when the values were determined. Income and expense items are translated at historical / average rate. Exchange differences are taken to the statement of profit and loss.</p> <p>For non-integral foreign operations, closing rate method should be followed (i.e. all assets and liabilities are to be translated at closing rate while profit and loss account items are translated at actual/average rates). The resulting exchange difference is taken to reserve and is recycled to profit and loss on the disposal of the non-integral foreign operation.</p>	<p>Treatment of disposal depends on whether control is lost or not. Thus, if control is lost, the exchange difference attributable to the parent is reclassified to profit or loss from foreign currency translation reserve in other comprehensive income.</p>
Ind AS 110	Consolidated Financial Statements	<p>Under Indian GAAP, control is assessed based on ownership of more than one-half of the voting power or control of the composition of the Board of Directors.</p> <p>Under Indian GAAP, goodwill arising on the acquisition of a subsidiary is determined as the excess of the purchase consideration over the book values of net assets as on the acquisition date</p> <p>Under Indian GAAP, Minority interest is measured at proportionate share in the book values of the net assets of the subsidiary company. In case of losses attributable to minority interest in the a subsidiary exceed the minority interest in the equity of subsidiary, such excess and future losses are adjusted against the parent's share, except where the minority has a binding obligation to make good such losses.</p>	<p>Under Ind AS, an investor, regardless of the nature of its involvement with the entity (the investee) shall determine whether it is a parent by assessing whether it control the investee. An investor controls an investee when the investor is exposed, or has rights, to variable returns from its involvement with the investee, and has the ability to affect those returns through its power over the investee.</p> <p>Under Ind AS, the acquisition of subsidiary meets the definition of a business combination and hence, goodwill is determined based on the fair values of net assets (Including certain assets and liabilities such as intangibles and contingent liabilities) as on the acquisition date.</p> <p>The term 'Minority Interest' under current principal has been replaced with 'non-controlling interest'. The same to be measured on the acquisition date at either its fair value or proportionate of the fair value of the acquired company's. Losses relating to the subsidiary are attributed to the non-controlling interest are not adjusted against parent's share even if it results in a negative balance of the non-controlling interest.</p>
Ind-AS 108	Segment Reporting	<p>Under Indian GAAP, companies are to identify two sets of segments (business and geographical), using a risks and rewards approach, with the company's system of internal financial reporting to key management personnel serving only as the starting point for the identification of such segments.</p>	<p>Under Ind-AS, operating segments are identified based on the financial information that is regularly reviewed by the chief operating decision-maker (CODM) in deciding how to allocate resources and in assessing performance.</p> <p>Such components (operating segments) are identified on the basis of internal reports that the entity's Chief Operating Decision Maker (CODM) regularly reviews in allocating resources to segments and in assessing their performance. The term CODM identifies a function, not necessarily a manager with a specific title. That function is to allocate resources to and assess the performance of the operating segments of an entity. Often the chief operating decision maker of an entity is its chief executive officer or chief operating</p>

Ind-AS no	Particulars	Treatment as per Indian GAAP	Treatment as per Ind-AS
			officer but, for example, it may be a group of executive directors or others.



## MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis of our financial condition and results of operations are based on, and should be read in conjunction with, our Restated Consolidated Summary Statements as of and for the six months period ended September 30, 2017, and years ended March 31, 2017, 2016 and 2015, the notes and significant accounting policies thereto and the reports thereon in “Financial Statements” on page 248, which have been prepared in accordance with the Companies Act and the SEBI ICDR Regulations. Our audited unconsolidated and consolidated financial statements are prepared in accordance with Indian GAAP, which may not be directly comparable with IFRS and U.S. GAAP. We have not attempted to quantify the impact of IFRS or U.S. GAAP on the financial information included in this Red Herring Prospectus, nor do we provide a reconciliation of our financial statements to those under U.S. GAAP or IFRS. Accordingly, the degree to which the financial information included in this Red Herring Prospectus will provide meaningful information depends on the reader’s level of familiarity with the Companies Act, Indian GAAP and the SEBI ICDR Regulations. Any reliance on the financial disclosure in this Red Herring Prospectus, by persons not familiar with Indian accounting practices, should accordingly be limited. Our fiscal year ends on March 31 of each year. Accordingly, unless otherwise stated, all references to a particular fiscal year are to the 12-month period ended March 31 of that year.

This discussion also contains certain forward-looking statements and reflects our management’s current views with respect to future events and our financial performance. Actual results may differ materially from those anticipated in these forward-looking statements. 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. Given these uncertainties, prospective investors should not place undue reliance on such forward-looking statements. Factors that could cause or contribute to such differences include, but are not limited to, those discussed in the chapters titled “Risk Factors”, “Forward Looking Statements” and “Our Business” on pages 20, 18, and 163, respectively.

### Overview

We are a customer centric component supplier primarily catering to automotive OEMs and largely focused on safety and security systems of vehicles with a pan India presence and a growing international footprint. We are the leader in the two-wheeler locking systems market, and the commercial vehicle rear view market in India, and are one of the two largest companies catering to the commercial vehicle locking systems market, and the two-wheeler rear view market in India. We are also one of the two largest manufacturers of operator cabins in India, along with being the largest player in the excavator cabins market (*Source: CRISIL Report*). Our business involves designing and manufacturing a diverse range of automotive components, parts and systems, driven by technology, process, people and governance.

Our long-standing relationship with our major customers has been one of the most significant factors contributing to our growth. Our customer portfolio consists of 79 Indian and global OEMs across various segments, including those indicated in the table below:

Segment	Total number of OEM customers	Key OEM Customers
Two-wheelers	9	Hero
		TVS
		Royal Enfield
		Suzuki
		UM Lohia
Passenger vehicles	21	Honda Cars
Passenger vehicles and commercial vehicles		Tata Motors
Commercial vehicles		Ashok Leyland
		Scania
		SML Isuzu
Commercial vehicles, Off-highway vehicles and tractors	34	Atlas Copco
		Caterpillar
		Doosan Bobcat
		Escorts
		Hyundai Construction
		International Tractors
		JCB
		Kobelco
		Komatsu
		LeeBoy India
		Mahindra & Mahindra
Potain India		

Segment	Total number of OEM customers	Key OEM Customers
Non-automotive	15	Tata Hitachi
		TAFE
		Volvo
		Forza Medi

In addition to the above OEM customers, we also have relationships with global automotive component suppliers such as Autoliv, Bosch, and CTS, to whom we supply various products.

Presently, we manufacture 21 categories of products, including such product categories that are manufactured through our Subsidiaries and Joint Ventures, which cater to different industry segments. Our portfolio comprises various categories of products including safety and security systems such as lock assemblies, mirror assemblies, operator cabins for off-highway vehicles, aluminium spools, spindles, and hubs. We also manufacture other product categories including wheel assemblies, handle bar assemblies, brake panel assemblies, sheet metal components such as fuel filler caps, fuel cock assembly, step pillars, tools, dies, moulds, other aluminium components, crane and tractor parts, plastic and painted parts such as door handles (inner and outer), panels for televisions, and cabinets for air conditioners. We have also entered into the following joint venture arrangements:

Sr. No.	Name of Joint Venture	Name of Joint Venture partner	Activity undertaken
1.	Indo Toolings	JBM Auto	Commercial tooling activities
2.	Sandhar Han Sung	Han Sung	Manufacture of high precision press parts, insert moulded contact plates, and switches
3.	Jinyoung Sandhar	Jinyoung Electro-Mechanics	Assembly of AVN panels and switches
4.	Sandhar Ecco-Green Energy	DMRG and Tarun Agrawal	EPC contracts in the field of solar power generation
5.	Sandhar Daewha	Daewha Fuel Pump	Manufacturing and assembly of oil fuel module, fuel filters, starter motors and wiper blades
6.	Sandhar Amkin	Amkin group	Manufacture of safety rider helmets and other headgears for two-wheelers

We manufacture our products from 31 manufacturing facilities across eight states in India, two manufacturing facilities in Spain, and one manufacturing facility in Mexico. Further, we are in the process of commissioning five manufacturing facilities in India. For details, see “*Our Business – Our Manufacturing Facilities*” on page 177. This apart, we also have an overseas assembly and packaging centre located in Poland. Further, through SCID, our research and development activities are undertaken at Gurugram, Haryana. Our facilities are located in key auto-clusters in the northern, southern, and western parts of India, and most of our facilities are in close proximity to the plants of our OEM customers. Apart from allowing us to optimise delivery to our customers, the proximity of our facilities to the plants of our OEM customers also facilitates greater interaction with our customers, thereby enabling us to respond to their requirements in a timely manner. We believe that our proximity to our key customers has played a strong role in building and strengthening our relationship with such customers over time. Our products are manufactured through diversified technology platforms such as plastic injection moulding, zinc die casting, aluminium die casting, sheet metal stampings and fabrication, automotive electronics and robotic painting. We also have dedicated in-house tool room facilities. Whilst many of these processes were established as a part of our backward integration strategy, we have also been able to commercialise many of these processes for direct supplies to meet the needs of our customers.

We implement and create access to modern and advanced technology, which are critical for us to succeed in our business. The development of our access to technology is enabled through an in-house research and development department and through joint ventures, technical collaborations and acquisitions. Research and development is a critical part of our business and our research and development team comprises of 35 engineers as on December 31, 2017 who are all based out of SCID in Gurugram, Haryana, India. Our research and development team primarily work on the development of new products, designing, prototyping, and product upgrades. Additionally, most of our manufacturing facilities have their own engineering department which focuses on customer programs and continuous improvements to specific products. Further, we have also entered into technical collaborations with: (i) Honda Lock for availing technical advice from Honda Lock in relation to door mirrors, outside door handles, and key sets for automobiles and motorcycles, and (ii) JEM Techno for availing technical advice from JEM Techno in relation to relays used in automobiles. We have also collaborated with leading international players for development of parking assistant systems, fuel filters, fuel modules, starter motors and shark-finned antennas. For details, see “*Our Business – Technical Collaborations*” on page 181.

We have been able to harness our synergies through horizontal and vertical integration across our range products and through our integrated supply chain and inventory management systems, engineering, design, and information technology functions. We have implemented comprehensive and continuous improvements in our business processes such as centralization of our

procurement system, maintenance system, information technology system and cost reduction programs to optimize manufacturing processes and realize operating efficiencies.

Incorporated on October 19, 1987, our Company commenced operations as a supplier to Hero (formerly Hero Honda Motors Limited) for sheet metal components. We are promoted by a first-generation entrepreneur, Jayant Davar, Co-Chairman and Managing Director of our Company, who has 30 years of experience in the OEM component manufacturing industry. We are also led by a qualified management team that has substantial industry, operational and financial experience, supported by a skilled work force. As of December 31, 2017, we had a total work force of 7,426 individuals comprising of 2,292 employees, and 5,134 individuals engaged by us on contractual basis.

We have believed in the importance of, and have focussed on maintaining high corporate governance standards. Our Board has also comprised of independent directors since 2003. In the last 12 years, our Company has received investment by two private equity investors, namely Actis Group and GTI. These investments by Actis Group and GTI in our Company have helped us enhance and strengthen our operations, financial, and internal controls as well as our corporate governance standards.

Our consolidated total revenue for Fiscals 2017, 2016 and 2015 was ₹16,335.30 million, ₹15,178.87 million, and ₹14,873.43 million, respectively. On a consolidated basis, our EBITDA for Fiscals 2017, 2016 and 2015 was ₹1,524.73 million, ₹1,459.82 million, and ₹1,444.39 million, respectively. Our consolidated restated profit after tax for Fiscals 2017, 2016 and 2015 was ₹395.58 million, ₹337.48 million and ₹384.02 million, respectively. Our consolidated total revenue, EBITDA and restated profit after tax grew at a CAGR of 8.88%, 12.43% and 19.83%, respectively from Fiscal 2013 to Fiscal 2017.

Our consolidated total revenue for the six months period ended September 30, 2017 was ₹9,905.95 million. On a consolidated basis, our EBITDA for the six months period ended September 30, 2017 was ₹1,035.65 million. Our consolidated restated profit after tax for the six months period ended September 30, 2017 was ₹345.72 million. Further, we had an EBITDA margin of 10.45% and a PAT margin of 3.49% for the six months period ended September 30, 2017.

### **Significant factors affecting our results of operations and financial condition**

We believe that the following factors have significantly affected our results of operations and financial condition during the periods under review, and may continue to affect our results of operations and financial condition in the future:

#### ***Market conditions affecting the automotive industry***

We derive our revenues primarily from sales of automotive components to our OEM customers. Sales of our products are directly related to the production and sales of automobiles by our major customers, particularly in the two-wheeler and passenger car segments. Production and sales of automobiles and off-highway vehicles may be affected by general economic or industry conditions, including improvement in income levels, volatile fuel prices reductions, in new housing construction and challenges in maintaining amicable labor relations, stringent regulation as well as evolving regulatory requirements, government initiatives, trade agreements and other factors. The cyclical nature of the industry, both globally and in regions in which we operate, may result in fluctuation in our revenues across periods.

Further, currently, our business remains dependent on our revenue from two-wheeler OEMs. Our revenue from two-wheeler OEMs constituted 58.61%, 54.62%, 53.84% and 55.51% of our total revenue from operations (net) for six months' period ended September 30, 2017, Fiscal 2017, Fiscal 2016 and Fiscal 2015, respectively. Whilst we are growing our presence in the four-wheeler and off-highway vehicles markets, revenue from our two-wheeler OEM customers continue to account for a major portion of our revenue. As a result, our business and results of operations have been and will continue to be significantly dependent on the performance of, and the prevailing conditions affecting, the two-wheeler market in India. However, we are experiencing a steady growth of revenue contribution from other segments such as off-highway vehicles which contributed 9.26% to our total revenue in Fiscal 2017 as opposed to 6.89% in Fiscal 2016.

#### ***Purchasing patterns of our significant customers and contract terms***

We depend on a limited number of customers for a significant portion of our revenues. Revenue from our top five customers constituted 70.27%, 67.15%, 67.86% and 66.80%, of our income from operations for the six months period ended September 30, 2017, Fiscal 2017, Fiscal 2016 and Fiscal 2015, respectively. Demand for our products from these customers has a significant impact on our results of operations and financial condition, and our sales are particularly affected by the inventory and production levels of our key customers. We cannot predict when our customers will decide to either increase or reduce inventory levels which may have an impact on us. We may experience reduction in cash flows and liquidity if we lose one or more of our major customers or if the amount of business from them is reduced for any reason.

For some of our customers, we have general purchase agreements which define the terms and conditions of purchases by such

customers. These are supplemented by specific open purchase orders which do not have any validity in respect of time period. These purchase orders only specify the price at which the products are to be supplied with no mention of any specific quantity. The quantities supplied are based on delivery schedules provided by the customers based on their own demand and supply situation. Although our customers provide us with forecasts of annual business volumes, which enable us to predict our income for a portion of our business, the actual orders are only placed by way of on-going purchase orders. Our customers do not provide a firm commitment for any specific product quantity and purchase orders may be amended or cancelled prior to finalisation. Product quantities are typically based on delivery schedules received from the customers on a daily basis. Typically, our customers do not place firm purchase orders until a short time before the products are required from us. Uncertainty regarding inventory levels may be exacerbated by favourable consumer financing programs initiated by manufacturers which may accelerate sales that would otherwise occur in future periods. This may result in variability in our sales.

Actual production volumes may vary from these estimates due to variations in consumer demand for the related vehicles leading to underutilized capacity or incurring additional expenditure to deploy additional resources to meet delivery timelines.

OEMs and suppliers are continuing to implement various cost-cutting strategies, which include the restructuring of operations, relocation of production to low-cost regions, vendor rationalisation and sourcing on a global basis. We believe that our operations in India, our strong relationships with many of our customers and our ability to produce diverse range of products across a number of geographies will allow us to take advantage of such cost-cutting strategies.

### ***Input costs***

Cost of raw material and components consumed represented 60.41%, 58.78%, 59.46% and 61.28% of our total revenue for six months period ended September 30, 2017, Fiscal 2017, Fiscal 2016 and Fiscal 2015, respectively. Our financial condition and results of operations are significantly impacted by the availability and cost of raw materials, particularly zinc, aluminum, steel, plastics, nickel, brass, copper and glass. Sheet metal parts, zinc and aluminum accounted for 41.26% and 41.45% of our cost of raw material and components consumed in terms of value in six months period ended September 30, 2017 and Fiscal 2017, respectively.

Commodity prices are influenced by, among other factors, changes in global economic conditions, industry cycles, demand-supply dynamics, attempts by particular producers to capture market share and speculation in the market. At times, we may not be able to pass on any increase in commodity or raw material prices to our customers. We seek to increase our margins by improving our procurement costs for steel in India and obtaining better credit terms from our suppliers and better financing terms under our working capital facilities. However, in certain cases, our customers specify the vendor from whom raw materials are to be procured as well as the price for such procurement. In such cases, we lose such margin which we could have otherwise obtained by procuring our raw materials at a cheaper price from other vendors.

Further, our Company imports raw materials and components from other countries where payments are made in foreign currencies. While some of our OEM customers compensate us for foreign exchange fluctuations on imports made on their behalf, based on an agreed formula, such compensation may not cover the actual loss suffered by us. Whilst we are able to import goods at a lesser price from countries which have free trade arrangements with India, any change in these arrangements would result in an increase in the costs associated with imports of such raw materials for our products. While we have entered into derivative contracts to hedge our exposure to currency exchange rate fluctuation, we may not be able to cover the actual loss suffered by us.

### ***Macroeconomic conditions***

Our business depends substantially on global economic conditions. Macroeconomic factors, both in India and globally, such as economic instability, political uncertainty other force majeure events could influence our performance. In addition, fluctuations in interest rates, exchange rates and inflation rates have a material effect on key aspects of our operations, including the cost of our raw materials and the costs of borrowing required to fund our operations.

For example, high inflation, firm interest rates and rise in fuel price significantly impacts demand for and sales of two-wheelers, passenger cars and commercial vehicles. Our business and results of operations are also affected by evolving regulatory requirements, government initiatives, trade agreements and other factors that affect the automobile and construction industries.

We expect that macroeconomic conditions, particularly changes in consumer confidence, spending on passenger and commercial vehicles and interest rates will have a significant impact on our business and results of operations in future periods. For a more detailed discussion of the Indian economy, please refer to the chapter “*Industry Overview*” on page 117.

### ***Expansion in product portfolio***

By leveraging our experience in automotive industry, we have over time expanded our portfolio of products to include components such as cabins and canopies for off-highway vehicles, AVN assemblies for passenger vehicles, plastic moulded parts for non-automotive products including panels for televisions and cabinets for air conditioners etc. We also plan to leverage current trends in the automotive sector such as increasing focus on safety, security, fuel efficiency, comfort, customisation, entertainment and communication to develop products that meet our OEM customers' requirements in these areas. We are exploring and testing feasibility of various technology driven and high margin products such as relays, switches, parking sensors, shark-finned antenna, fuel delivery module and filters, helmets for two-wheeler riders and among others.

The success of these businesses and products depends on our management's ability to identify high growth potential opportunities and utilise our resources to develop these opportunities, which could have a significant impact on our results of operations.

### ***Ability to meet customer expectations***

We are significantly dependent on certain key customers for a significant portion of our sales. It is common for large OEMs to source their parts from relatively small numbers of vendors, and as a result, our customers often undertake vendor rationalisation to reduce costs related to procurement from multiple vendors. Additionally, our customers have high and exacting standards for product quantity and quality as well as delivery schedules.

There are also a number of factors other than our performance that are beyond our control and that could cause the loss of a customer. Inability to meet customer expectation or loss of business from a customer for any reason could impact our business and results of operations.

### **Our Significant Accounting Policies**

#### ***Presentation and disclosure***

With effect from 31 March 2012, the Revised Schedule VI under the Companies act, 1956 came into effect and accordingly, the Consolidated Financial Statements pertaining to the years ended 31 March 2013 and 2014 were prepared.

Further with effect from 1 April 2014, Schedule III has been notified under the Companies act, 2013 for the preparation and presentation of the Restated Consolidated Financial Information and accordingly, the Restated Consolidated Financial Information pertaining to the year ended 31 March 2015 has been prepared. The adoption of Schedule III/Revised Schedule VI does not impact recognition and measurement principles followed for preparation of the Restated Consolidated Financial Information. However, it has impact on presentation and disclosure made in the Restated Consolidated Financial Information. Our Company has prepared the Restated Consolidated Summary Statements along with the relevant notes in accordance with the requirements of Schedule III to the Companies Act, 2013.

#### ***Use of estimates***

The preparation of these Restated Consolidated Financial Information in conformity with Indian GAAP requires the Management to make judgments, estimates and assumptions that effect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting year. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in current and future periods.

#### ***Property, Plant and Equipment and Depreciation***

##### ***a) Property Plant and Equipment ("PPE")***

PPE are stated at cost, net of accumulated depreciation and accumulated impairment losses, (if any). The cost comprises the purchase price, borrowing costs if capitalization criteria are met and directly attributable cost of bringing the asset to its working conditions for the intended use. The cost of PPE acquired in an amalgamation in the nature of purchase is their fair value as at the date of amalgamation. Each part of an item of PPE with a cost that is significant in relation to the total cost of the item is depreciated separately. This applies mainly to components for machinery. Any trade discounts, recoverable taxes and rebates are deducted in arriving at the purchase price.

Subsequent expenditure related to an item of PPE is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing PPE, including

day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period/ year during which such expenses are incurred.

The Group Entities do not adjust exchange differences arising on translation/settlement of long-term foreign currency monetary items pertaining to the acquisition of a depreciable asset to the cost of the asset but charges the same to the Restated Consolidated Summary Statement of Profit and Loss in the period/ year in which such gain/loss arises.

Gains or losses arising from de-recognition of PPE are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Restated Consolidated Summary Statement of Profit and Loss when the asset is derecognized.

Advances paid towards acquisition of PPE outstanding at each Balance Sheet date, are shown under long-term loans and advances and cost of assets not ready for intended use before the period/ year end, is shown as capital work-in-progress.

*b) Depreciation on PPE*

The Group Entities identify and determine cost of an asset significant to the total cost of asset having useful life that is materially different from that of the remaining life. Depreciation on fixed assets is calculated on a straight-line basis using the rates arrived at based on the useful lives estimated by the management. The identified components depreciated over the useful life, the remaining asset depreciated over the useful life of the principal asset. The Group Entities have used the following rates for its entities to provide depreciation on its fixed assets.

Nature of PPE	Category in PPE Schedule	Useful life estimated by the management (years) from April 01, 2014
Factory buildings	Buildings	30
Other buildings	Buildings	60
Temporary erection	Buildings	1
Carpeted/ RCC Roads	Buildings	10
Tube wells	Buildings	5
Plant and machinery	Plant and equipment	7.5 – 20
Electrical installations	Plant and equipment	10 – 25
Office equipment	Office Equipment	5
Racks and bins	Plant and equipment	10
Computers	Office equipment	3-4
Furniture and fixtures	Furniture and fixtures	10-20
Cars	Vehicles	6
Non Commercial vehicles	Vehicles	6
Commercial vehicles	Vehicles	8
Tools, Moulds and Dies	Plant and equipment	5-6

Leasehold land is amortized on a straight line basis over the period of the lease ranges between (89-99 years).

The management of the Parent Company has estimated, supported by an independent technical assessment from a chartered engineer, the useful lives of the following classes of assets:

Nature of PPE	Useful lives estimated by the management (years)	Remarks
Temporary Erection	1	Lower life than prescribed in Schedule II of Companies Act 2013
Computers (Servers and networks)	3	
Non-Commercial Vehicles	6	

In case of Sandhar Technologies Barcelona S.L., the costs of acquisition of equipment, systems or installations for the elimination, reduction or control of the possible environment impacts of the business are capitalized as property, plant and equipment. The rest of the expenses are accounted as expenses for the respective period/ year. Any possible environmental liability required as per local statute is covered by insurance.

*c) Intangible Assets*

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Intangible assets are assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortization period is changed accordingly. If there has been a significant change in the expected pattern of economic benefits from the asset, the amortization method is changed to reflect the changed pattern. Such changes are accounted for in accordance with AS-5 Net Profit or Loss for the Period, Prior Period items and changes in Accounting Policies.

#### Technical knowhow

Amounts paid towards technical know-how fees for specifically identified projects/products being development expenditure incurred towards product design is carried forward based on assessment of benefits arising from such expenditure. Such expenditure is amortized over the period of expected future sales from the related product, i.e. the estimated period of 60 to 72 months based on past trends, commencing from the month of commencement of commercial production.

#### Software

Software purchased by the Group Entities is amortized on a straight line basis i.e. non-standard software (customized) in four years and standard software (non-customized) in five years.

Gains or losses arising from de-recognition of an intangible asset is measured as the difference between the net disposal proceeds and the carrying amount of the asset and is recognized in the Restated Consolidated Summary Statement of Profit and Loss when the intangible asset is derecognized.

#### *d) Borrowing costs*

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

#### *e) Impairment of PPE and Intangible assets*

The Group Entities assess at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group Entities estimate the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

Impairment losses are recognized in the Restated Consolidated Summary Statement of Profit and Loss. The impairment loss is reversed to the extent that the assets carrying amount does not exceed the carrying value that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized. Such a reversal is recognized in the Restated Consolidated Summary Statement of Profit and Loss.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

#### ***Government grants and subsidies***

Grants and subsidies from the Government are recognized when there is reasonable assurance that (i) the Group Entities will comply with the conditions attached to them, and (ii) the grant/subsidy will be received.

When the grant or subsidy relates to revenue, it is recognized as income on a systematic basis in the Restated Consolidated

Summary Statement of Profit and Loss over the periods necessary to match them with the related costs, which they are intended to compensate. Where the grant relates to an asset, it is recognized as deferred income and released to income in equal amounts over the expected useful life of the related asset.

Where the Group Entities receive non-monetary grants, the asset is accounted for on the basis of its acquisition cost. In case a non-monetary asset is given free of cost, it is recognized at a nominal value.

Government grants of the nature of promoters' contribution are credited to capital reserve and treated as a part of the shareholders' funds.

### ***Investments***

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties. If an investment is acquired, or partly acquired, by the issue of shares or other securities, the acquisition cost is the fair value of the securities issued.

Current investments are carried in the Restated Consolidated Summary Statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the Restated Consolidated Summary Statement of Profit and Loss.

### ***Inventories***

Inventories are valued as under:

Raw materials, components, stores and spares	Lower of cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Companies in the Group Entities, except for Indo Tooling Private Limited (ITPL), adopts First-in-first-out (FIFO) method for valuing raw materials, components, stores and spares (Grouped under Raw materials and Stores in the financial statements). ITPL adopt weighted average method for valuing raw materials, components, stores and spares. Amount of raw materials, components, stores and spares pertaining to ITPL, so valued and included in the Consolidated Financial Information out of the total value of inventory for Raw materials and Stores, is not material for Group and its jointly controlled entities.
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Work-in-progress and finished goods	Lower of cost and net realizable value. Cost includes direct materials, labor and a portion of manufacturing overheads based on normal operating capacity. For the years ended 31 March 2017, 2016, 2015, 2014 and 2013, Excise duty liability was included in the valuation of closing inventory of Finished Goods (FG). Cost of work-in-progress (WIP) and FG is based on FIFO method except for ITPL which adopt weighted average method. Amount of WIP and FG pertaining to ITPL, so valued and included in the Consolidated Financial Information out of the total value of inventory for WIP and FG, is not material for Group and its jointly controlled entities.
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Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

### ***Revenue recognition***

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group Entities and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized:



### *Sale of goods*

Revenue from sale of goods is recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer, on delivery of the goods and no significant uncertainty exists regarding the collection of the consideration. Effect of price revision on sale is accounted on the basis of acknowledgement/confirmations received from the customers. The Group Entities collect sales taxes and value added taxes (VAT) on behalf of the Government and, therefore, these are not economic benefits flowing to the Group Entities. Hence, they are excluded from revenue. Excise duty deducted from revenue (gross) is the amount that is included in the revenue (gross) and not the entire amount of liability arising during the period. Sale of moulds are recognized when they are received and accepted by the customer.

Goods and Service Tax (“GST”) has been implemented with effect from 1 July 2017 which replaces Excise Duty and other input taxes (Sales tax act and Value added taxes). As per the requirement of Accounting Standard – 9, Revenue Recognition (“AS-9”) the revenue for the three-month period beginning from 1 July 2017 to 30 September 2017 is reported net of GST.

### *Income from services*

Job work and development charges are recognized upon full completion of the job work and development services and when all the significant risks and rewards of ownership of the goods have been passed to the buyer, on delivery of the goods and no significant uncertainty exists regarding the collection of the consideration.

### *Interest*

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head “other income” in the Restated Consolidated Summary Statement of Profit and Loss.

### *Dividend*

Companies forming a part of the Group Entities recognize dividend income when the Group Entities’ right to receive dividend is established by the reporting date.

### ***Foreign currency translation***

#### *Foreign currency transactions and balances*

##### *a) Initial recognition*

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

##### *b) Conversion*

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

##### *c) Exchange differences*

Exchange differences arising on a monetary item that, in substance, form part of the Group Entities’ net investment in a non-integral foreign operation is accumulated in a foreign currency translation reserve in the Restated Consolidated Financial Information until the disposal of the net investment, at which time they are recognized as income or as expenses.

Exchange differences arising on the settlement of monetary items not covered above, or on reporting such monetary items of Group and its jointly controlled entities at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise.

In case of foreign subsidiaries, being non-integral operations, items in consolidated statement of profit and loss are converted at the period average rate which approximates the rate prevailing at the date of transactions. All assets and liabilities are converted at the rates prevailing at the end of the period/ year. Share capital has been converted at the historical rate prevailing at the date of investment. Reserves and Surplus is the balance derived from Statement of Profit

and Loss for each period/ year, hence has been converted at average exchange rate for the period. Any exchange difference arising on consolidation is recognized in the "Foreign Currency Translation Reserve". Further, these financial statements have been audited under the local laws of respective countries and also as per the Indian GAAP for the purpose of consolidation

*d) Forward exchange contracts entered into to hedge foreign currency risk of an existing assets /liability not intended for trading or speculation purposes*

The premium or discount arising at the inception of forward exchange contracts is amortized and recognized as an expense or income over the life of the contract. Exchange differences on such contracts are recognized in the Restated Consolidated Summary of Profit and Loss in the year in which the exchange rates change. Any profit or loss arising on cancellation or renewal of forward exchange contract is also recognized as income or as expense for the year.

*e) Derivative Instruments and hedge accounting*

Apart from forward exchange contracts taken to hedge existing assets or liabilities, the Group Entities also use derivatives to hedge its foreign currency risk exposure relating to firm commitments and highly probable transactions. In accordance with the Guidance Note on Accounting for Derivative Contracts issued by the Institute of Chartered Accountants of India, the Group Entities should recognize all derivative contracts at the balance sheet date on fair value and provide for losses / recognize income in respect of such outstanding derivative contracts at the balance sheet date by marking them to market. The contracts are aggregated category-wise, to determine the net gain/loss.

***Employee benefits***

*India*

Short term employee benefits

All employee benefits payable wholly within twelve months of receiving employee services are classified as short-term employee benefits. These benefits include salaries and wages, bonus and ex-gratia. The undiscounted amount of short-term employee benefits to be paid in exchange for employee services is recognized as an expense as the related service is rendered by employees.

*Post-employment benefits*

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays specified contributions to a separate entity and has no obligation to pay any further amounts. Our Company makes specified monthly contributions towards employee provident fund to Government administered provident fund scheme which is a defined contribution plan. Our Company's contribution is recognized as an expense in the Restated Consolidated Summary Statement of Profit and Loss during the period in which the employee renders the related service.

Defined benefit plans

Our Company provides for gratuity, a defined benefit plan (The Gratuity plan) to employees. Liability with regard to Gratuity plan is accrued based on actuarial valuation, based on projected unit credit method at the balance sheet date, carried out by an independent actuary. Actuarial gain and losses comprises experience adjustments and the effect of changes in the actuarial assumptions and are recognized immediately in the Restated Consolidated Summary Statement of Profit and Losses as income or expense. Gratuity fund benefits are administered by a trust for this purpose.

*Compensated absences*

The employees can carry-forward a portion of the unutilized accrued compensated absences and utilize it in future service periods or receive cash compensation on termination of employment. Since the compensated absences do not fall due wholly within twelve months after the end of the period in which the employees render the related service and are also not expected to be utilized wholly within twelve months after the end of such period, the benefit is classified as a long-term employee benefit. Our Company records an obligation for such compensated absences in the period in which the employee renders the services that increase this entitlement. The obligation is measured on the basis of independent actuarial valuation using the projected unit credit method.

As per the compensated absence encashment policy, the Parent Company does not have an unconditional right to defer the compensated absence of employees, accordingly the entire compensated absence obligation as determined by an independent actuary has been classified as current liability as at the period end.

#### *Termination benefits*

Termination benefits are recognized as an expense when, as a result of a past event, our Company has a present obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

#### *Europe*

In case of Sandhar Technologies Barcelona S.L. according the sector social agreement (Convenio Siderometalúrgico de la provincia de Barcelona) our Company pays 2 additional payrolls in June and December. The 2 additional payments, as well as the holiday payroll are provisioned every month on accrual basis.

#### *Income taxes*

Tax expense comprises current and deferred tax. Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-Tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the Group Entities operate. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognized directly in equity is recognized in equity and not in the Restated Consolidated Summary of Profit and Loss.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date. Deferred income tax relating to items recognized directly in equity is recognized in equity and not in the Restated Consolidated Summary of Profit and Loss.

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the Group Entities have unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

In the situations where any company within the Group Entities is entitled to a tax holiday under the Income-tax Act, 1961 enacted in India or the tax laws prevailing in the respective tax jurisdictions where it operates, no deferred tax (asset or liability) is recognized in respect of timing differences which are reversed during the tax holiday period, to the extent such Company's gross total income is subject to the deduction during the tax holiday period. Deferred tax in respect of timing differences which reverse after the tax holiday period is recognized in the year in which the timing differences originate. However, such Company restricts recognition of deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized. For recognition of deferred taxes, the timing differences which originate first are considered to reverse first.

At each reporting date, such Company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax asset to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The carrying amount of deferred tax assets are reviewed at each reporting date. The Group Entities write-down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set-off current tax assets against current tax liabilities and the deferred tax assets and deferred taxes relate to the same taxable entity and the same taxation authority.

Minimum alternate tax (MAT) paid in a year is charged to the Statement of Profit and Loss as current tax. The Group Entities recognize MAT credit available as an asset only to the extent that there is convincing evidence that the Group Entities will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Group Entities recognize MAT credit as an asset in accordance with the Guidance Note on Accounting

for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as “MAT Credit Entitlement.” The Group Entities review the “MAT credit entitlement” asset at each reporting date and writes down the asset to the extent the Group Entities do not have convincing evidence that it will pay normal tax during the specified period.

### ***Segment reporting***

#### *Identification of segments*

The Group Entities are primarily engaged in the business of manufacture of auto components for two-wheeler, four-wheelers and commercial vehicle industry, which are governed by the same set of risks and returns but subject to the geographical industry trends and hence the Group Entities’ business activities fall within a single primary business segment. The principal geographical segments are classified as India, Europe and others since there are different risks and returns of the geographies.

#### *Segment accounting policies*

The accounting principles consistently used in the preparation of the Consolidated Financial Statements and consistently applied to record revenue and expenditure in individual segments are as set out in the Consolidated Financial Statements on significant accounting policies.

### **Earnings per share**

Basic earnings/ (loss) per share are calculated by dividing the net profit/ (loss) for the period/ year attributable to equity shareholders by the weighted average number of equity shares outstanding during the period/ year. The weighted average number of equity shares outstanding during the period is adjusted for events of bonus issue and share split. For the purpose of calculating diluted earnings/ (loss) per share, the net profit/ (loss) for the period/ year attributable to equity shareholders and the weighted average number of shares outstanding during the period/ year are adjusted for the effects of all dilutive potential equity shares except where the results will be anti-dilutive. The dilutive potential equity shares are deemed converted as of the beginning of the period, unless they have been issued at a later date.

### ***Provisions***

A provision is recognized when the Group Entities have a present obligation as a result of past event. It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

Where the Group Entities expect some or all of a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the Restated Consolidated Summary Statement of Profit and Loss, net of any reimbursement.

#### *Warranty provision*

Provision for warranty related cost is recognized when the product is sold or service provided, provision is based on historical experience. The estimates of such warranty related cost are reviewed periodically and revisions are made, as and when required.

### ***Leases***

#### *Where our Company is lessee*

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the Restated Unconsolidated Summary Statement of Profit and loss.

### ***Contingent liabilities***

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group Entities or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. The Group Entities do not recognize a contingent liability but discloses its existence in the Restated Consolidated Financial Information.

### ***Cash and Cash equivalents***

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

### ***Measurement of EBITDA***

Our Company has elected to present earnings before interest, tax depreciation and amortization (EBITDA) as a separate line item on the face of the Restated Consolidated Summary Statement of Profit and Loss. Our Company measures EBITDA on the basis of profit/(loss). In its measurement, the Group Entities do not include depreciation and amortization expense, interest income, finance costs and tax expense.

### ***Amalgamation accounting:***

Our Company treats an amalgamation in the nature of merger if it satisfies all the following criteria:

- a) All the assets and liabilities of the transferor Company become, after amalgamation, the assets and liabilities of the transferee Company.
- b) Shareholders holding not less than 90% of the face value of the equity shares of the transferor Company (other than the equity shares already held therein, immediately before the amalgamation, by the transferee Company or its subsidiaries or their nominees) become equity shareholders of the transferee Company.
- c) The consideration for amalgamation receivable by those equity shareholders of the transferor Company who agree to become shareholders of the transferee Company is discharged by the transferee Company wholly by the issue of equity shares, except that cash may be paid in respect of any fractional shares.
- d) The business of the transferor Company is intended to be carried on, after the amalgamation, by the transferee Company.
- e) The transferee Company does not intend to make any adjustment to the book values of the assets and liabilities of the transferor Company, except to ensure uniformity of accounting policies.

All other amalgamations are in the nature of purchase.

Our Company accounts for all amalgamations in the nature of merger using the pooling of interest method. The application of this method requires our Company to recognize any non-cash element of the consideration at fair value. Our Company recognizes assets, liabilities and reserves, whether capital or revenue, of the transferor Company at their existing carrying amounts and in the same form as at the date of the amalgamation. The balance in the statement of profit and loss of the transferor Company is transferred to the general reserve. The difference between the amount recorded as share capital issued, plus any additional consideration in the form of cash or other assets, and the amount of share capital of the transferor Company is adjusted in reserves.

An amalgamation in the nature of purchase is accounted for using the purchase method. The cost of an acquisition/ amalgamation is measured as the aggregate of the consideration transferred, measured at fair value. Other aspects of accounting are as below:

- a) The assets and liabilities of the transferor Company are recognized at their fair values at the date of amalgamation. The reserves, whether capital or revenue, of the transferor Company, except statutory reserves, are not recognized.
- b) Any excess consideration over the value of the net assets of the transferor Company acquired is recognized as goodwill. If the amount of the consideration is lower than the value of the net assets acquired, the difference is treated as capital reserve.
- c) The goodwill arising on amalgamation is amortized to the statement of profit and loss on a systematic basis over its useful life not exceeding five years.

### ***Amalgamation in the year 2012-13:***

During the year ended 31 March 2013, The Hon'ble High Court of Delhi, on 2 May 2013 sanctioned scheme of amalgamation ('the scheme') under section 391 to 394 of the Companies Act, 1956. In accordance with the scheme, Mag Engineering Private Limited (Transferor Company) merged with our Company with effect from 1 April 2012 (the appointed date). Besides

simplifying the corporate structure, the amalgamation is expected to channelize synergies and lead to better utilization of available resources and result in greater economies of scale.

The scheme became effective on 9 May 2013 upon filing of the order of the aforesaid Hon'ble High Court date 2 May 2013 with the Registrar of Companies, Delhi and Haryana.

The Salient features of the scheme are as follows:

- a) The entire equity paid up capital of Mag Engineering Private Limited stand fully cancelled.
- b) With effect from the appointed date, the undertaking of the transferor Company, stand succeeded/ transferred to and vested in our Company on a going concern basis so as to become the assets or liabilities of our Company.
- c) The amalgamation has been accounted as per the scheme which is in accordance with the purchase method as described in Accounting Standard-14 "Accounting for amalgamation" notified by the Company (Accounting Standard) Rule, 2006 with effect from the appointed date of the scheme being 1 April 2012 and recognized assets and liabilities acquired at fair value.
- d) Mag Engineering Private Limited stands dissolved without being wound up from the effective date.
- e) From the effective date i.e. 9 May 2013, the authorised share capital stood increase by Rs. 50 Million consisting of equity share of Rs. 2 each without any further act or deed on the part of our Company and the Memorandum of Association and Article of Association of our Company stand amended accordingly without any further act or deed on the part of our Company.
- f) The amount by which the fair values of the assets and liabilities of the transferor company exceeded the purchase consideration paid by our Company has been credited to Capital Reserve. The fair value of the assets and liabilities acquired and resultant capital reserve is as follows:

Particulars	₹ in Million
<b>LIABILITIES</b>	
<b>Non-current liabilities</b>	
(a) Long-term borrowings	67.50
<b>Current liabilities</b>	-
(b) Trade payables	82.65
(c) Other current liabilities	41.13
(d) Short-term provisions	18.47
<b>Total liabilities (A)</b>	<b>209.75</b>
<b>ASSETS</b>	-
<b>Non-current assets</b>	
(a) Fixed assets	896.27
(b) Long-term loans and advances (Security Deposit)	2.38
(c) Deferred tax assets (net)	3.87
<b>Current assets</b>	-
(a) Inventories	60.37
(b) Trade receivables	152.28
(c) Cash and cash equivalents	55.30
(d) Short-term loans and advances	3.55
(e) Other current assets	2.85
<b>Total assets (B)</b>	<b>1,176.87</b>
<b>Net amount (B-A) = (C)</b>	<b>967.12</b>
<b>Purchase consideration (D)</b>	<b>710.31</b>

Particulars	₹ in Million
Capital reserve (C-D)	256.81

### Changes in Accounting Policies

There have been no changes in the accounting policies of our Company for the last three years.

### Results of Operations

The following table sets out selected data on consolidated basis for six months period ended September 30, 2017 and Fiscal 2017, 2016 and 2015, together with the percentage that each line item represents of our total revenue for the periods presented.

Particulars	Six months ended September 30, 2017		Fiscal					
	2017		2017		2016		2015	
	(₹ in million)	Percentage of Total Revenue	(₹ in million)	Percentage of Total Revenue	(₹ in million)	Percentage of Total Revenue	(₹ in million)	Percentage of Total Revenue
<b>Revenue</b>								
Revenue from operations (gross)	10,290.30	103.88%	17,649.58	108.04%	16,436.78	108.29%	16,061.71	107.99%
Less: Excise duty	396.25	4.00%	1,380.88	8.45%	1,304.59	8.60%	1,241.19	8.35%
Revenue from operations (net)	9,894.05	99.88%	16,268.70	99.59%	15,132.19	99.69%	14,820.52	99.64%
Other income	11.90	0.12%	66.60	0.41%	46.68	0.31%	52.91	0.36%
<b>Total Revenue</b>	<b>9,905.95</b>	<b>100.00%</b>	<b>16,335.30</b>	<b>100.00%</b>	<b>15,178.87</b>	<b>100.00%</b>	<b>14,873.43</b>	<b>100.00%</b>
<b>Expenses</b>								
Cost of raw material and components consumed	5,984.44	60.41%	9,602.19	58.78%	9,025.56	59.46%	9,114.58	61.28%
(Increase)/decrease in inventories of finished goods and work-in-progress	(65.40)	(0.66%)	(90.67)	(0.55%)	(12.70)	(0.08%)	(37.88)	(0.25%)
Employee benefit expenses	1,300.54	13.13%	2,353.63	14.41%	2,018.43	13.30%	1,842.81	12.39%
Other expenses	1,650.72	16.66%	2,945.42	18.03%	2,687.76	17.70%	2,509.53	16.87%
<b>Total Expenses</b>	<b>8,870.30</b>	<b>89.55%</b>	<b>14,810.57</b>	<b>90.67%</b>	<b>13,719.05</b>	<b>90.38%</b>	<b>13,429.04</b>	<b>90.29%</b>
<b>Earnings before interest, tax, depreciation and amortization (EBITDA)</b>	<b>1,035.65</b>	<b>10.45%</b>	<b>1,524.73</b>	<b>9.33%</b>	<b>1,459.82</b>	<b>9.62%</b>	<b>1,444.39</b>	<b>9.71%</b>
Depreciation and amortization expense	336.67	3.40%	602.76	3.69%	551.52	3.63%	523.71	3.52%
Interest income	(2.74)	(0.03%)	(4.97)	(0.03%)	(4.87)	(0.03%)	(3.66)	(0.02%)
Finance costs	200.76	2.03%	427.39	2.61%	423.52	2.79%	410.03	2.75%
<b>Restated profit before Exceptional items and tax</b>	<b>500.96</b>	<b>5.06%</b>	<b>499.55</b>	<b>3.06%</b>	<b>489.65</b>	<b>3.23%</b>	<b>514.31</b>	<b>3.46%</b>
Exceptional items	-	-	5.05	0.03%	37.43	0.25%	-	-
<b>Restated profit before tax</b>	<b>500.96</b>	<b>5.06%</b>	<b>494.50</b>	<b>3.03%</b>	<b>452.22</b>	<b>2.98%</b>	<b>514.31</b>	<b>3.46%</b>
<b>Tax Expense</b>								

Particulars	Six months ended September 30, 2017		Fiscal					
	2017		2017		2016		2015	
	(₹ in million)	Percentage of Total Revenue	(₹ in million)	Percentage of Total Revenue	(₹ in million)	Percentage of Total Revenue	(₹ in million)	Percentage of Total Revenue
<b>Current tax</b>								
Pertaining to the profit for the current year	160.21	1.62%	105.61	0.65%	133.23	0.88%	144.31	0.97%
Less: MAT Credit entitlement	-	-	(5.79)	(0.03%)	(0.08)	0.00%	-	-
Adjustment of tax relating to earlier period	-	-	(0.50)	(0.00%)	14.36	0.09%	8.02	0.05%
Less: MAT credit entitlement relating to earlier year	-	-	-	0.00%	(2.05)	(0.01%)	-	-
<b>Net Current tax expenses</b>	<b>160.21</b>	<b>1.62%</b>	<b>99.32</b>	<b>0.62%</b>	<b>145.46</b>	<b>0.96%</b>	<b>152.33</b>	<b>1.02%</b>
Deferred tax charge /(credit)	(4.97)	(0.05%)	(0.40)	(0.00%)	(30.72)	(0.20%)	(22.04)	(0.14%)
Total Tax Expenses	155.24	1.57%	98.92	0.62%	114.74	0.76%	130.29	0.88%
Restated profit after tax	345.72	3.49%	395.58	2.42%	337.48	2.22%	384.02	2.58%
<b>Restated profit attributable to minority interest</b>	<b>3.40</b>	<b>0.03%</b>	<b>3.67</b>	<b>0.02%</b>	<b>2.98</b>	<b>0.02%</b>	<b>1.20</b>	<b>0.01%</b>
<b>Restated profit attributable to shareholders of Parent Company</b>	<b>342.32</b>	<b>3.46%</b>	<b>391.91</b>	<b>2.40%</b>	<b>334.50</b>	<b>2.20%</b>	<b>382.82</b>	<b>2.57%</b>
<b>Restated profit for the year after tax</b>	<b>345.72</b>	<b>3.49%</b>	<b>395.58</b>	<b>2.42%</b>	<b>337.48</b>	<b>2.22%</b>	<b>384.02</b>	<b>2.58%</b>

## Revenues

### Revenue from operations

We derive our total revenue from our revenue from operations, which consists of (i) sale of products; and (ii) sale of operations.

Sale of products consists of the sale of: (i) locks; (ii) mirror assembly; (iii) wheel assembly; (iv) sheet metal components; (v) dies and moulds; (vi) aluminium components; (vii) tools; (viii) crane and tractor parts; (ix) cabins; (x) plastic parts; (xi) handle bar assembly; and (xii) other products.

Sale of services consist of job work activities.

## Expenses

Our expenses consist of the following: (i) cost of raw material and components consumed; (ii) change in inventories of finished goods and work-in-progress; (iii) employee benefits expenses; (iv) other expenses; (v) depreciation and amortization expense; (vi) interest income; and (vii) finance costs.

Cost of raw material and components consumed consists of the consumption of: (i) zinc; (ii) aluminium; (iii) bought out parts; (iv) plastic granules; (v) sheet metal granules; (vi) nickel; (vii) glass; (viii) tyres; (ix) copper and brass; (x) wheel and rim; and (xi) others.

Inventory of finished goods and work-in-progress consists of the following products: (i) locks; (ii) mirror assembly; (iii) sheet metal components; (iv) wheel assembly; (v) dies and moulds; (vi) crane and tractor parts; (vii) aluminium components; and (viii) other products.



Employee benefit expenses consist of the following: (i) salary, wages and bonus; (ii) contribution to provident and other funds; (iii) staff welfare expenses; and (iv) gratuity expense.

Other expenses consist of: (i) consumption of stores and spares; (ii) packing material; (iii) job work charges; (iv) rent; (v) rates and taxes; (vi) insurance; (vii) freight and forwarding charges; (viii) power and fuel; (ix) repair and maintenance of buildings, plant and machinery and others; (x) CSR expenditure; (xi) legal and professional charges; (xii) travelling and conveyance; (xiii) provision for doubtful debts and advances; (xiv) bad debts and advances written off; (xv) excise duty on inventory; (xvi) provision of warranties; (xvii) royalty; (xviii) commission to directors; (xix) directors' sitting fee; (xx) foreign exchange fluctuation loss; (xxi) loss on sale of fixed assets; and (xxii) miscellaneous expenses.

Finance costs consist of: (i) interest to banks on term loans and other borrowings; (ii) interest to others; (iii) cash discounting charges; (iv) bank charges; and (v) foreign exchange fluctuation loss on long term loans.

### ***Exceptional Items***

Exceptional items consist of (i) provision for diminution in the value of investments; (ii) writing off of the value of investments; (iii) provision for doubtful advances; and (iv) writing off of expenses incurred towards the preparation for an initial public offering

### ***Taxation***

Taxes majorly comprise current, deferred taxes and MAT credit entitlement.

## **For the six months period ended September 30, 2017**

### ***Revenue***

Our total revenues comprise revenue from operations (gross), less excise duty and other income (foreign exchange gains, dividend income on long-term investments, gain on sale of fixed assets, gain on sale of short-term investments and other non-operating income).

#### *Revenue from operations (gross)*

Our revenue from operations (gross) for the period ended September 30, 2017 was ₹10,290.30 million.

Our revenue from operations for six months' period ended September 30, 2017 was positively driven primarily on account of increase in the sale of products across all key categories in two-wheeler, four-wheeler and off-high vehicles segment.

Our sales of products was ₹10,068.53 million for six months' period ended September 30, 2017. Sale of products constituted 97.84% our revenue from operations (gross) six months' period ended September 30, 2017. In terms of our products: (i) sale of locks constituted 22.73% for six months' period ended September 30, 2017; (ii) sale of mirror assemblies constituted 11.94% for six months' period ended September 30, 2017; and (iii) sale of operator cabins constituted 7.01% for six months' period ended September 30, 2017.

Our sales of services constituted to ₹128.20 million for six months' period ended September 30, 2017 representing 1.25% of our revenue from operations (gross) for six months' period ended September 30, 2017.

Our other operating revenue which comprises of scrap sales amounting to ₹93.57 million, constituted 0.91% of our revenue from operations (gross) for six months' period ended September 30, 2017.

#### *Excise duty*

Our total expenditure on excise duty for the period ended September 30, 2017 was ₹396.25 million, which constituted 4.00% of our total revenue.

#### *Revenue from operations (net)*

Our revenue from operations (net) is our revenue from operations (gross) less excise duty. Excise duty for six months period ended September 30, 2017 was ₹396.25 million.

Our revenue from operations (net) for six months period ended September 30, 2017 was ₹9,894.05 million.

Our revenue from operations (net) constituted 99.88% of our total revenue for six months period ended September 30, 2017.

*Other income:*

Other income was ₹11.90 million constituting 0.12% of our total revenue for six months period ended September 30, 2017.

*Total revenue:*

Our total revenue six months period ended September 30, 2017 was ₹9,905.95 million. Our segment revenue from India for six months period ended September 30, 2017 was ₹8,747.73 million, which contributed 88.31% to our total revenue on a consolidated basis. Our segment revenue from Europe for six months period ended September 30, 2017 was ₹1,158.22 million and constituting 11.69% of our total revenue.

**Expenses**

As a percentage of our total revenue, total expenses constituted 89.55% for six months period ended September 30, 2017 amounting to ₹8,870.30 million.

*Cost of raw materials and components consumed*

Our cost of raw materials and components consumed for six months period ended September 30, 2017 amounted to ₹5,984.44 million.

Cost of raw material and components consumed, after adjustment of (increase)/decrease in inventories of finished goods and work in progress, amounted to ₹5,919.04 million for six months period ended September 30, 2017.

As a percentage of our total revenue, cost of raw materials and components consumed 60.41% for six months period ended September 30, 2017.

*Inventories of finished goods and work-in-progress*

As a percentage of our total revenue, increase in inventories of finished goods and work-in-progress constituted 0.66% for six months period ended September 30, 2017.

*Employee benefits expenses*

Our employee benefits expenses amounted to ₹1,300.54 million for six months period ended September 30, 2017.

As a percentage of our total revenue, employee benefits expenses constituted to 13.13% for six months period ended September 30, 2017.

*Other expenses*

Our other expenses amounted to ₹1,650.72 million for six months period ended September 30, 2017.

Other expenses also include revenue expenses associated with our R&D activities amounting to ₹21.33 million for six months period ended September 30, 2017.

As a percentage of our total revenue, other expenses constituted 16.66% for six months period ended September 30, 2017.

**EBITDA**

As a percentage of our total revenue, EBITDA constituted to 10.45% amounting to ₹1,035.65 million for six months period ended September 30, 2017.

*Depreciation and amortisation expense*

Our depreciation and amortisation expense constituted to 3.4% amounting to ₹336.67 million of our total revenue for six months period ended September 30, 2017.

*Interest income*

Our interest income constituted 0.03% of our total revenue for six months period ended September 30, 2017, amounting to

₹2.74 million.

#### *Finance costs*

As a percentage of our total revenue, finance costs constituted 2.03% amounting to ₹200.76 million for six months period ended September 30, 2017.

#### *Restated profit before tax*

As a percentage of our total revenue, restated profit before tax constituted to 5.06% amounting to ₹500.96 million for six months period ended September 30, 2017.

#### *Current tax*

As a percentage of our total revenue, our current tax pertaining to profit for the current year constituted 1.62%, amounting to ₹160.21 million for the six months period ended September 30, 2017

#### *Deferred tax credit*

As a percentage of our total revenue, our increase in deferred tax credit constituted 0.05% amounting to ₹4.97 million for the six months period ended September 30, 2017.

#### *Total tax expenses*

As a percentage of our total revenue, total tax expenses constituted to 1.57% for six months period ended September 30, 2017. Our manufacturing facility in Haridwar commenced commercial operations in March 2010 and we are currently entitled to 30% of profits and gains until Fiscal 2019.

#### *Profit attributable to minority interest*

As a percentage of our total revenue, our profit attributable to minority interest constituted 0.03% of our total revenue, amounting to ₹3.40 million for the six months period ended September 30, 2017.

#### *Restated profit after tax*

As a percentage of our total revenue, our restated profit after tax is 3.49% for six months period ended September 30, 2017.

### **Fiscal 2017 compared with Fiscal 2016**

#### *Revenue*

Our total revenues comprise revenue from operations (gross), less excise duty and other income (foreign exchange gains, dividend income on long-term investments, gain on sale of fixed assets, gain on sale of short-term investments and other non-operating income).

#### *Revenue from operations (gross)*

Our revenue from operations (gross) in Fiscal 2017 and Fiscal 2016 was ₹17,649.58 million and ₹16,436.78 million, respectively.

Our revenue from operations (gross) increased by 7.38% in Fiscal 2017 primarily on account of increase in sale of products to the off-highway vehicles OEMs to ₹14,914.60 million in Fiscal 2017 from ₹10,336.16 million in Fiscal 2016.

Our sales of products increased by 7.40% to ₹17,253.91 million in Fiscal 2017 from ₹16,064.57 million in Fiscal 2016. Sale of products constituted 97.76% and 97.74% of our revenue from operations (gross) in Fiscal 2017 and Fiscal 2016, respectively. The sale of our products increased in the following manner:

*(in ₹ million)*

Sr. No	Particulars	Fiscal 2017	Fiscal 2016	Percentage increase
1.	Locks	3,933.91	3,846.12	2.28%
2.	Cabins	1,227.22	826.82	48.43%
3.	Aluminium Components	2,855.18	2,151.46	32.71%

Our sales of services marginally decreased to ₹234.68 million in Fiscal 2017 from ₹242.86 million in Fiscal 2016. Sale of services constituted 1.33% and 1.48% of our revenue from operations (gross) in Fiscal 2017 and Fiscal 2016, respectively.

Our other operating revenue which comprises of scrap sales increased to ₹160.99 million in Fiscal 2017 from ₹129.35 million in Fiscal 2016. Other operating revenue constituted 0.91% and 0.79% of our revenue from operations (gross) in Fiscal 2017 and Fiscal 2016, respectively.

#### *Revenue from operations (net)*

Our revenue from operations (net) is our revenue from operations (gross) less excise duty. Excise duty for Fiscal 2017 and Fiscal 2016 was ₹1,380.88 million and ₹1,304.59 million, respectively.

Our revenue from operations (net) in Fiscal 2017 and Fiscal 2016 was ₹16,268.70 million and ₹15,132.19 million, respectively. Our revenue from operations (net) increased by 7.51% in Fiscal 2017.

Our revenue from operations (net) constituted 99.59% and 99.69% of our total revenue in Fiscal 2017 and Fiscal 2016, respectively.

#### *Other income:*

Other income was ₹66.60 million and ₹46.68 million constituting 0.41% and 0.31% of our total revenue in Fiscal 2017 and 2016, respectively.

#### *Total revenue:*

Our total revenue in Fiscal 2017 and Fiscal 2016 was ₹16,335.30 million and ₹15,178.87 million, respectively. Our segment revenue from India during Fiscal 2017 and Fiscal 2016 was ₹14,006.68 million and ₹13,136.55 million, respectively, which contributed 85.74% and 86.55% to our total revenue on a consolidated basis, respectively. Our segment revenue from Europe during Fiscal 2017 and Fiscal 2016, was ₹2,328.62 million and ₹2,041.72 million, respectively, constituting 14.26% and 13.45% of our total revenue, respectively.

#### *Expenses*

Our total expenses increased by 7.96% to ₹14,810.57 million in Fiscal 2017 from ₹13,719.05 million in Fiscal 2016.

As a percentage of our total revenue, total expenses increased marginally to 90.67% in Fiscal 2017, from 90.38% in Fiscal 2016.

#### *Cost of raw materials and components consumed*

Our cost of raw materials and components consumed increased by 6.39% to ₹9,602.19 million in Fiscal 2017 from ₹9,025.56 million in Fiscal 2016.

Cost of raw material and components consumed, after adjustment of (increase)/decrease in inventories of finished goods and work in progress, increased by 5.53% to ₹9,511.52 million in Fiscal 2017 from ₹9,012.86 million in Fiscal 2016 on account of increased operations.

As a percentage of our total revenue, cost of raw materials and components consumed decreased marginally to 58.78% in Fiscal 2017, from 59.46% in Fiscal 2016.

#### *Employee benefits expenses*

Our employee benefits expenses increased to ₹2,353.63 million in Fiscal 2017 from ₹2,018.43 million in Fiscal 2016, primarily due to increase in minimum wages and number of employees due to increased operations.

As a percentage of our total revenue, employee benefits expenses increased to 14.41% in Fiscal 2017 from 13.30% in Fiscal 2016.

#### *Other expenses*

Our other expenses increased to ₹2,945.42 million in Fiscal 2017 from ₹2,687.76 million in Fiscal 2016, primarily as a result of our increased operations.

Other expenses also include revenue expenses associated with our R&D activities amounting to ₹40.21 million in Fiscal 2017 and ₹33.66 million in Fiscal 2016.

As a percentage of our total revenue, other expenses increased to 18.03% in Fiscal 2017 from 17.70% in Fiscal 2016.

### ***EBITDA***

On account of the foregoing, our EBITDA increased by 4.45% to ₹1,524.73 million in Fiscal 2017 from ₹1,459.82 million in Fiscal 2016.

As a percentage of our total revenue, EBITDA decreased to 9.33% in Fiscal 2017 from 9.62% in Fiscal 2016.

### ***Depreciation and amortisation expense***

Our depreciation and amortisation expense increased by 9.29% to ₹602.76 million in Fiscal 2017 from ₹551.52 million in Fiscal 2016 primarily on account of additional capital expenditures amounting to ₹1,371.63 million.

### ***Finance costs***

Our finance costs increased by 0.91% to ₹427.39 million in Fiscal 2017 from ₹423.52 million in Fiscal 2016, as a result of increase in borrowings availed for part funding additional capital expenditures of ₹1,100.88 million and increase in working capital utilization of ₹585.80 million.

As a percentage of our total revenue, finance costs decreased to 2.61% in Fiscal 2017 from 2.79% in Fiscal 2016.

### ***Restated profit before exceptional items and tax***

Our restated profit before exceptional items and tax increased by 2.02% to ₹499.55 million in Fiscal 2017 from ₹489.65 million in Fiscal 2016.

As a percentage of our total revenue, restated profit before exceptional items and tax reduced to 3.06% in Fiscal 2017 from 3.23% in Fiscal 2016.

### ***Exceptional items***

Exceptional items reduced by 86.51% to ₹5.05 million in Fiscal 2017 from ₹37.43 million in Fiscal 2016. Expenses due to exceptional items were higher during Fiscal 2016 on account of (i) writing off of expenses incurred towards the preparation for an initial public offering to the extent of ₹29.15 million; and (ii) advance of ₹8.28 million written off on account of exit from Sandhar Caama.

As a percentage of our total revenue, expense due to exceptional items reduced to 0.03% in Fiscal 2017 from 0.25% in Fiscal 2016.

### ***Restated profit before tax***

Our restated profit before tax increase by 9.35% to ₹494.50 million in Fiscal 2017 from ₹452.22 million in Fiscal 2016, on account of decrease in exceptional items.

As a percentage of our total revenue, restated profit before tax increased to 3.03% in Fiscal 2017 from 2.98% in Fiscal 2016.

### ***Total tax expenses***

Our total tax expenses decreased by 13.79% from ₹114.74 million in Fiscal 2016 to ₹98.92 million in Fiscal 2017, largely as a result of eligibility of additional depreciation under section 32AC of Income Tax Act 1961, on account of higher capital expenditures. We are entitled to deductions of: (i) 100% of profits and gains from our manufacturing facility in Haridwar for five years commencing from the initial assessment year, and (ii) 30% of profits and gains for the next five assessment years. Our manufacturing facility in Haridwar commenced commercial operations in March 2010, and we are currently entitled to 30% of profits and gains until Fiscal 2019.

As a percentage of our total revenue, total tax expenses decreased to 0.62% in Fiscal 2017 from 0.76% in Fiscal 2016.

### **Restated profit after tax**

As a result of the foregoing, our restated profit after tax increased by 17.22% to ₹395.58 million in Fiscal 2017 from ₹337.48 million in Fiscal 2016.

Our restated profit after tax as a percentage of our total revenue however increased to 2.42% in Fiscal 2017 from 2.22% in Fiscal 2016.

### **Fiscal 2016 compared with Fiscal 2015**

#### **Revenue**

##### *Revenue from operations (gross)*

Our revenue from operations (gross) in Fiscal 2016 and Fiscal 2015 was ₹16,436.78 million and ₹16,061.71 million, respectively. Our revenue from operations (gross) increased by 2.34% in Fiscal 2016 compared to Fiscal 2015, primarily on account of the following reasons:

- increase in sales of products to four-wheelers OEMs to ₹20,606.65 million in Fiscal 2016 from ₹16,901.63 million in Fiscal 2015; and
- increase in sales of products to off-highway vehicles to ₹10,336.16 million in Fiscal 2016 from ₹6,737.10 million in Fiscal 2015.

*Sales of products:* Our sales of products increased to ₹16,064.57 million in Fiscal 2016 from ₹15,681.62 million in Fiscal 2015. Sale of products constituted 97.74% and 97.63% respectively of our revenue from operations (gross) in Fiscal 2016 and Fiscal 2015, respectively.

The sale of our products increased in the following manner:

<i>(in ₹ million)</i>				
Sr. No	Particulars	Fiscal 2016	Fiscal 2015	Percentage increase / (decrease)
1.	Locks	3,846.12	3,622.78	6.16%
2.	Mirror Assembly	2,263.54	2,172.11	4.21%
3.	Wheel Assembly	1,885.79	1,983.04	(4.90%)
4.	Aluminium Components	2,151.46	1,841.17	16.85%
5.	Cabins	826.82	497.74	66.11%

*Sales of services:* Our sales of services decreased to 242.86 million in Fiscal 2016 from ₹246.30 million in Fiscal 2015. Sale of services constituted 1.48% and 1.53% of our revenue from operations (gross) in Fiscal 2016 and Fiscal 2015, respectively.

Our other operating revenue which comprises of scrap sales decreased to ₹129.35 million in Fiscal 2016 from ₹133.79 million in Fiscal 2015. Other operating revenue constituted 0.79% and 0.83% of our revenue from operations (gross) in Fiscal 2016 and Fiscal 2015, respectively.

##### *Revenue from operations (net)*

Our revenue from operations (net) is our revenue from operations (gross) less excise duty. Excise duty for Fiscal 2016 and Fiscal 2015 was ₹1,304.59 million and ₹1,241.19 million, respectively.

Our revenue from operations (net) in Fiscal 2016 and Fiscal 2015 was ₹15,132.19 million and ₹14,820.52 million, respectively. Our revenue from operations (net) increased by 2.1% in Fiscal 2016.

Our revenue from operations (net) constituted 99.69% and 99.64% of our total revenue in Fiscal 2016 and Fiscal 2015, respectively.

##### *Other income*

Other income was ₹46.68 million and ₹52.91 million constituting 0.31% and 0.36% of the total revenue in Fiscal 2016 and Fiscal 2015 respectively.

### *Total revenue*

Our total revenue in Fiscal 2016 and Fiscal 2015 was ₹15,178.87 million and ₹14,873.43 million, respectively. Our segment revenue from India during Fiscal 2016 and Fiscal 2015 was ₹13,136.55 million and ₹12,920.95 million, respectively, which contributed 86.55% and 86.87% to our total revenue on a consolidated basis, respectively. Our segment revenue from Europe during Fiscal 2016 and Fiscal 2015, was ₹2,041.72 million and ₹1,952.34 million, respectively, constituting 13.45% and 13.13% of our total revenue, respectively.

### *Expenses*

Our total expenses increased by 2.16% to ₹13,719.05 million in Fiscal 2016 from ₹13,429.04 million in Fiscal 2015. As a percentage of our total revenue, total expenses marginally increased to 90.38% in Fiscal 2016, from 90.29% in Fiscal 2015.

#### *Cost of raw materials and components consumed*

Cost of raw materials and components consumed decreased by 0.98% to ₹9,025.56 million in Fiscal 2016 from ₹9,114.58 million in Fiscal 2015 on account of softer commodity prices as well as savings in procurement of commodities like aluminium.

Cost of raw materials and components consumed, after adjustment of (increase)/decrease in inventories of finished goods and work in progress, decreased by 0.70% to ₹9,012.86 million in Fiscal 2016 from ₹9,076.70 million in Fiscal 2015.

As a percentage of our total revenue, cost of raw materials and components consumed decreased to 59.46% in Fiscal 2016, from 61.28% in Fiscal 2015.

#### *Employee benefits expenses*

Our employee benefits expenses increased to ₹2,018.43 million in Fiscal 2016 from ₹1,842.81 million in Fiscal 2015, primarily as a result of our increased operations leading to an increase in number of employees to 6,723 as on March 31, 2016 from 6,615 as on March 31, 2015 as well as an increment in salaries.

As a percentage of our total revenue, employee benefits expenses increased to 13.30% in Fiscal 2016 from 12.39% in Fiscal 2015.

#### *Other expenses*

Our other expenses increased to ₹2,687.76 million in Fiscal 2016 from ₹2,509.53 million in Fiscal 2015, primarily as a result of our increased operations.

These expenses also include revenue expenses associated with our R&D activities amounting to ₹33.66 million in Fiscal 2016 and ₹27.74 million in Fiscal 2015.

As a percentage of our total revenue, other expenses increased to 17.70% in Fiscal 2016 from 16.87% in Fiscal 2015.

### *EBITDA*

On account of the foregoing, our EBITDA increased by 1.07% to ₹1,459.82 million in Fiscal 2016 from ₹1,444.39 million in Fiscal 2015.

As a percentage of our total revenue, EBITDA decreased to 9.62% in Fiscal 2016 from 9.71% in Fiscal 2015.

#### *Depreciation and amortization expense*

Depreciation and amortization expense increased by 5.31% to ₹551.52 million in Fiscal 2016 from ₹523.71 million in Fiscal 2015 as a result of additional capital expenditures.

#### *Finance costs*

Our finance costs increased by 3.29% to ₹423.52 million in Fiscal 2016 from ₹410.03 million in Fiscal 2015, as a result of increase in interest rates and increase in borrowings availed for additional capital expenditures of ₹1,012.08 million.

As a percentage of our total revenue, finance costs marginally increased to 2.79% in Fiscal 2016 from 2.76% in Fiscal 2015.

### ***Restated profit before exceptional items and tax***

Our restated profit before exceptional items and tax reduced by 4.79% to ₹489.65 million in Fiscal 2016 from ₹514.31 million in Fiscal 2015.

As a percentage of our total revenue, our restated profit before exceptional items and tax reduced to 3.23% in Fiscal 2016 from 3.46% in Fiscal 2015.

### ***Exceptional items***

Our expenses due to exceptional items increased by 100.00% to ₹37.43 million in Fiscal 2016 from nil in Fiscal 2015 due to increase in operational expenses and exceptional items consisting of (i) writing off of expenses incurred towards the preparation for an initial public offering to the extent of ₹29.15 million; and (ii) advance of ₹8.28 million written off on account of exit from Sandhar Caama.

As a percentage of our total revenue, expense due to exceptional items increased to 0.25% in Fiscal 2016 from 0.00% in Fiscal 2015.

### ***Restated profit before tax***

Our restated profit before tax decreased by 12.07% to ₹452.22 million in Fiscal 2016 from ₹514.31 million in Fiscal 2015, due to increase in operational expenses and exceptional items consisting of (i) writing off of IPO expenses to the extent of ₹29.15 million; and (ii) Advance written off of ₹8.28 million on account of exit from joint venture Sandhar Caama.

### ***Total tax expenses***

Our total tax expenses decreased by 11.93% to ₹114.74 million in Fiscal 2016 from ₹130.29 million in Fiscal 2015, (although partially offset by way of additional tax expense arising for earlier years amounting to ₹14.36 million) due to deductions availed in respect of: (i) 100% of profits and gains from our manufacturing facility in Haridwar for five years commencing from the initial assessment year, and (ii) 30% of profits and gains for the next five assessment years. Our manufacturing facility in Haridwar commenced commercial operations in March 2010, and we are currently entitled to 30% of profits and gains until Fiscal 2019.

### ***Restated profit after tax***

Our restated profit after tax decreased by 12.12% to ₹337.48 million in Fiscal 2016 from ₹384.02 million in Fiscal 2015. Restated profit after tax as a percentage of our total revenue, decreased to 2.22% in Fiscal 2016 from 2.58% in Fiscal 2015, as a result of the foregoing.

## **Liquidity and Capital Resources**

We need cash primarily for our operating activities, capital expenditures for maintenance, fund our expansion plans and repayment of borrowings. This includes our ongoing expansion of existing facilities. For further details, please refer to the chapter “*Objects of the Offer*” on page 97. We intend to fund these capital requirements through a variety of sources, including the proceeds of the Issue, cash from operations and short- and long-term lines of credit and other borrowings.

Our principal sources of funding include cash from operations, cash and bank balances, funds raised from time to time from borrowings and from the issue of equity shares by our Company. As of September 30, 2017, we had cash and bank balances of ₹60.86 million. Our secured borrowings (long term and short term) aggregated ₹2,794.54 million and unsecured borrowings (long term and short term) aggregated ₹1,937.52 million, resulting in total secured and unsecured borrowings (long term and short term) of ₹4,732.06 million as of September 30, 2017. For our Joint Ventures, equity contributions from us and our joint venture partners are a significant source of funding.

### ***Cash Flows***

For the six months period ended September 30, 2017 and years ended March 31, 2017, 2016 and 2015, we had cash and bank balances of ₹60.86 million, ₹73.02 million, ₹60.38 million and ₹72.66 million, respectively. The following table sets out the principal elements of our cash flows for the six months period ended September 30, 2017, Fiscal 2017, Fiscal 2016 and Fiscal 2015.



(In ₹ million)

Particulars	For the period ending	For the year ending		
	September 30, 2017	March 31, 2017	March 31, 2016	March 31, 2015
Net cash inflow from operating activities	<b>1,107.82</b>	<b>929.81</b>	<b>1,437.22</b>	<b>995.74</b>
Net cash used in investing activities	(984.48)	(1,049.74)	(1,064.86)	(1,128.93)
Net cash flow from/(used in) financing activities	<b>(155.33)</b>	<b>147.56</b>	<b>(412.25)</b>	<b>202.89</b>
Net increase/(decrease) in cash and cash equivalents	(31.99)	27.63	(39.89)	69.70
Impact on Cash flow on account of Foreign currency translation	14.76	(4.25)	36.96	(50.09)
Cash and cash equivalents at the beginning of the year	60.41	37.03	39.96	20.35
<b>Cash and cash equivalents at the end of the year</b>	<b>43.18</b>	<b>60.41</b>	<b>37.03</b>	<b>39.96</b>

#### *Cash flows from operating activities*

Net cash inflow from operating activities on six months period ended September 30, 2017 consisted of profit before tax of ₹500.96 million as adjusted primarily for depreciation and amortisation expenses of ₹336.67 million, profit on sale of PPE of ₹0.96 million, and interest expenses of ₹200.76 million and as a result our operating profits before working capital changes was ₹1041.07 million for six months period ending September 30, 2017. This was further adjusted for changes in working capital and, as a result, cash generated from operations before adjusting for direct taxes paid was ₹1,168.93 million for six months period ended September 30, 2017. Movements in working capital were primarily on account of decrease in trade receivables of ₹550.29 million, decrease in inventories of ₹264.65 million, increase in other current liabilities of ₹145.16 million and increase in trade payables of ₹785.59 million. Cash generated from operations was ₹1,168.93 million for six months period ending September 30, 2017 which was adjusted for direct taxes paid of ₹61.11 million, as a result, net cash inflow from operating activities was ₹1,107.82 million for six months period ending September 30, 2017.

Net cash inflow from operating activities for Fiscal 2017 consisted of restated profit before tax of ₹494.50 million as adjusted primarily for depreciation and amortisation expenses of ₹602.76 million, profit on sale of PPE of ₹26.93 million, and interest expenses of ₹427.39 million and as a result our operating profits before working capital changes was ₹1,454.15 million for Fiscal 2017. This was further adjusted for changes in working capital and, as a result, cash generated from operations before adjusting for direct taxes paid was ₹1,018.82 million for Fiscal 2017. Movements in working capital were primarily on account of increase in trade receivables of ₹426.88 million, increase in inventories of ₹72.42 million, increase in other current liabilities of ₹37.78 million and increase in trade payables of ₹120.32 million. Cash generated from operations was ₹1,018.82 million for Fiscal 2017 which was adjusted for direct taxes paid of ₹89.01 million, as a result, net cash inflow from operating activities was ₹929.81 million for Fiscal 2017.

Net cash inflow from operating activities for Fiscal 2016 consisted of restated profit before tax of ₹452.22 million as adjusted primarily for depreciation and amortisation expenses of ₹551.52 million, profit on sale of PPE of ₹0.54 million, and interest expenses of ₹423.52 million and as a result our operating profits before working capital changes was ₹1,453.02 million for Fiscal 2016. This was further adjusted for changes in working capital and, as a result, cash generated from operations before adjusting for direct taxes paid was ₹1,599.82 million for Fiscal 2016. Movements in working capital were primarily on account of decrease in trade receivables of ₹209.06 million, increase in inventories of ₹26.25 million, increase in other current liabilities of ₹7.79 million and increase in trade payables of ₹0.51 million. Cash generated from operations was ₹1,599.82 million for Fiscal 2016 which was adjusted for direct taxes paid of ₹162.60 million, as a result, net cash inflow from operating activities was ₹1,437.22 million for Fiscal 2016.

Net cash inflow from operating activities for Fiscal 2015 consisted of restated profit before tax of ₹514.31 million as adjusted primarily for depreciation and amortisation expenses of ₹523.71 million, profit on sale of PPE of ₹2.27 million, and interest expenses of ₹410.03 million and as a result our operating profits before working capital changes was ₹1,435.50 million for Fiscal 2015. This was further adjusted for changes in working capital and, as a result, cash generated from operations before adjusting for direct taxes paid was ₹1,111.08 million for Fiscal 2015. Movements in working capital were primarily on account of increase in trade receivables of ₹363.99 million, increase in inventories of ₹273.42 million, decrease in other current liabilities of ₹104.86 million and increase in trade payables of ₹416.20 million. Cash generated from operations was ₹1,111.08 million for Fiscal 2015 which was adjusted for direct taxes paid of ₹115.34 million, as a result, net cash inflow from operating activities was ₹995.74 million for Fiscal 2015.

#### *Cash flows from investing activities*

Net cash used in investing activities for six months period ended September 30, 2017 consisted of outflows in the form of purchase of PPE including intangible assets, capital work in progress and capital advances of ₹969.73 million. The net cash

used in investing activities amounted to ₹984.48 million for period ended September 30, 2017.

Net cash used in investing activities for Fiscal 2017 consisted of outflows in the form of purchase of PPE including intangible assets, capital work in progress and capital advances of ₹1,100.88 million. The net cash used in investing activities amounted to ₹1,049.74 million for Fiscal 2017.

Net cash used in investing activities for Fiscal 2016 consisted of outflows in the form of purchase of PPE including intangible assets, capital work in progress and capital advances of ₹1,074.97 million. The net cash used in investing activities amounted to ₹1,064.86 million for Fiscal 2016.

Net cash used in investing activities for Fiscal 2015 consisted of outflows in the form of purchase of PPE including intangible assets, capital work in progress and capital advances of ₹1,113.08 million, investments in bank deposits of ₹25.72 million. The net cash used in investing activities amounted to ₹1,128.93 million for Fiscal 2015.

#### *Cash flows from financing activities*

Net cash used in financing activities for six months period ended September 30, 2017 included outflows in the form of interest paid of ₹205.62 million, proceeds from short term borrowings (net of repayment) of ₹85.33 million, repayment of long-term borrowings of ₹365 million and inflow in the form of and proceeds from long term borrowings of ₹391.90 million. The net cash used in financing activities amounted to ₹155.33 million for six months period ended September 30, 2017.

Net cash flow from financing activities for Fiscal 2017 included outflows in the form of interest paid of ₹423.76 million, proceeds from short term borrowings (net of repayments) of ₹586.73 million, repayment of long-term borrowings of ₹996.79 million and inflow in the form of proceeds from long term borrowings of ₹1,075 million. The net cashflow from financing activities amounted to ₹147.56 million in Fiscal 2017.

Net cash used in financing activities for Fiscal 2016 included outflows in the form of interest paid of ₹421.74 million, repayment of short term borrowings (net of proceeds) of ₹176.80 million, repayment of long-term borrowings of ₹647.73 million and inflow in the form of proceeds from long term borrowings of ₹1,051.33 million. The net cash used in financing activities amounted to ₹412.25 million in Fiscal 2016.

Net cash flow from financing activities for Fiscal 2015 included outflows in the form of interest paid of ₹408.15 million, repayment of short term borrowings (net of proceeds) of ₹59.98 million, repayment of long-term borrowings of ₹575.15 million and inflow in the form of proceeds from share application of ₹315.24 million and proceeds from long term borrowings of ₹1,038.25 million. The net cash flow from financing activities amounted to ₹202.89 million in Fiscal 2015.

#### *Fixed assets*

Our tangible fixed assets principally include expenses towards plant and machinery and other fixed assets including furniture and fixtures and IT infrastructure. Land and buildings are added on specific need basis.

Cash outflow on account of purchase of PPE, including intangible assets, capital work in progress and capital advances for the six months period ended September 30, 2017, Fiscal years 2017, 2016 and 2015 was ₹969.73 million, ₹1,100.88 million, ₹1,074.97 million and ₹1,113.08 million, respectively. The following table provides a breakdown of our PPE by category:

*(In ₹million)*

Asset class	Net block as on			
	September 30, 2017	Mar 31, 2017	Mar 31, 2016	Mar 31, 2015
Land and buildings	2,574.01	2,561.53	2,358.58	2,155.40
Plant and equipment	3,362.77	3,098.49	2,647.31	2,323.33
Other tangible fixed assets	187.79	178.72	137.33	128.27
<b>TOTAL</b>	<b>6,124.57</b>	<b>5,838.74</b>	<b>5,143.22</b>	<b>4,607.00</b>

#### *Capital commitments*

Our outstanding capital commitments as on September 30, 2017, March 31, 2017, 2016 and 2015 were ₹358.18 million, ₹325.67 million, ₹249.36 million and ₹214.59 million, respectively, on account of estimated amount of contracts remaining to be executed on capital accounts (net of advances).

#### **Borrowings**

As on September 30, 2017, our consolidated borrowings (long term and short term) aggregated to ₹4,732.06 million, which

consisted primarily of long term borrowings amounting to ₹2,627.95 million and short term borrowings of ₹2,104.11 million.  
(In ₹million)

Particulars	As on			
	September 30, 2017	Mar 31, 2017	Mar 31, 2016	Mar 31, 2015
<b>Long term borrowings*</b>				
Secured borrowings	1,959.54	1,833.68	1,521.02	1,759.69
Unsecured borrowings	668.41	950.19	1,181.02	522.08
<b>Short term borrowings</b>				
Secured borrowings	835.00	951.88	585.36	724.41
Unsecured borrowings	1,269.11	880.76	661.48	698.45
<b>TOTAL BORROWINGS</b>	<b>4,732.06</b>	<b>4,616.51</b>	<b>3,948.88</b>	<b>3,704.63</b>

\* Amount includes total portion (i.e., non-current portion and current portion).

As of September 30, 2017, total portion of our long-term borrowings payable in the next 12 months is ₹709.76 million consisting of secured borrowings of ₹501.10 million and unsecured borrowings of ₹208.66 million.

For more information, please refer to the chapter “Financial Indebtedness” and “Financial Statements” on pages 448 and 248, respectively.

### Contingent Liabilities

As on September 30, 2017, we had the following contingent liabilities not provided for (as per AS 29 - Provisions, Contingent Liabilities and Contingent Assets), as disclosed in the notes to our restated consolidated summary statements:

(In ₹million)

	Particulars	September 30, 2017
<b>1.</b>	Claims against the Group Entities not acknowledged as debts	
i)	Service tax demands	38.67
ii)	Income tax demands	5.00
iii)	Sales tax/VAT demand	0.13
iv)	Demand notice against land(Chakan and Pathredi)	83.75
v)	Other matters	3.67
<b>2.</b>	Guarantees given by the Group Entities	6.73
<b>3.</b>	Bills discounting with bank	794.13
	<b>TOTAL</b>	<b>932.08</b>

### Quantitative and qualitative disclosure about 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 are subject to commodity price risk, foreign exchange risk and interest rate risk.

The financial instruments that are affected by these include loans and borrowing, deposits, available-for-sale investments and derivative financial instruments. We, from time to time, undertake analysis in relation to the amount of our net debt, the ratio of fixed to floating interest rates of our debt and our financial instruments that are in foreign currencies. We use derivative financial instruments such as foreign exchange contracts to manage our exposures to foreign exchange fluctuations.

#### Commodity price risk

Commodity price risk is the possibility of impact from changes in the prices of raw materials such as zinc, aluminium, brass, copper, nickel, plastics, rubber and steel, which we use in the manufacture of our products. While we seek to pass on input cost increases to our customers, we may not be able to fully achieve this in all situations or at all times.

#### Foreign exchange risk

We face foreign exchange risk in respect of (i) raw materials and components imported, (ii) sale of products and services exported (iii) royalty and technical know-how fees paid or payable (iv) capital expenditure in the nature of imports (v) our foreign currency loans, in respect of which we selectively hedge currency exchange rate risk, (vi) currency mismatches between our income and our expenditures, which we seek to manage as much as possible by matching income currency to expenditure currency, and (vii) currency translation for the purpose of preparing our consolidated financial statements, on account of our global operations.

### *Interest rate risk*

We are subject to market interest risks due to fluctuations in interest rates primarily in relation to our debt obligations with floating interest rates. As on September 30, 2017, all of our loans carried floating interest rate. The interest rate, is also subject to periodic review by lending banks / financial institutions in relation to their respective base lending rates, which may vary over a period result of any change in the monetary policy of the Reserve Bank of India.

### *Inflation risk*

Inflation increases input costs and overhead costs may adversely affect our operating results. There may be time lag in recovering the inflation impact from our customer and we may not be able to recover the full impact of such inflation. A high rate of inflation in the future may, therefore, have an adverse effect on our ability to maintain our profit margins.

### *Credit risk*

We are subject to the risk that our counterparties under various financial or customer agreements will not meet their obligations. Our credit risk exposure relates to our operating activities and our financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments. In relation to credit risk arising from financing activities, we monitor our credit spreads and financial strength on a regular basis, and based on our on-going assessment of counterparty risk, we adjust our exposure to various counterparties.

As on September 30, 2017, March 31, 2017, 2016 and 2015, our provision for doubtful debts amounted to ₹16.95 million, ₹17.32 million, ₹14.68 million and ₹14.65 million, respectively, on a consolidated basis.

### **Related Party Transactions**

For details of our related party transactions, please refer to the chapter “*Related Party Transactions*” on page 246.

### **Qualitative disclosure about market risk**

#### *Unusual or infrequent events of transactions*

To our knowledge, there have been no other events or transactions that may be described as “unusual” or “infrequent” during the last three Fiscal years, except as disclosed in this Red Herring Prospectus.

#### *Significant economic and regulatory changes*

Except as described in the chapters “*Risk Factors*” and “*Regulations and Policies*” on pages 20 and 190, respectively, there have been no significant economic or regulatory changes that could affect our income from continuing operations.

#### *Future relationship between costs and income*

Other than as described in this chapter and in the chapters “*Risk Factors*” and “*Our Business*” on pages 20 and 163, respectively, to our knowledge, there are no known factors that may materially affect the future relationship between our operations and income.

#### *Known trends or uncertainties*

Except as described in this Red Herring Prospectus, including in the chapter “*Risk Factors*” on page 20 and in this section in particular, to our knowledge, there are no trends or uncertainties that have or had or are expected to have any material adverse impact on our results of operations.

#### *Dependence on a few customers and suppliers*

A significant portion of our sales depend on a relatively small number of customers, and we depend on certain suppliers for particular products. For further details, please refer to the chapters “*Risk Factors*” and “*Our Business*” on pages 20 and 163, respectively.

#### *Competitive conditions*

We operate in a competitive environment. For further details, please refer to the discussions regarding our competition in “*Risk*

Factors” and “Our Business” on pages 20 and 163, respectively.

*Total turnover of each major industry segment in which the issuer operated*

We are primarily engaged in the business of manufacture of auto components for two-wheeler, four-wheelers & commercial vehicle industry, which are governed by the same set of risk and returns but subject to the geographical industry trends and hence our business activities fall within a single primary business segment. For industry related information, see “Industry Overview” on page 117.

*Status of any publicly announced new products or business segment*

We have not publicly announced any new products or business segments

*Extent of seasonality of business*

We do not consider our business to be seasonal in nature. However, our quarterly results of operations may fluctuate significantly as a result of a variety of factors, including the seasonal nature of the sector in which we operate. For further details, please see “Risk Factor – Our quarterly results may fluctuate significantly, which could have a negative effect on the price of our Equity Shares” on page 25.

**SIGNIFICANT DEVELOPMENTS AFTER SEPTEMBER 30, 2017**

To our knowledge and belief, except as stated below and otherwise disclosed in this Red Herring Prospectus, no circumstances have arisen since the date of the last financial statements contained in this Red Herring Prospectus which materially affect or are likely to affect, the trading and profitability of our Company, or the value of our assets or our ability to pay material liabilities within the next 12 months:

By way of a resolution passed by our Board on November 18, 2017, our Board agreed to initiate the process of liquidation of our Subsidiary, Sandhar Breniar.

**RESERVATIONS OR QUALIFICATIONS OR MATTERS OF EMPHASIS OR ADVERSE REMARKS OF AUDITORS IN THE LAST FIVE FISCALS**

**Reservations:**

None

**Qualifications:**

Fiscal ended	Qualifications in the Previous Auditor’s reports on our audited unconsolidated financial statements as at, and for the Fiscals ended March 31, 2015, March 31, 2014, and March 31, 2013 as reproduced below	Corrective Steps
March 31, 2015	<p><i>“The Company has invested Rs. 40.39 Million in a wholly owned subsidiary and has a recoverable amount of Rs. 41.97 Million from such subsidiary, as at March 31, 2015. As per the unaudited management accounts provided to us, the subsidiary’s accumulated losses of Rs. 70. 59 Million exceed its net worth as at March 31, 2015. The subsidiary also has net current liabilities of Rs. 32.10 Million as at March 31, 2015. In earlier year subsidiary filed for liquidation. For reasons more fully described in the notes to the accounts, we are unable to comment on the realizability of the investment and recoverability of the aforesaid advance and adjustments, if any, that may be required to be made to the financial statements in the event of non-realizability / non-recoverability of any part or whole of investment value / advance respectively. Our audit opinion on the financial</i></p>	<p>As at March 31, 2015, the Company has an investment of ₹40.39 million (Previous year ₹40.39 million) and loans and advances of ₹41.97 million (previous year ₹41.97 million) with its wholly-owned Subsidiary PT Sandhar. Due to PT Sandhar’s continuing losses, the Company has decided to wind-up PT Sandhar, and the process of its liquidation was started in the previous year which is expected to be completed by the end of the next Financial Year.</p> <p>The Company had started PT Sandhar in Indonesia to manufacture products for one of the Company’s key customers. However, due to lack of adequate business by customers, PT Sandhar suffered losses. The matter to compensate the Company towards its investment PT Sandhar is under discussion with the concerned key customer. In view of the same, no provision against the amount of the aforesaid investment and loans and advances is made in the Company’s financial statements as at March 31, 2014 and March 31, 2015.</p>

<b>Fiscal ended</b>	<b>Qualifications in the Previous Auditor's reports on our audited unconsolidated financial statements as at, and for the Fiscals ended March 31, 2015, March 31, 2014, and March 31, 2013 as reproduced below</b>	<b>Corrective Steps</b>
	<i>statements for the previous year was also qualified in respect of the above matter."</i>	
March 31, 2014	<i>"The Company has invested Rs. 40.39 Million in a wholly owned subsidiary and has a recoverable amount of Rs. 41.97 Million from such subsidiary, as at March 31, 2014. As per the unaudited management accounts provided to us, the subsidiary's accumulated losses of Rs. 72.39 Million exceed its net worth as at March 31, 2014. The subsidiary also has net current liabilities of Rs. 29.88 Million as at March 31, 2014. During the previous year subsidiary has filed for liquidation. For reasons more fully described in the notes to the accounts, we are unable to comment on the realizability of the investment and recoverability of the aforesaid advance and adjustments, if any, that may be required to be made to the financial statements in the event of non-realizability / non-recoverability of any part or whole of investment value / advance respectively. Our audit opinion on the financial statements for the previous year was also qualified in respect of the above matter."</i>	<p>As at March 31, 2014, the Company has an investment of ₹40.39 million (Previous year ₹40.39 million) and loans and advances of ₹41.97 million (previous year ₹41.97 million) with its wholly-owned Subsidiary PT Sandhar. Due to PT Sandhar's continuing losses, the Company has decided to wind-up PT Sandhar, and the process of its liquidation was started in the previous year which is expected to be completed by the end of the next Financial Year.</p> <p>The Company had started PT Sandhar in Indonesia to manufacture products for one of the Company's key customers. However, due to lack of adequate business by customers, PT Sandhar suffered losses. The matter to compensate the Company towards its investment PT Sandhar is under discussion with the concerned key customer. In view of the same, no provision against the amount of the aforesaid investment and loans and advances is made in the Company's financial statements as at March 31, 2013 and March 31, 2014.</p>
March 31, 2013	<i>"The Company has invested Rs. 40.39 Million in a wholly owned subsidiary and has a recoverable amount of Rs. 41.97 Million from such subsidiary, as at March 31, 2013. As per the unaudited management accounts provided to us, the subsidiary's accumulated losses of Rs. 74.11 Million exceed its net worth as at March 31, 2013. The subsidiary also has net current liabilities of Rs. 29.21 Million as at March 31, 2013. During the year subsidiary has filed for liquidation. Accordingly we are unable to comment on the realizability of the investment and recoverability of the aforesaid advance and adjustments, if any, that may be required to be made to the financial statements in the event of non-realizability / non-recoverability of any part or whole of investment value / advance respectively. Our audit opinion on the financial statements for the previous year was also qualified in respect of the above matter."</i>	<p>As at March 31, 2013, the Company has an investment of ₹40.39 million (Previous year ₹40.39 million) and loans and advances of ₹41.97 million (previous year ₹21.32 million) with its wholly-owned Subsidiary PT Sandhar. Due to PT Sandhar's continuing losses, the Company has decided to wind-up PT Sandhar, and the process of its liquidation was started in the previous year which is expected to be completed by the end of the next year.</p> <p>The Company had started PT Sandhar in Indonesia to manufacture products for one of the Company's key customers. However, due to lack of adequate business by customers, PT Sandhar suffered losses. The matter to compensate the Company towards its investment (including debtor balance) PT Sandhar is under discussion with the concerned key customer. In view of the same, no provision against the amount of the aforesaid investment and loans and advances is made in the Company's financial statements as at March 31, 2013.</p>

**Matters of Emphasis:**

<b>Fiscal ended</b>	<b>Matters of emphasis in the Previous Auditor's reports on our audited unconsolidated financial statements as at, and for the Fiscals ended March 31, 2014, and March 31, 2013 as reproduced below</b>	<b>Corrective Steps</b>
March 31, 2014	<i>"The Company has received a demand notice amounting to Rs. 50.35 Million from Haryana State Industrial &amp; Infrastructure Development Corporation Limited (HSIIDC) towards payment of enhanced cost/ charges in respect of the land where the factory is located. The Company, is being represented by the Manesar Industries Welfare Association which has filed an appeal in the Hon'ble High Court of Punjab &amp; Haryana challenging the rate at which demand was computed by HSIIDC. In</i>	<p>During the previous year, the Company received a demand notice amounting to ₹50.35 million from the Haryana Industrial Infrastructure Development Corporation ("HSIIDC"), with respect to enhancement cost pertaining to its industrial land located at IMT Manesar, earlier allotted by HSIIDC. The Company contested the basis of computation of the enhancement cost demanded by HSIIDC before the High Court of Punjab &amp; Haryana through an appeal filed by the IMT Industrial Association which is, <i>inter alia</i>, representing the Company.</p>

Fiscal ended	Matters of emphasis in the Previous Auditor's reports on our audited unconsolidated financial statements as at, and for the Fiscals ended March 31, 2014, and March 31, 2013 as reproduced below	Corrective Steps
	<p><i>the appeal, the association computed a rate of enhanced cost which they estimate as payable and the Company has, accordingly, provided an amount of Rs. 4.45 Million during the previous year based on such computation. Pending the outcome of the case, the Company has deposited Rs. 25.76 Million under protest against the demand raised which is shown as capital advance as at March 31, 2014. Our opinion is not qualified in respect of this matter.”</i></p>	<p>In the appeal, the association computed a rate of enhanced cost which they believe is payable. The Company, accordingly, provided an amount of ₹4.45 million based on such computation which was capitalized in the cost of land during the previous year. The Company did not provide for the contested balance of ₹45.90 million pending the outcome of the case. The Company has deposited a sum of ₹25.76 million under protest against the demand raised, which is shown as capital advance as at March 31, 2014.</p>
March 31, 2013	<p><i>“The Company has received a demand notice amounting to Rs. 50.35 Million from Haryana State Industrial &amp; Infrastructure Development Corporation Limited (HSIIDC) towards payment of enhanced cost/ charges in respect of the land where the factory is located. The Company, is being represented by the Manesar Industries Welfare Association which has filed an appeal in the Hon'ble High Court of Punjab &amp; Haryana challenging the rate at which demand has been computed by HSIIDC. In the appeal, the association has computed a rate of enhanced cost which they estimate as payable and the Company has, accordingly, provided an amount of Rs. 4.45 Million based on such computation. Our opinion is not qualified in respect of this matter.”</i></p>	<p>The Company has received a demand notice amounting to ₹50.35 million from HSIIDC with respect to enhancement cost pertaining to its industrial land located at IMT Manesar, earlier allotted by HSIIDC. The Company has contested the basis of computation of the enhancement cost demanded before the High Court of Punjab &amp; Haryana through an appeal filed by the IMT Industrial Association which is, <i>inter alia</i>, representing the Company.</p> <p>In the appeal, the association has computed a rate of enhanced cost which they believe is payable. The Company has, accordingly, provided an amount of ₹4.45 million based on such computation, and not provided for the contested balance of ₹45.90 million pending the outcome of the case.</p>

## FINANCIAL INDEBTEDNESS

Our Company, our Joint Ventures, and our Subsidiaries avail loans in the ordinary course of business, primarily for the purposes of meeting our capital expenditure and working capital requirements. Our Company provides a guarantee in relation to these loans as and when required.

Set forth below is a brief summary of our aggregate borrowings as on December 31, 2017:

(₹ in million)		
Nature of borrowing	Amount sanctioned	Amount outstanding as on December 31, 2017
<b>Company (A)</b>		
<b>Term loan (including buyer's credit)</b>		
Secured borrowings	3,415.00	2,167.57
Unsecured borrowings	800.00	532.50
<b>Working capital facilities</b>		
Secured borrowings	2,542.50	912.28
Unsecured borrowings	NIL	NIL
<b>Vehicle loans (secured)</b>	18.41	14.83
<b>Total borrowings (A)</b>	<b>6,775.91</b>	<b>3,627.18</b>
<b>Subsidiaries and JVs (B)</b>		
<b>Term loan</b>		
Secured borrowings	196.48	132.30
Unsecured borrowings	170.38	82.47
<b>Working capital facilities</b>		
Secured borrowings	15.00	13.99
Unsecured borrowings	1,313.37	1,302.31
<b>Total borrowings (B)</b>	1,695.24	1,531.07
<b>Total borrowings (A+B)</b>	<b>8,471.15</b>	<b>5,158.25</b>

### Principal terms of the borrowings availed by us:

1. **Interest:** The interest rate is typically the MCLR / base rate of a specified lender and spread per annum, or are of a fixed rate. The spread varies between different loans availed by us from different banks.
2. **Tenor:** The tenor of the term loans availed by us ranges from 2 years to 6 years, and that of working capital loans is 12 months.
3. **Security:** In terms of our borrowings where security needs to be created, we are typically required to:
  - (a) Create security by way of hypothecation of our current and future current assets, including stocks and book debts; and
  - (b) Create equitable mortgage over our properties;

Further, our vehicle loans are secured by way of hypothecation of the financed vehicle.

The aforesaid list is indicative and there may be additional requirements for creation of security under the various borrowing arrangements entered into by us from time to time.
4. **Re-payment:** While our term loans are not repayable on demand, our working capital facilities are typically repayable on demand. Some of our lenders have a right to modify or cancel the facilities without prior notice, and require immediate repayment of all outstanding amounts.
5. **Events of Default:** Borrowing arrangements entered into by us contain certain events of default, including but not limited to:
  - (a) failure on part of the company to make payment to the bank of any part of the loan facilities and/or dues;
  - (b) if the company shall suspend or cease to carry on business or to conduct its business to the satisfaction of the bank or any of them;
  - (c) the company misusing the loan facilities or any part thereof for any purpose other than for which the loan facilities



have been sanctioned;

- (d) the company creating any manner of interest in the hypothecated assets and / or properties or any part thereof;
- (e) the representations made by the company being found to be untrue in any manner, whatsoever;
- (f) the company committing a breach of any of the terms, covenants and conditions contained in the agreements; and
- (g) the company committing a default and / or breach in respect of any of its obligations under the loan agreement and/or under any other agreement entered into by the company either with the bank or any other person or body or under the law or otherwise howsoever.

6. ***Restrictive Covenants:*** Certain borrowing arrangements entered into by us contain restrictive covenants, including:

- (a) any material change in the shareholding of the Company;
- (b) formulate any merger, amalgamation, reconstruction or consolidation;
- (c) make any corporate investments or investment by way of share capital or debentures or advance funds or place deposits with any corporate body unless statutorily required;
- (d) undertake guarantee obligation on behalf of any third party;
- (e) create and subsist any encumbrance, mortgage or charge over any of the present or future properties, assets or revenues;
- (f) change in ownership or control of the Company; and
- (g) material change in the management of the business of the Company.

The aforesaid list is indicative and there may be additional terms that may amount to an event of default under the various borrowing arrangements entered into by us.

For further details in relation to our financial indebtedness, see “*Financial Statements*” on page 248.

## SECTION VI: LEGAL AND OTHER INFORMATION

### OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

Except as stated in this section, there are no outstanding (i) criminal litigation involving our Company, Subsidiaries, Directors, Promoter or Group Entities; (ii) actions by any statutory or regulatory authorities involving our Company, Subsidiaries, Directors, Promoter or Group Entities; or (iii) claim involving our Company, Subsidiaries, Directors, Promoter or Group Entities for any direct or indirect tax liabilities, respectively, on a consolidated basis.

Further, except as stated in this section, there are no (i) outstanding proceedings initiated for economic offences against our Company; (ii) pending defaults or non-payment of statutory dues by our Company; (iii) material fraud against our Company in the last five years immediately preceding the Draft Red Herring Prospectus; (iv) inquiries, inspections or investigations initiated or conducted under the Companies Act against our Company or Subsidiaries during the last five years immediately preceding the year of the Draft Red Herring Prospectus; (v) prosecutions filed (whether pending or not); compounding of offences or fines imposed under the Companies Act against our Company and Subsidiaries, in the last five years immediately preceding the year of the Draft Red Herring Prospectus; (vi) litigation or legal action, pending or taken, against our Promoter by any ministry or Government department or statutory authority during the last five years immediately preceding the date of the Draft Red Herring Prospectus; (vii) other pending litigations involving our Company, Subsidiaries, Directors, Promoter, Group Entities or any other person, as determined to be material by our Board of Directors, in accordance with the SEBI ICDR Regulations; or (viii) outstanding dues to creditors of our Company as determined to be material by our Board of Directors, in accordance with the SEBI ICDR Regulations; and (ix) outstanding dues to small scale undertakings and other creditors; and (x) overdues or defaults to banks or financial institutions by our Company.

With respect to point (vii) above, our Board, in its meeting held on November 18, 2017, has adopted a policy for identification of material legal proceedings ("**Materiality Policy**"). For the purposes of disclosure, pursuant to the SEBI ICDR Regulations and the Materiality Policy 0.5% of the restated profit after tax being ₹1.97 million as per our Restated Consolidated Summary Statements for the financial year ended March 31, 2017, have been considered 'material', and disclosed in this Red Herring Prospectus

It is clarified that for the purposes of the above, pre-litigation notices (other than those issued by statutory or regulatory authorities) received by our Company, Subsidiaries, Directors, Promoter and the Group Entities shall, unless otherwise decided by the Board, not be considered as litigation until such time that our Company or any of our Subsidiaries, Directors, Promoter and our Group Entities, as the case may be, is impleaded as a defendant in litigation proceedings before any judicial forum.

Further, with respect to point (viii) above, our Board, in its meeting held on November 18, 2017, determined that outstanding dues to creditors in excess of 1% of the trade payables as at September 30, 2017, being ₹31.53 million, shall be considered as material dues ("**Material Dues**"). Details of outstanding dues to creditors including small scale undertakings as required under the SEBI ICDR Regulations have been disclosed on our website at [www.sandhargroup.com](http://www.sandhargroup.com).

Unless stated to the contrary, the information provided in this section is as of the date of this Red Herring Prospectus. All terms defined in a summary pertaining to a particular litigation shall be construed only in respect of the summary of the litigation where such term is used.

#### LITIGATION INVOLVING OUR COMPANY

##### (a) Outstanding criminal proceedings involving our Company

###### (i) Criminal proceedings against our Company

There are no criminal proceedings against our Company.

###### (ii) Criminal proceedings by our Company

There are no criminal proceedings by our Company.

##### (b) Outstanding litigation involving our Company in accordance with the Materiality Policy

###### (i) Civil proceedings against our Company

There are no civil proceedings against our Company

###### (ii) Civil proceedings by our Company

There are no civil proceedings against by Company

##### (c) Actions by statutory or regulatory authorities against our Company

There are no actions by statutory or regulatory authorities against our Company.

##### (d) Tax proceedings involving our Company

*Indirect Tax proceedings (consolidated)*

Sr. No.	Indirect Tax	Number of cases	Approximate amount in dispute/demanded (in ₹ million)
1.	Service tax	30	32.55
2.	Sales tax	1	0.13
<b>TOTAL</b>		<b>31</b>	<b>32.68</b>

*Direct Tax proceedings (consolidated)*

Sr. No.	Direct Tax	Number of cases	Approximate amount in dispute/demanded (in ₹ million)
1.	Income Tax	5	5.00
<b>TOTAL</b>		<b>5</b>	<b>5.00</b>

**(e) Material frauds against our Company**

No material frauds have been committed against our Company during the past five years.

**(f) Details of inquiries, inspections or investigations initiated or conducted under the Companies Act, 1956 or Companies Act, 2013**

There are no of inquiries, inspections or investigations initiated or conducted under the Companies Act, 1956, or Companies Act, 2013.

**(g) Outstanding litigation against any other person(s) or companies whose outcome could have an adverse effect on our Company**

There are no outstanding litigation, suits, criminal or civil prosecutions, statutory or legal proceedings including those for economic offences, tax liabilities, prosecution under any enactment in respect of Schedule V of the Companies Act, 2013, show cause notices or legal notices pending against any person or company whose outcome could affect the operations or finances of our Company or have a material adverse effect on the position of our Company.

**(h) Details of prosecutions filed (whether pending or not), fines imposed or compounding of offences effected in the last five years from the date of filing of the Draft Red Herring Prospectus**

There are no prosecutions filed (whether pending or not), fines imposed or compounding of offences effected in the last five years from the date of filing of the Draft Red Herring Prospectus.

**(i) Default and non-payment of statutory dues**

As on the date of this Red Herring Prospectus, there are no outstanding defaults in the payment of statutory dues.

**Outstanding dues to small scale undertakings and any other creditors**

In terms of the Materiality Policy, our Company considers outstanding dues to creditors in excess of ₹31.53 million as material dues.

As per our Restated Consolidated Summary Statements, we had 2,168 creditors to whom a total amount of ₹3,152.73 million stood outstanding. Of these, 11 were material creditors in terms of the Materiality Policy, and the total amount due to such material creditors was ₹923.63 million.

**Detail of dues to micro and small enterprises as defined under the Micro, Small and Medium Enterprises Development, 2006**

As of September 30, 2017, there were 54 cases of dues to micro and small enterprises to whom a total amount of ₹189.38 million was outstanding.

Complete details of outstanding dues to our creditors as on September 30, 2017 are available at the website of our Company, [www.sandhargroup.com](http://www.sandhargroup.com).

*Information provided on the website of our Company is not a part of this Red Herring Prospectus and should not be deemed to be incorporated by reference. Anyone placing reliance on any other source of information, including our Company's website, [www.sandhargroup.com](http://www.sandhargroup.com), would be doing so at their own risk.*

## LITIGATIONS INVOLVING OUR GROUP ENTITIES

(a) **Jubin Finance & Investment Limited**

(i) *Tax Cases*

*Direct Tax Cases (Consolidated)*

Sr. No.	Type of Direct Tax	No. of Cases	Amount in Dispute / Demanded (In ₹ million)
1.	Income Tax	1	2.69
<b>TOTAL</b>		<b>1</b>	<b>2.69</b>

(b) **Sandhar Estates Private Limited**

NIL

(c) **YSG Estates Private Limited**

NIL

(d) **Sanjeevni Impex Private Limited**

NIL

(e) **Sandhar Infosystems Limited;**

NIL

(f) **Raasaa Retail Private Limited;**

NIL

(g) **KDB Investments Private Limited;**

NIL

(h) **Sandhar Intelli-glass Solutions Limited;**

NIL

(i) **Haridwar Estates Private Limited; and**

NIL

(j) **Swaran Enterprises**

NIL

(k) **Sandhar Enterprises.**

NIL

## LITIGATIONS INVOLVING OUR SUBSIDIARIES AND JOINT VENTURES

(a) **Litigations involving our Subsidiaries**

(i) **Sandhar Technologies Barcelona**

Three labour claims have been filed against ST Barcelona in Spain before labour forums seeking the following: (i) Two surcharges claim for social security benefits due to lack of security measures of €315,000, and (ii) A claim for damages and losses of €241,616.85. Both matters are currently pending.

(ii) *Sandhar Tooling Private Limited*

NIL

(iii) *Sandhar Strategic Systems Private Limited*

NIL

(iv) *Sandhar Technologies Poland*

NIL

(v) *Sandhar Technologies Mexico*

NIL

(vi) *Breniar Projects*

NIL

**(b) Litigations involving our Joint Ventures**

(i) *Sandhar Han Sung Technologies Private Limited.*

NIL

(ii) *Indo Toolings Private Limited*

NIL

(iii) *ECCO Green Energy Private Limited*

NIL

(iv) *Jinyoung Sandhar Mechatronics Private Limited*

NIL

(v) *Sandhar Daewha Automotive Systems Private Limited*

NIL

(vi) *Sandhar Amkin Industries Private Limited*

NIL

**LITIGATIONS INVOLVING OUR DIRECTORS**

**(a) Litigations against the Directors**

NIL

**(b) Litigations by the Directors**

NIL

**LITIGATIONS INVOLVING OUR PROMOTER**

**(a) *Litigations against Jayant Davar***

NIL

**(b) *Litigations by Jayant Davar***

NIL

**(c) *Litigations or legal actions, pending or taken, by any Ministry or Department of the Government or a statutory authority against any Promoter during the last 5 years and (b) directions issued by such by any Ministry or Department of the Government or a statutory authority upon conclusion of such litigation.***

NIL

## GOVERNMENT AND OTHER APPROVALS

*Our Company and our Subsidiaries have received the necessary consents, licenses, permissions, registrations, and approvals from the Government of India, various governmental agencies and other statutory and / or regulatory authorities required for carrying out our present business activities. Except as mentioned below, no further material approvals are required for carrying on our present business activities. Our Company and our Subsidiaries undertake to obtain all material approvals, 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 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. For further details in connection with the applicable regulatory and legal framework, see “Risk Factors” and “Regulations and Policies” on pages 20 and 190, respectively.*

The objects clause of the respective memoranda of association enables our Company and our Subsidiaries to undertake their present business activities.

The approvals required to be obtained by us include the following:

### APPROVALS IN RELATION TO THE OFFER

For details, see “Other Regulatory and Statutory Disclosures – Authority for the Offer” on page 459.

### INCORPORATION DETAILS OF OUR COMPANY

- (a) Certificate of incorporation dated October 19, 1987.
- (b) Fresh certificate of incorporation dated September 21, 1992 issued by the RoC to our Company, consequent upon change of name on conversion to a public company in the name of Sandhar Locking Devices Limited.
- (c) Fresh certificate of incorporation dated November 11, 2005 issued by the RoC to our Company consequent upon change of name to Sandhar Technologies Limited.
- (d) Our Company’s corporate identity number is U74999DL1987PLC029553.

### APPROVALS UNDER TAX LAWS

Our Company is required to register itself under various national tax laws, as well as state specific tax laws such as the IT Act, CGST Act, IGST Act and SGST Act. Our Company has obtained necessary licenses and approvals from the appropriate regulatory and governing authorities, in relation to such tax laws.

### APPROVALS IN RELATION TO OUR BUSINESS OPERATIONS

For information on our business operations, see “Our Business – Overview” on page 163. We require various approvals and/or licenses under various statutes, rules and regulations to conduct our business in India and other jurisdictions. These approvals and/or licenses may differ on the basis of the location of the facilities, depots, C&F agents, etc. as well as the jurisdictions where we market or sell our products. An indicative list of the material approvals required by us to undertake our businesses are set out below.

#### ***(a) Manufacturing Unit Related Approvals***

We have 31 units for manufacturing our products in India. The registrations and approvals obtained by our units in the regular course of business are:

- (i) Consent to operate our facilities under the Water (Prevention and Control of Pollution) Act, 1974, and the Air (Prevention and Control of Pollution) Act, 1981;
- (ii) Authorization for handling hazardous waste under the Hazardous Waste (Management, Handling and Trans-boundary Movement) Rules, 2008;
- (iii) Registration certificate under the Contract Labour (Regulation and Abolition) Act, 1970; and
- (iv) License to work a factory under the Factories Act, 1948, issued by the Chief Inspector of Factories, Maharashtra

**(b) Registrations under employment laws**

The registrations and approvals obtained by our Company and our Indian Subsidiaries under applicable labour laws, include the following:

- (i) Letter of applicability issued under the Employees' Provident Funds and Miscellaneous Provisions Act, 1952;
- (ii) Letter of applicability issued under the Employees' State Insurance Act, 1948;
- (iii) Professional tax enrolment and registration certificates, as issued under applicable professional tax legislations prescribed by various States;
- (iv) Certificates of registration, as issued under applicable shops and establishments legislations prescribed by various states;
- (v) Tax registration certificates under various local, State, and Central legislations;
- (vi) Approval under the Central Electricity Authority (Measures Relating to Safety and Electricity Supply) Regulations, 2010, for operation of diesel generator sets;
- (vii) Building plan sanctions and occupancy certificates for construction and occupation of buildings; and
- (viii) Fire licenses / no-objection certificates from local fire safety authorities;

**(c) Foreign Trade Related Approvals**

The registrations and approvals obtained by our Company and our Indian Subsidiaries for engaging in foreign trade, include the following:

- (i) Importer-Exporter Code Number for Sandhar Technologies Limited: 0591028549;
- (ii) Importer-Exporter Code Number for Sandhar Tooling Private Limited: 0502033100;
- (iii) Importer-Exporter Code Number for Sandhar Han Sung Technologies Private Limited: 0514067039;
- (iv) Importer-Exporter Code Number for Sandhar Daewha Automotive Systems Private Limited AAYCS8347M;
- (v) Importer-Exporter Code Number for Sandhar ECCO Green Energy Private Limited: 0516938771;
- (vi) Importer-Exporter Code Number for Sandhar Amkin Industries Private Limited: AAZCS1884Q; and
- (vii) Importer-Exporter Code Number for Jinyoung Sandhar Mechatronics Private Limited: 0517525547.

**(d) GST related Approvals**

The GST registrations and approvals obtained by our Company include the following:

- (i) Haryana: 06AAACS0512J2ZR;
- (ii) Uttarakhand: 05AAACS0512J1ZU;
- (iii) Karnataka: 29AAACS0512J1ZK;
- (iv) Rajasthan: 08AAACS0512J1ZO;
- (v) Himachal Pradesh: 02AAACS0512J2ZZ;
- (vi) Maharashtra: 27AAACS0512J1ZO; and
- (vii) Tamil Nadu: 33AAACS0512J1ZV.

**(e) International Subsidiaries**



In addition to the domestic Subsidiaries, we have also been granted various government operating licenses and approvals for our international Subsidiaries by relevant authorities in countries such as the Spain and Poland.

Our Company has operations in other countries such as the Spain, Poland, Mexico where it markets its products.

## PENDING APPROVALS

(a) *Approvals which have expired and renewal applications have been made:*

Sr. No.	Unit	Nature of licence	Date of expiry	Application date for renewal	Act/Rule
1.	Sandhar Technologies Limited – CFD - Jaipur	Consent to establish under the Water (Prevention & Control of Pollution) Act, 1974 and Air Prevention & Control of Pollution) Act 1981	-	August 8, 2017	Water (Prevention and Control of Pollution) Act, 1974 and Air (Prevention and Control of Pollution) Act, 1981
2.	Sandhar Automotives Pune	Consent to operate under Section 26 Water (Prevention and Control of Pollution) Act, 1974, Section 21 of Air (Prevention and Control of Pollution) Act, 1981 and rule 3(c) & 5(5) of the Hazardous Waste (Management, Handling and Transboundary Movement) Rules 2008	January 31, 2018	January 27, 2018	Water (Prevention and Control of Pollution) Act, 1974, Air (Prevention and Control of Pollution) Act, 1981 and Hazardous Waste (Management, Handling and Transboundary Movement) Rules 2008
3.	Sandhar Technologies Limited Cabin and Fabrication Pune -Unit I	Licence for use as a factory	-	November 25, 2017	Factories Act, 1948
4.	Sandhar Tooling Private Limited, Gurugram	Licence for use as a factory	December 31, 2015	November 22, 2014	Factories Act, 1948
5.	Sandhar Automotives Bommasandra	License for use as a factory	December 31, 2017	October 5, 2017	Factories Act, 1948
6.	Sandhar Components Unit I Attibele	License for use as a factory	December 31, 2017	October 31, 2017	Factories Act, 1948
7.	Sandhar Automach Attibele	License for use as a factory	December 31, 2017	October 31, 2017	Factories Act, 1948
8.	Sandhar Automach Mysore	License for use as a factory	December 31, 2017	October 31, 2017	Factories Act, 1948
9.	Sandhar Automotives Gurgaon	Fire NOC	October 20, 2014	December 30, 2014	Haryana Fire Services Act, 2009
10.	Sandhar Components, Manesar	Fire NOC	April 17, 2017	April 11, 2017	Haryana Fire Services Act, 2009
11.	Sandhar Components, Beharampur, Gurgaon	Fire NOC	March 04, 2017	March 21, 2017	Haryana Fire Services Act, 2009
12.	Sandhar Automotives, Dhumaspur, Gurgaon	Fire NOC	March 03, 2017	February 17, 2017	Haryana Fire Services Act, 2009
13.	Sandhar Automach, Chennai	Fire NOC	September 22, 2017	September 20, 2017	Tamil Nadu Fire Service Act, 1985
14.	Sandhar Technologies Ltd., Oragadam	Fire NOC	March 15, 2017	March 21, 2017	Tamil Nadu Fire Service Act, 1985
15.	Sandhar Technologies Ltd, Himachal, Nalagarh	Fire NOC	December 07, 2016	November 10, 2016	Himachal Pradesh Fire Fighting Services Act, 1984.
16.	Sandhar Tooling Private Limited, Gurgaon	Fire NOC	September 08, 2014	September 15, 2014	Haryana Fire Services Act, 2009


Sr. No.	Unit	Nature of licence	Date of expiry	Application date for renewal	Act/Rule
17.	Sandhar Technologies Limited – CFD - Jaipur	Fire NOC	-	November 9, 2017	Rajasthan Municipalities Act, 2009

**(b) Approvals for which no application has been made:**

There are no licenses that are required in respect of the Company’s units that are solely operated by our Company in respect of which our Company is yet to make applications for licenses.

**INTELLECTUAL PROPERTY RIGHTS**

Our Company has made applications for, and has obtained registrations in respect of various intellectual properties developed and owned by it. These registrations have, *inter alia*, been obtained by our Company (i) in respect of our patents, under the provisions of the Patents Act, 1970 and (ii) in respect of our trade marks under the Trade Marks Act, 1999.

Our Company has applied for registration of “Sandhar” and “**SANDHAR**” with the Registrar of Trade Marks, Delhi, under the provisions of the Trade Marks Act, 1999, and the rules thereunder. These applications are currently pending. Our company has obtained trade mark registration for the logo “” under the provisions of the Trade Marks Act, 1999, and the rules thereunder.

*For further details in connection with intellectual property rights, see “Our Business – Intellectual Property Rights” on page 183.*

## OTHER REGULATORY AND STATUTORY DISCLOSURES

### AUTHORITY FOR THE OFFER

Our Board has approved the Fresh Issue pursuant to the resolution passed at the meeting held on November 18, 2017 and our Shareholders have approved the Fresh Issue pursuant to a resolution passed at the EGM held on November 18, 2017, under Section 62(1)(c) of the Companies Act, 2013. Further, our Board has approved this Red Herring Prospectus pursuant to its resolution dated March 7, 2018.

For details on the authorisations of the Selling Shareholder in relation to the Offer, see “*The Offer*” on page 72.

The Equity Shares being offered by the Selling Shareholder in the Offer have been held by it for a period of at least one year prior to the filing of the Draft Red Herring Prospectus with SEBI, and are eligible for being offered for sale in the Offer. The Selling Shareholder has also confirmed that it is the legal and beneficial owner of the Equity Shares being offered under the Offer for Sale.

Our Company received in-principle approvals from BSE and NSE for the listing of the Equity Shares pursuant to letters dated January 10, 2018, and January 5, 2018, respectively.

The Selling Shareholder has on its own account confirmed that it has not been prohibited from dealings in the securities market and the Equity Shares proposed to be offered and sold by it are free from any lien, encumbrance, transfer restrictions or third party rights.

### PROHIBITION BY SEBI OR OTHER GOVERNMENTAL AUTHORITIES

Our Company, our Promoter, our Directors, the members of the Promoter Group, the Group Entities, and the Selling Shareholder 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 Promoter, Directors, or persons in control of our Company are, or were associated as promoter, directors or persons in control with any company that is 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 our Directors or any of the entities in which our Directors are involved in as promoters or directors.

### PROHIBITION BY SEBI OR OTHER GOVERNMENTAL AUTHORITIES WITH RESPECT TO WILFUL DEFAULTERS

Neither our Company, nor our Promoter, relatives (as defined under the Companies Act, 2013) of our Promoters, Directors, Group Entities, nor the Selling Shareholder 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 Consolidated Financial Information, prepared in accordance with the Companies Act, 2013 and restated in accordance with the SEBI ICDR Regulations:

- Our Company has had restated net tangible assets of at least ₹30 million in each of the preceding three full years (of 12 months each), of which not more than 50% of the net tangible assets are held in monetary assets;
- Our Company has a minimum average pre-tax operating profit of ₹150 million 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 million 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 our Company as at March 31, 2017; and
- Our Company has not changed its name within the last one year.

Our Company's restated pre-tax operating profit, restated net worth, restated net tangible assets, restated monetary assets, monetary assets as a percentage of the net worth, as restated, derived from the Restated Consolidated Summary Statements included in this Red Herring Prospectus as at, and for the six months period ended September 30, 2017, and the last five years ended Financial Year March 31, 2017, March 31, 2016, March 31, 2015, March 31, 2014, and March 31, 2013, are set forth below:

(₹ in million, unless otherwise stated)

	Consolidated					
	As at September 30, 2017	Fiscal 2017	Fiscal 2016	Fiscal 2015	Fiscal 2014	Fiscal 2013
Restated Pre-tax operating profit <sup>(1)</sup>	689.82	855.29	829.06	871.43	772.93	587.20
Restated Net worth <sup>(2)</sup>	3,307.24	3,013.34	2,736.31	2,591.97	2,071.17	1,793.11
Restated Net tangible asset <sup>(3)</sup>	5,395.91	4,821.73	3,940.74	3,978.35	3,658.22	2,792.35
Restated Monetary assets <sup>(4)</sup>	61.69	73.58	61.99	74.03	27.51	87.23
% of Monetary Assets to Net worth, as restated	1.87%	2.44%	2.27%	2.86%	1.33%	4.86%

- (1) Restated pre-tax operating profit has been calculated as restated profit before tax excluding other income and finance cost, each on a restated basis.
- (2) Restated net worth has been defined as the aggregate of share capital and reserves and surplus, each on a restated basis.
- (3) Restated net tangible assets are defined as the sum of total assets excluding intangible assets as defined in Accounting Standard 26 specified under Section 133 of the Companies Act, 2013, read with relevant rules, deferred tax asset and intangible assets under development, deducted by total non-current liabilities and current liabilities excluding deferred tax liabilities and short-term borrowings, each on a restated basis.
- (4) Restated 'monetary assets' include cash and bank balances including non-current portion of fixed deposits with banks and interest accrued but not due thereon, each on a restated basis.

Our Company's restated pre-tax operating profit, restated net worth, restated net tangible assets, restated monetary assets, monetary assets as a percentage of the net worth, as restated, derived from the Restated Standalone Summary Statements included in this Red Herring Prospectus as at, and for the six months period ended September 30, 2017, and the last five years ended Financial Year March 31, 2017, March 31, 2016, March 31, 2015, March 31, 2014, and March 31, 2013, are set forth below:

	Standalone					
	As at September 30, 2017	Fiscal 2017	Fiscal 2016	Fiscal 2015	Fiscal 2014	Fiscal 2013
Restated Pre-tax operating profit <sup>(1)</sup>	658.58	752.30	780.64	776.72	718.17	554.48
Restated Net worth <sup>(2)</sup>	3,168.24	2,883.24	2,607.71	2,500.51	1,962.92	1,726.40
Restated Net tangible asset <sup>(3)</sup>	3,948.40	3,772.51	3,114.10	3,133.17	2,758.01	2,101.25
Restated Monetary assets <sup>(4)</sup>	14.01	34.80	19.27	45.06	11.81	61.75
% of Monetary Assets to Net worth, as restated	0.44%	1.21%	0.74%	1.80%	0.60%	3.58%

- (1) Restated pre-tax operating profit has been calculated as restated profit before tax excluding other income and finance cost, each on a restated basis.
- (2) Restated net worth has been defined as the aggregate of share capital and reserves and surplus, each on a restated basis.
- (3) Restated net tangible assets are defined as the sum of total assets excluding intangible assets as defined in Accounting Standard 26 specified under Section 133 of the Companies Act, 2013, read with relevant rules, deferred tax asset and intangible assets under development, deducted by total non-current liabilities and current liabilities excluding deferred tax liabilities and short-term borrowings, each on a restated basis.
- (4) Restated 'monetary assets' include cash and bank balances including non-current portion of fixed deposits with banks and interest accrued but not due thereon, each on a restated basis.

Financial Years 2015, 2016 and 2017 are the three most profitable years out of the immediately preceding five Financial Years in terms of our Restated Financial 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.

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 THE DRAFT RED HERRING PROSPECTUS HAS BEEN SUBMITTED TO SEBI. IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE 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 THE DRAFT RED HERRING PROSPECTUS. THE BRLMS, ICICI SECURITIES LIMITED AND AXIS CAPITAL LIMITED HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THE 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 THE DRAFT RED HERRING PROSPECTUS, AND THE SELLING SHAREHOLDER IS PRIMARILY RESPONSIBLE FOR ALL STATEMENTS IN THE DRAFT RED HERRING PROSPECTUS IN RELATION TO ITSELF IN CONNECTION WITH THE OFFER AND THE EQUITY SHARES OFFERED BY IT IN THE OFFER, THE BRLMS ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY AND THE SELLING SHAREHOLDER DISCHARGE THEIR RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BRLMs HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED DECEMBER 7, 2017, WHICH READ AS FOLLOWS:**

**WE, THE BOOK RUNNING LEAD MANAGERS TO THE ABOVEMENTIONED 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, AND OTHER MATERIALS IN CONNECTION WITH THE FINALISATION OF THE DRAFT RED HERRING PROSPECTUS PERTAINING TO THE 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 SHAREHOLDER, WE CONFIRM THAT:**
  - (A) THE DRAFT RED HERRING PROSPECTUS FILED WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA 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 SECURITIES AND EXCHANGE BOARD OF INDIA, THE CENTRAL GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND**
  - (C) THE DISCLOSURES MADE IN THE 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, 1956, AS AMENDED AND REPLACED BY THE COMPANIES ACT, 2013, TO THE EXTENT IN FORCE, THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, AS AMENDED, AND OTHER APPLICABLE LEGAL REQUIREMENTS.**
- 3. WE CONFIRM THAT BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE DRAFT RED HERRING PROSPECTUS ARE REGISTERED WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA AND THAT TILL DATE SUCH REGISTRATION IS VALID.**
- 4. WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFIL THEIR UNDERWRITING COMMITMENTS. - NOTED FOR COMPLIANCE**

5. WE CERTIFY THAT WRITTEN CONSENT FROM THE COMPANY'S PROMOTER (THE "PROMOTER") HAVE BEEN OBTAINED FOR INCLUSION OF HIS EQUITY SHARES AS PART OF THE 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 PROMOTER DURING THE PERIOD STARTING FROM THE DATE OF FILING THE DRAFT RED HERRING PROSPECTUS WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA UNTIL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE DRAFT RED HERRING PROSPECTUS. – COMPLIED WITH
6. WE CERTIFY THAT REGULATION 33 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, AS AMENDED, WHICH RELATES TO EQUITY SHARES INELIGIBLE FOR COMPUTATION OF PROMOTER'S CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION HAVE BEEN MADE IN THE 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 SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, AS AMENDED, SHALL BE COMPLIED WITH. WE CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTER'S CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE OFFER. WE UNDERTAKE THAT AUDITORS' CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO THE SECURITIES AND EXCHANGE BOARD OF INDIA. 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. COMPLIED WITH TO THE EXTENT APPLICABLE
9. WE CONFIRM THAT NECESSARY ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE MONIES 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 MONIES 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 AND THE COMPANY, AND THE SELLING SHAREHOLDER 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 THE 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 SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, AS AMENDED, HAVE BEEN MADE IN ADDITION TO DISCLOSURES WHICH, IN OUR VIEW, ARE FAIR AND ADEQUATE TO ENABLE THE INVESTOR TO MAKE A WELL INFORMED DECISION.
12. WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE 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 THE SECURITIES AND EXCHANGE BOARD OF INDIA FROM TIME TO TIME.
13. WE UNDERTAKE TO COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENT IN TERMS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, AS AMENDED, 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 THE CURRENT BUSINESS BACKGROUND OF THE COMPANY, SITUATION AT WHICH THE PROPOSED BUSINESS STANDS, THE RISK FACTORS, PROMOTER'S EXPERIENCE, ETC. – COMPLIED WITH
15. WE ENCLOSE A CHECKLIST CONFIRMING REGULATION-WISE COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, AS AMENDED, CONTAINING DETAILS SUCH AS THE REGULATION NUMBER, ITS TEXT, THE STATUS OF COMPLIANCE, PAGE NUMBER OF THE DRAFT RED HERRING PROSPECTUS WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY. – COMPLIED WITH
16. WE ENCLOSE THE STATEMENT ON PRICE INFORMATION ON PAST ISSUES HANDLED BY THE BRLMs (WHO ARE RESPONSIBLE FOR PRICING THIS OFFER), AS PER THE FORMAT SPECIFIED BY THE SECURITIES AND EXCHANGE BOARD OF INDIA 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 OF THE COMPANY REPORTED, IN ACCORDANCE WITH ACCOUNTING STANDARD 18, IN THE FINANCIAL STATEMENTS INCLUDED IN THE DRAFT RED HERRING PROSPECTUS AS CERTIFIED BY GSA & ASSOCIATES, CHARTERED ASSOCIATES (FIRM REGISTRATION NUMBER: 000257N), CHARTERED ACCOUNTANTS, BY WAY OF A CERTIFICATE DATED NOVEMBER 18, 2017.
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 Red Herring Prospectus does not however, absolve our Company or any person who has authorised the issue of this 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 the Draft Red Herring Prospectus, this Red Herring Prospectus and Prospectus.

The filing of this Red Herring Prospectus does not absolve the Selling Shareholder from any liability to the extent the statements made by it in respect of the Equity Shares being offered by it under the Offer for Sale, under Section 34 and Section 36 of the Companies Act, 2013.

All legal requirements pertaining to the Offer have been complied with at the time of filing of this 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, 30 and 32 of the Companies Act, 2013.

#### **Caution - Disclaimer from our Company, the Selling Shareholder, our Directors and the BRLMs**

Our Company, the Directors, the Selling Shareholder and the BRLMs accept no responsibility for statements made otherwise than in this 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.sandhargroup.com](http://www.sandhargroup.com) or the respective websites of our Subsidiaries, members of the Promoter Group or Group Entities, 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 Shareholder and our Company.

All information shall be made available by our Company, the Selling Shareholder 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 Shareholder 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.

Investors who Bid in the Offer will be required to confirm and will be deemed to have represented to our Company, the Selling Shareholder, 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 Shareholder, 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 (as per the Companies Act, 2013) and affiliates may engage in transactions with, and perform services for, our Company, the Selling Shareholder and their respective group entities, 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 Shareholder and their respective group entities, 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, as amended, 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, public financial institutions as defined in Section 2(72) of the Companies Act, 2013, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts under applicable trust law and who are authorised under their respective constitution to hold and invest in shares, permitted insurance companies and pension funds, multilateral and bilateral development financial institutions, state industrial development corporations, and insurance funds set up and managed by the army, navy, or airforce of the Union of India, and insurance funds set up and managed by the Department of Posts, India) and Eligible NRIs and eligible FPIs (including FIIs). This 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 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 New Delhi 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 the 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 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 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, our Group Entities or the Selling Shareholder since the date hereof or that the information contained herein is correct as of any time subsequent to this date.

**The Equity Shares have not been and will not be registered under the Securities Act or any state securities laws in the United States and, unless so registered, and 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 in accordance with any and applicable U.S. state securities laws. The Equity Shares are being offered and sold outside the United States in offshore transactions in reliance on Regulation S and the applicable laws of each jurisdiction where such offers and sales are made.**

**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.**

### **Disclaimer clause of BSE**

As required, a copy of the Draft Red Herring Prospectus had been submitted to BSE. The disclaimer clause as intimated by BSE to our Company, post scrutiny of the Draft Red Herring Prospectus, vide its in-principle approval dated January 10, 2018 is as under:



“BSE Limited (“the Exchange”) has given vide its letter dated January 10, 2018 permission to this Company to use the Exchange’s name in this offer document as one of the stock exchanges on which this company’s securities are proposed to be listed. The Exchange has scrutinized this offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to the Company. The Exchange does not in any manner:

- a) warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; or
- b) warrant that this Company’s securities will be listed or will continue to be listed on the Exchange; or
- c) take any responsibility for the financial or other soundness of this Company, its promoters, its management or any scheme or project of the Company;

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

#### **Disclaimer clause of the NSE**

As required, a copy of the Draft Red Herring Prospectus had been submitted to NSE. The disclaimer clause as intimated by NSE to our Company, post scrutiny of the Draft Red Herring Prospectus, vide its in-principle approval dated January 5, 2018 is as under:

“As required, a copy of this Offer Document has been submitted to National Stock Exchange of India Limited (hereinafter referred to as NSE). NSE has given vide its letter Ref.: NSE/LIST/32410 dated January 5, 2018 permission to the Issuer to use the Exchange’s name in this Offer Document as one of the stock exchanges on which this Issuer’s securities are proposed to be listed. The Exchange has scrutinized this draft offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Issuer. It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed that the offer document has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; nor does it warrant that this Issuer’s securities will be listed or will continue to be listed on the Exchange; nor does it take any responsibility for the financial or other soundness of this Issuer, its promoters, its management or any scheme or project of this Issuer.

Every person who desires to apply for or otherwise acquire any securities of this Issuer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription / acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.”

#### **Filing**

A copy of the Draft Red Herring Prospectus has been filed with SEBI at Plot No. C 4-A, G Block, Near Bank of India, Bandra Kurla Complex, Bandra East, Mumbai – 400 051, Maharashtra, India.

A copy of this 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 4<sup>th</sup> Floor, IFCI Tower, 61, Nehru Place, New Delhi – 110 019, India.

#### **Listing**

Applications have been made to the Stock Exchanges for permission to deal in and for an official quotation of the Equity Shares. BSE 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 Shareholder will forthwith repay without interest, all moneys received from the applicants in pursuance of this Red Herring Prospectus as required by applicable law. For the purposes of giving effect to the abovementioned refund mechanism, our Company and the Selling Shareholder shall execute a cash escrow agreement, with an Escrow Collection Bank. If such money is not repaid within the prescribed time, then our Company, the Selling Shareholder 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 all the Stock Exchanges mentioned above are taken within six Working Days from the Bid / Offer Closing Date. Further, the Selling Shareholder confirms that he 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.

The Selling Shareholder undertakes to provide such reasonable support and extend reasonable cooperation as may be requested by our Company, to the extent such support and cooperation is required from such party to facilitate the process of listing and commencement of trading of the Equity Shares on the Stock Exchanges. All expenses in relation to the Offer (other than listing fee, auditor's fee, and expenses relating to corporate advertisements of the Company (other than marketing and advertising expenses in relation to the Offer) which shall be borne by the Company), all other expenses shall be shared between our Company and the Selling Shareholder in accordance with applicable laws.

## Price information of past issues handled by the BRLMs

### A. ICICI Securities

1. Price information of past issues handled by ICICI Securities Limited.

**TABLE 1**

Sr. No.	Issue Name	Issue Size (Rs. Mn.)	Issue Price (Rs.)	Listing Date	Opening Price on Listing Date	+/- % change in closing price, [+/- % change in closing benchmark]- 30 <sup>th</sup> calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90 <sup>th</sup> calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180 <sup>th</sup> calendar days from listing
1.	Avenue Supermarts Limited	18,700.00	299.00	21-Mar-17	600.00	+145.08%, [-0.20%]	+166.35%, [+5.88%]	+264.38%, [+11.31%]
2.	Housing and Urban Development Corporation Limited	12,095.70	60.00 <sup>(1)</sup>	19-May-17	73.00	+13.17%, [+2.44%]	+34.67%, [+4.98%]	+35.67%, [+8.05%]
3.	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%]
4.	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%]
5.	Matrimony.Com Limited	4,968.77	985.00 <sup>(2)</sup>	21-Sep-17	985.00	-12.28%, [+0.62%]	-7.64%, [+3.37%]	-
6.	ICICI Lombard General Insurance Company Limited	57,009.39	661.00	27-Sep-17	651.10	+3.62%, [+6.25%]	+18.97%, [+8.17%]	-
7.	SBI Life Insurance Company Limited	83,887.29	700.00 <sup>(3)</sup>	03-Oct-17	735.00	-7.56%, [+5.89%]	-0.07%, [+5.84%]	-
8.	Newgen Software Technologies Limited	4,246.20	245.00	29-Jan-18	254.10	-0.20%, [-5.18%]	-	-
9.	Galaxy Surfactants Limited	9370.90	1,480.00	8-Feb-18	1,525.00	-	-	-
10.	Aster DM Healthcare Limited	9,801.4	190	26-Feb-18	183	-	-	-

(1) Discount of Rs.2 per equity share offered to retail investors and to Eligible Employees. All calculations are based on Issue Price of Rs. 60.00 per equity share.

(2) Discount of Rs. 98 per equity share offered to retail investors and to Eligible Employees. All calculations are based on Issue Price of Rs. 985.00 per equity share.

(3) Discount of Rs. 68 per equity share offered to Eligible Employees. All calculations are based on Issue Price of Rs. 700.00 per equity share.

#### Notes:

- All data sourced from [www.nseindia.com](http://www.nseindia.com)
- Benchmark index considered is NIFTY
- 30<sup>th</sup>, 90<sup>th</sup>, 180<sup>th</sup> calendar day from listed day have been taken as listing day plus 29, 89 and 179 calendar days, except wherever 30<sup>th</sup>, 90<sup>th</sup>, 180<sup>th</sup> calendar day is a holiday, in which case we have considered the closing data of the next trading day

**TABLE 2: SUMMARY STATEMENT OF DISCLOSURE**

Financial Year	Total no. of IPOs	Total amount of funds raised (Rs. Mn.)	No. of IPOs trading at discount - 30 <sup>th</sup> calendar days from listing			No. of IPOs trading at premium - 30 <sup>th</sup> calendar days from listing			No. of IPOs trading at discount - 180 <sup>th</sup> calendar days from listing			No. of IPOs trading at premium - 180 <sup>th</sup> calendar days from listing		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2017-18	9	208,306.61	-	-	4	1	-	2	-	-	-	1	2	-
2016-17	12	160,855.45	-	-	3	4	4	1	-	1	1	7	2	1
2015-16	6	27,229.06	-	1	1	1	-	3	-	-	2	2	2	-

1. **Axis** Price information of past issues handled by Axis Capital Limited.

1. Price information of past issues (during current financial year and two financial years preceding the current financial year) handled by Axis Capital Limited

Sr. No.	Issue name	Issue size (₹ millions)	Issue price (₹)	Listing date	Opening price on listing date (in ₹)	+/- % change in closing price, [+/- % change in closing benchmark]-30 <sup>th</sup> calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]-90 <sup>th</sup> calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]-180 <sup>th</sup> calendar days from listing
1	Aster DM Healthcare Limited	9801.00	190.00	26-Feb-18	183.00	-	-	-
2	Khadim India Limited	5,430.57	750.00	14-Nov-17	730.00	-10.40%, [+0.06%]	-6.47%, [+3.47%]	-
3	The New India Assurance Company Limited	18,933.96	800 <sup>5</sup>	13-Nov-17	750.00	-27.91%, [+0.15%]	-7.81%, [+3.08%]	-
4	Mahindra Logistics Limited	8,288.84	429 <sup>4</sup>	10-Nov-17	429.00	+2.49%, [0.00%]	+9.48%, [+1.50%]	-
5	Reliance Nippon Life Asset Management Limited	15,422.40	252	06-Nov-17	295.90	+3.61%, [-3.19%]	+8.12%, [+2.05%]	-
6	General Insurance Corporation of India	111,758.43	912 <sup>3</sup>	25-Oct-17	850.00	-12.92%, [+0.52%]	-13.95%, [+6.52%]	-
7	Indian Energy Exchange Limited	10,007.26	1650	23-Oct-17	1,500.00	-8.15%, [+1.39%]	-1.95%, [+7.67%]	-
8	Godrej Agrovet Limited	11,573.12 <sup>2</sup>	460	16-Oct-17	615.60	+14.96%, [-0.43%]	+35.66%, [+4.99%]	-
9	SBI Life Insurance Company Limited	83,887.29	700 <sup>1</sup>	03-Oct-17	735.00	-7.56%, [5.89%]	-0.07%, [+5.84%]	-
10	Capacit'e Infraprojects Limited	4,000	250	25-Sep-17	399.00	+36.30%, [+3.39%]	+57.42%, [+6.67%]	-

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

<sup>1</sup> Offer Price was ₹632.00 per equity share to Eligible Employees

<sup>2</sup> Company has undertaken a Pre-IPO Placement aggregating to ₹84.88 Million. The size of the fresh issue as disclosed in the draft red herring prospectus dated July 18, 2017, being ₹3,000.00 Million, has been reduced accordingly.

<sup>3</sup> Offer Price was ₹855.00 per equity share to Retail Individual Bidders and Eligible Employees

<sup>4</sup> Offer Price was ₹387.00 per equity share to Eligible Employees

<sup>5</sup> Offer Price was ₹770.00 per equity share to Retail Individual Bidders and Eligible Employees

Notes:

- a. Issue Size derived from Prospectus/final post issue reports, as available.  
b. The CNX NIFTY is considered as the Benchmark Index.  
c. Price on NSE is considered for all of the above calculations.  
d. In case 30th/90th/180th day is not a trading day, closing price on NSE of the next trading day has been considered.  
e. Since 30 calendar days, 90 calendar days and 180 calendar days, as applicable, from listing date has not elapsed for few of the above issues, data for same is not available.

2. Summary statement of price information of past issues(during current financial year and two financial years preceding the current financial year) handled by Axis Capital Limited

Financial Year	Total no. of IPOs	Total funds raised (₹ in Millions)	Nos. of IPOs trading at discount on as on 30th calendar days from listing date			Nos. of IPOs trading at premium on as on 30th calendar days from listing date			Nos. of IPOs trading at discount as on 180th calendar days from listing date			Nos. of IPOs trading at premium as on 180th calendar days from listing date		
			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%
2017-2018*	16	329,571.86	-	1	7	1	2	4	-	1	-	2	2	-
2016-2017	10	111,377.80	-	-	1	4	2	3	-	-	-	7	1	2
2015-2016	8	60,375.66	0	0	3	0	4	1	0	0	3	1	2	2

\* The information is as on the date of the document

The information for each of the financial years is based on issues listed during such financial year.

Note: Since 30 calendar days and 180 calendar days, as applicable, from listing date has not elapsed for few of the above issues, data for same is not available.

**Track record of past issues handled by the BRLMs**

For details regarding the track record of the Manager, 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:

Sr. No.	Name of the BRLMs	Website
1.	ICICI Securities	www.icicisecurities.com
2.	Axis Capital	www.axiscapital.co.in

## Consents

Consents in writing of the Selling Shareholder, our Directors, our Company Secretary and Compliance Officer, our Chief Financial Officer, our Statutory Auditor, Legal Counsel to the Offer, bankers / lenders to our Company and our Subsidiaries, the BRLMs, the Syndicate Members, Bankers to the Offer, and the Registrar to the Offer to act in their respective capacities, have been / will be obtained and filed along with a copy of this 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 this Red Herring Prospectus for registration with the RoC.

In accordance with the Companies Act, 2013 and the SEBI ICDR Regulations, our Statutory Auditor, B S R & Co. LLP, Chartered Accountants, have given their written consent for inclusion of their reports dated November 18, 2017 on the Restated Financial Statements of our Company in the form and context, included in this Red Herring Prospectus, and such consent has not been withdrawn up to the time of delivery of this Red Herring Prospectus for filing with SEBI.

## Expert to the Offer

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

- i) Our Company has received written consent from the Statutory Auditor namely, B S R & Co. LLP, Chartered Accountants, to include their name as required under Section 26(1)(a)(v) of the Companies Act, 2013 in this Red Herring Prospectus and as an “Expert” as defined under Section 2(38) of the Companies Act, 2013, in respect of the reports of the Statutory Auditor on the Restated Unconsolidated Summary Statements and Restated Consolidated Summary Statements, each dated September 30, 2017 and the statement of possible special tax benefits dated March 1, 2018, included in this Red Herring Prospectus and such consent has not been withdrawn as on the date of this Red Herring Prospectus. However, the term “Expert” shall not be construed to mean an “expert” as defined under the Securities Act.

## Offer expenses

The expenses of this Offer include, among others, underwriting and management fees, selling commissions, bidding charges, printing and distribution expenses, legal fees, statutory advertisement expenses, registrar and depository fees, filing fees, auditors fees and listing fees. For further details of Offer expenses, see “*Objects of the Offer*” on page 97.

All expenses in relation to the Offer (other than listing fee, auditor’s fee, and expenses relating to corporate advertisements of the Company (other than marketing and advertising expenses in relation to the Offer) which shall be borne by the Company), all other expenses shall be shared between our Company and the Selling Shareholder in accordance with applicable laws. The Selling Shareholder shall reimburse our Company for all expenses incurred by our Company in relation to its Equity Shares offered in the Offer for Sale.

## Fees payable to the Registrar to the Offer

The fees payable by our Company and the Selling Shareholder 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 December 5, 2017 entered into, between our Company, the Selling Shareholder 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 Shareholder will reimburse our Company the expenses incurred in relation to its Equity Shares offered in the Offer for Sale.

## IPO grading

No credit rating agency registered with SEBI has been appointed for grading the Offer.

## Particulars regarding public or rights issues by our Company during the last five years

Our Company has not made any public or rights issues during the five years preceding the date of the Draft Red Herring Prospectus except the rights issue of 4,285,714 Equity Shares of ₹2 made to existing shareholders on August 19, 2014. For details, see “*Capital Structure*” on page 83.

### **Previous issues of Equity Shares otherwise than for cash**

Except as disclosed in “*Capital Structure*” on page 83, 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 Group Entities and Subsidiaries of our Company**

None of our Group Entities and Subsidiaries of our Company have undertaken a capital issue in the last three years preceding the date of the Draft Red Herring Prospectus.

### **Performance vis-à-vis objects – Public / rights issue of our Company and / or listed Group Entities, Subsidiaries and associate companies of our Company**

Our Company has not undertaken any previous public or rights issue except as disclosed above. None of our Group Entities and Subsidiaries of our Company have undertaken any public or rights issue in the last 12 years preceding the date of the Draft Red Herring Prospectus.

### **Outstanding debentures or bonds**

There are no outstanding debentures or bonds issued by our Company as of the date of filing this Red Herring Prospectus.

### **Outstanding Preference Shares or convertible instruments issued by our Company**

Our Company does not have any outstanding Preference Shares or convertible instruments as of the date of filing this Red Herring Prospectus.

### **Partly paid-up Equity Shares**

Our Company does not have any partly paid-up Equity Shares as on the date of this 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 Syndicate Agreement.

For details of the Offer expenses, see “*Objects of the Offer*” on page 97.

### **Commission payable to SCBS, Registered Brokers, RTAs and CDPs**

For details of the commission payable to SCBS, Registered Brokers, RTAs and CDPs see “*Objects of the Offer*” on page 97.

### **Redressal of investor grievances**

The agreement between the Registrar to the Offer, our Company and the Selling Shareholder provides for retention of records with the Registrar to the Offer for a period of at least three years from the last date of despatch of the letters of allotment and demat credit to enable the investors to approach the Registrar to the Offer for redressal of their grievances.

All grievances in relation to the Bidding process may be addressed to the Registrar to the Offer with a copy to the relevant Designated Intermediary to whom the Bid cum Application Form was submitted. The Bidder should give full details such as name of the sole or first Bidder, Bid cum Application Form number, Bidder DP ID, Client ID, PAN, date of the submission of 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 Bidder shall also enclose a copy of the Acknowledgment Slip duly received from the concerned Designated Intermediary 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. There are no investor complaints pending on the date of filing this Red Herring Prospectus, and our Company has not received any investor complaint in the three years prior to the filing of the Draft Red Herring Prospectus.

Our Company has appointed a Stakeholders' Relationship Committee comprising Dharmendar Nath Davar, Jayant Davar, and Arvind Joshi as members. For details, see "*Our Management – Committees of the Board*" on page 226.

Our Company has also appointed Arvind Joshi, Whole-time Director, Chief Financial Officer, and Company Secretary of our Company as the Compliance Officer for the Offer. For details, see "*General Information*" on page 74.

There are no listed companies under the same management as our Company.

#### **Changes in auditors**

B S R & Co. LLP was appointed as Statutory Auditor of our Company during the AGM of our Shareholders held on July 29, 2017, in place of S R Batliboi & Co LLP, who retired on rotation. Apart from the abovementioned change, there has been no change in the statutory auditors of our Company 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 83.

#### **Disposal of investor grievances by listed companies under the same management within the meaning of Section 370(1B) of the Companies Act, 1956**

There are no listed companies under the same management within the meaning of Section 370(1B) of the Companies Act, 1956, and therefore there are no investor complaints pending against our Company.

#### **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 of Association and Articles of Association, the terms of this 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 Shareholder. All expenses in relation to the Offer (other than listing fee, auditor's fee, and expenses relating to corporate advertisements of the Company (other than marketing and advertising expenses in relation to the Offer) which shall be borne by the Company), all other expenses shall be shared between our Company and the Selling Shareholder in accordance with applicable laws. The Selling Shareholder shall reimburse our Company for all expenses incurred by our Company in relation to its Equity Shares offered in the Offer for Sale.

#### Ranking of the Equity Shares

The Equity Shares being Allotted 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 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 522.

#### 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. For further details, in relation to dividends, see "*Dividend Policy*" and "*Main Provisions of the Articles of Association*" on pages 247 and 522, respectively.

#### Face Value and Offer Price

The face value of each Equity Share is ₹10 each 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 and the minimum Bid Lot size for the Offer will be decided our Company and the Selling Shareholder, in consultation with the BRLMs, and advertised in all editions of Financial Express and Jansatta (which are widely circulated English and Hindi newspapers, respectively, Hindi being the regional language of New Delhi and Haryana, where our Registered Office and Corporate Office is located), 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 any 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.

For a detailed description of the main provisions of the Articles of Association relating to voting rights, dividend, forfeiture and lien, transfer, transmission and / or consolidation / splitting, see “*Main Provisions of Articles of Association*” on page 522.

### **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, two agreements have been signed amongst our Company, the respective Depositories and the Registrar to the Offer:

- Agreement dated September 29, 2015 amongst NSDL, our Company and the Registrar to the Offer; and
- Agreement dated September 22, 2015 amongst CDSL, our Company and the 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 electronic 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 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 and Corporate 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 himself or herself registered, or to transfer the Equity Shares, and if the notice is not complied with within a period of 90 days, the Board may, thereafter,

withhold payment of all dividends, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment of Equity Shares in the 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 applicant would prevail. If the investor wants to change the nomination, they are requested to inform their respective depository participant.

### Withdrawal of the Offer

In accordance with the SEBI ICDR Regulations, our Company and the Selling Shareholder, in consultation with the BRLMs, reserve the right not to proceed with the Offer at any time after the Bid / Offer Opening Date. 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 this 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

<b>BID / OFFER OPENS ON</b>	March 19, 2018 <sup>(1)</sup>
<b>BID / OFFER CLOSES ON</b>	March 21, 2018

(1) Our Company and the Selling Shareholder may, in consultation with the BRLMs, 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

An indicative timetable in respect of the Offer is set out below:

Event	Indicative date
Bid / Offer Closing Date	March 21, 2018
Finalisation of Basis of Allotment with the Designated Stock Exchange	On or about March 26, 2018
Initiation of refunds (if any, for Anchor Investors) / unblocking of funds from ASBA Accounts	On or about March 27, 2018
Credit of Equity Shares to demat accounts of Allottees	On or about March 28, 2018
Commencement of trading of the Equity Shares on the Stock Exchange(s)	On or about April 2, 2018

The above timetable, other than the Bid / Offer Closing Date, is indicative, and does not constitute any obligation on our Company or the Selling Shareholder or the BRLMs.

Whilst our Company and the Selling Shareholder 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 Shareholder, 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.

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 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 Shareholder, 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.

Any Retail Individual Bidder 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 SEBI circular #SEBI/HO/CFD/DIL2/CIR/P/2018/22 dated February 15, 2018.

Our Company and the Selling Shareholder, in consultation with the BRLMs, 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**

If our Company does not receive (i) the minimum subscription of 90% of the Fresh Issue; and (ii) for at least such percentage of the post Offer Equity Share Capital of our Company that will be at least ₹4,000 million calculated at the Offer Price, in 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, our Company shall forthwith refund the entire subscription amount received. If there is a delay beyond the prescribed time, our Company and the Selling Shareholder shall be liable to pay interest prescribed under the Companies Act, 2013, the SEBI ICDR Regulations and applicable law. The requirement for minimum subscription is not applicable to the Offer for Sale. In case of an under subscription in the Offer, the Equity Shares in the Fresh Issue will be issued prior to the sale of Equity Shares in the Offer for Sale.

Further, our Company shall ensure that the number of prospective allottees to whom the Equity Shares will be Allotted will not be less than 1,000.

Any expense incurred by our Company on behalf of the Selling Shareholder with regard to refunds, interest for delays, etc. for the Equity Shares being offered in the Offer will be reimbursed by the Selling Shareholder to our Company in proportion to the Equity Shares being offered for sale by the Selling Shareholder in the Offer.

### **Arrangements for Disposal of Odd Lots**

There are no arrangements for disposal of odd lots.

### **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 83 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 522.

### **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 [●] Equity Shares for cash at a price of ₹[●] per Equity Share (including a premium of ₹[●] per Equity Share) aggregating to ₹[●] comprising of a Fresh Issue of up to [●] Equity Shares aggregating to ₹3,000 million by our Company and Offer of Sale of up to 6,400,000 Equity Shares aggregating to ₹[●] by the Selling Shareholder. The Offer will constitute [●]% of the post-Offer paid-up Equity Share capital of our Company.

The Offer is being made through the Book Building Process.

Particulars	QIBs <sup>(1)</sup>	Non-Institutional Bidders	Retail Individual Bidders
Number of Equity Shares available for Allotment / allocation* <sup>(2)</sup>	Not more than [●] Equity Shares	Not less than [●] Equity Shares available for allocation or Offer less allocation to QIB Bidders and Retail Individual Bidders	Not less than [●] Equity Shares available for allocation or Offer less allocation to QIB Bidders and Non-Institutional Bidders
Percentage of Offer Size available for Allotment / allocation	Not more than 50% of the Offer. However, up to 5% of the Net QIB 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 net QIB Portion. The unsubscribed portion in the Mutual Fund Portion will be available for allocation to QIBs	Not less than 15% of the Offer	Not less than 35% of the Offer
Basis of Allotment / allocation if respective category is oversubscribed*	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	Proportionate	Allotment to each Retail Individual Bidder 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 shall be allocated on a proportionate basis. For details see, “Offer Procedure – Part B – Allotment Procedure and Basis of Allotment – Allotment to RIBs” on page 511
Mode of Bidding	ASBA only <sup>(3)</sup>	ASBA only	ASBA only
Minimum Bid	Such number of Equity Shares, in multiples of [●] Equity Shares, that the Bid Amount exceeds ₹200,000	Such number of Equity Shares, in multiples of [●] Equity Shares, that the Bid Amount exceeds ₹200,000	[●] Equity Shares
Maximum Bid	Such number of Equity Shares, in multiples of [●] Equity Shares, not exceeding the size of the Offer, subject to applicable limits	Such number of Equity Shares, in multiples of [●] Equity Shares, not exceeding the size of the Offer, subject to applicable limits	Such number of Equity Shares, in multiples of [●] Equity Shares, so that the Bid Amount does not exceed ₹200,000
Mode of Allotment	Compulsorily in dematerialized form		
Bid Lot	[●] Equity Shares and in multiples thereof		
Allotment Lot	[●] Equity Shares and in multiples of [●] Equity Shares thereafter		
Trading Lot	One Equity Share		
Who can apply <sup>(4)</sup>	Mutual Funds, Venture Capital Funds, AIFs, FVCIs, FPIs (other than Category III FPIs) public financial institution as defined in Section 2(72) of the Companies Act, 2013, a scheduled commercial bank, multilateral and bilateral development financial institution, state industrial development corporation, insurance company registered with the Insurance Regulatory and Development	Resident Indian individuals, Eligible NRIs, HUFs (in the name of Karta), companies, corporate bodies, scientific institutions, societies and trusts, Category III foreign portfolio investors, FIIs and their sub-accounts registered with the SEBI other than a sub-account which is foreign corporate or foreign individual	Resident Indian individuals, Eligible NRIs and HUFs (in the name of Karta)

Particulars	QIBs <sup>(1)</sup>	Non-Institutional Bidders	Retail Individual Bidders
	Authority, provident fund with minimum corpus of ₹250 million, pension fund with minimum corpus of ₹250 million, National Investment Fund, 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.		
Terms of Payment	The entire Bid Amount shall be payable on submission of Bid cum Application form (including for Anchor Investor). 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 <sup>(3)</sup>		

\*Assuming full subscription in the Offer

- (1) Our Company and the Selling Shareholder may, in consultation with the BRLMs, allocate up to 60% of the QIB Category to Anchor Investors on a discretionary basis, in accordance with the SEBI ICDR Regulations. QIB portion will be adjusted for 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 price at which allocation is being made to other Anchor Investors. In case of undersubscription in the Anchor Investor Portion, the remaining Equity Shares will be added to the QIB Category. For details, see "Offer Procedure" on page 480.
- (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)(ii) of the SCRR and under the SEBI ICDR Regulations.
- (3) Anchor Investors are not permitted to use the ASBA process. Entire Bid Amount shall be payable by the Anchor Investors at the time of submission of the Anchor Investor Application Form to the members of the Syndicate. For details of terms of payment applicable to Anchor Investors, see "Offer Procedure – Part B - Section 7: Allotment Procedure and Basis of Allotment" on page 511.
- (4) In case of joint Bids, the Bid cum Application Form should contain only the name of the first Bidder, whose name should also appear as the first holder of the beneficiary account held in joint names. The signature of only such first Bidder would be required in the Bid cum Application Form, and such first Bidder would be deemed to have signed on behalf of the joint holders.

Under subscription, if any, in any category except the QIB Category, would be met with spill-over from the other categories at the discretion of our Company and the Selling Shareholder, in consultation with the BRLMs, and the Designated Stock Exchange.

## 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, and including SEBI Circular #CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, and SEBI Circular #SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016 (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 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 Shareholder 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 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 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 Offer shall be available for allocation to QIBs on a proportionate basis, provided that our Company and the Selling Shareholder may, in consultation with the BRLMs, may allocate up to 60% of the QIB Category to Anchor Investors on a discretionary basis, in accordance with the SEBI ICDR Regulations, 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. In case of undersubscription or non-allocation in the Anchor Investor Portion, the remaining Equity Shares will be added back to the QIB Category (other than Anchor Investor Portion). 5% of the net 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 Offer shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Offer shall be available for allocation to Retail Individual Bidder in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price.

Undersubscription, if any, in any category, except in the QIB Category, 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 Selling Shareholder, in consultation with the BRLMs and the Designated Stock Exchange.

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**

The ASBA Form and the abridged prospectus will be available with the Designated Intermediaries at the Bidding Centres, 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 NSE ([www.nseindia.com](http://www.nseindia.com)) and BSE ([www.bseindia.com](http://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 Centres 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, FIIs, their sub-accounts (other than sub-accounts which are foreign corporates or foreign individuals under the QIB Category), FPIs, and multilateral and bilateral development financial institutions applying on a repatriation basis	Blue
Anchor Investors	White

\* 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 the ASBA bank account details of which were provided by the Bidder in his respective ASBA Form, and shall not submit it to any non-SCSB bank or any Escrow Collection Bank.

### Who can Bid?

In addition to the category of Bidders set forth in the sub-section titled “Offer Procedure – Part B – General Information Document for Investing in Public Issues – Category of Investors Eligible to Participate in an Issue” on page 493, the following persons are also eligible to invest in the Equity Shares under all applicable laws, regulations and guidelines:

- FPIs, other than Category III FPIs;
- Category III FPIs who are foreign corporates or foreign individuals only under the Non-Institutional Portion;
- Scientific and / or industrial research organizations in India, which are authorized to invest in equity shares; and
- Any other person eligible to Bid in this Offer, under the laws, rules, regulations, guidelines and policies applicable to them.

**The Equity Shares have not been and will not be registered under the Securities Act or any state securities laws in 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 in accordance with applicable U.S. state securities laws. The Equity Shares are being offered and sold outside the United States in offshore transactions in compliance with Regulation S and the applicable laws of each jurisdiction where such offers and sales are made.**

**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.**

### Participation by associates and affiliates of the BRLMs and the Syndicate Members.

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 BRLM), Promoter and Promoter Group can apply in the Offer under the Anchor Investor Portion. Provided that the Promoter may participate in the Offer to the extent that he is offering his Equity Shares in the Offer for Sale.

### 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 Shareholder 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 (including FIIs)**

In terms of the SEBI FPI Regulations, an FII who holds a valid certificate of registration from SEBI shall be deemed to be a registered FPI until the expiry of the block of three years for which fees have been paid as per the SEBI FII Regulations. An FII or sub-account, may, subject to payment of conversion fees under the SEBI FPI Regulations participate in the Offer until the expiry of its registration with SEBI as an FII or sub-account, or if it has obtained a certificate of registration as an FPI, whichever is earlier. Accordingly, such FIIs can, subject to the payment of conversion fees under the SEBI FPI Regulations, participate in this Offer in accordance with Schedule 2 of the FEMA Regulations. An FII shall not be eligible to invest as an FII after registering as an FPI under the SEBI FPI Regulations.

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. 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.

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.

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 derivative 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 no further issue or transfer of any offshore derivative instrument is made by or on behalf of it to any persons that are not regulated by an appropriate foreign regulatory authority. 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 FVCI Regulations and the SEBI AIF Regulations *inter alia*, prescribe the investment restrictions on the VCFs, FVCIs and AIFs registered with SEBI.

The holding in any company by any individual VCF or FVCI registered with SEBI should not exceed 25% of the corpus of the VCF or FVCI. Further, VCFs and FVCIs can invest only up to 33.33% of the investible funds in various prescribed instruments, initial public offering.

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 one-third 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.

Further, according to the SEBI Regulations, the shareholding of VCFs, category I AIFs and FVCIs held in a company prior to making an initial public offering would be exempt from lock-in requirements only if the shares have been held by them for at least one year prior to the time of filing a draft offer document with SEBI.

**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.**

Any application received from such category of investor(s) or application wherein a foreign address is provided by the depositories would be rejected.

Our Company, the Selling Shareholder or the BRLMs will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

#### **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 Shareholder reserve the right to reject any Bid without assigning any reason thereof.

#### **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 Shareholder 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 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 Shareholder 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, 2000 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 and the Selling Shareholder 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 (including FIIs), Mutual Funds, insurance companies, insurance funds set up by the Indian army, navy, or air force, 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 and the Selling Shareholder reserve the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason thereof.

Our Company and the Selling Shareholder may, in consultation with the BRLMs, in their absolute discretion, reserve 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 Shareholder 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 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 Red Herring Prospectus.**

### **General Instructions**

#### ***Do's:***

1. Check if you are eligible to apply as per the terms of the Draft Red Herring Prospectus and this Red Herring Prospectus, and under applicable law, rules, regulations, guidelines and approvals. All Bidders (other than Anchor Investors) should submit their Bids through the ASBA process only;
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 your Bid cum Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the Bidding Centre within the prescribed time;
6. 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 Designated Intermediaries;
7. If the first Bidder is not the bank account holder, ensure that the Bid cum Application Form is signed by the bank account holder. Ensure that you have mentioned the correct bank account number in the Bid cum Application Form;

8. Ensure that the signature of the First Bidder in case of joint Bids, is included in the Bid cum Application Forms;
9. 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;
10. Ensure that you request for and receive a stamped acknowledgement counterfoil of the Bid cum Application Form for all your Bid options from the concerned Designated Intermediary;
11. Ensure that you submit the revised Bids to the same Designated Intermediary, through whom the original Bid was placed and obtain a revised acknowledgment;
12. Ensure that the name(s) given in the Bid cum Application Form is / are exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case of joint Bids, the Bid cum Application Form should contain only the name of the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names. Ensure that the signature of the First Bidder is included in the Bid cum Application Forms;
13. Instruct your respective banks to release the funds blocked in accordance with the ASBA process;
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, (ii) submitted by investors who are exempt from the requirement of obtaining / specifying their PAN for transacting in the securities market, and (iii) 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 with the Depositories 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 clearly;
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 Bidder's 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.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

***Don'ts:***

1. Do not Bid for lower than the minimum Bid size;
2. Do not submit a Bid / revise a Bid Amount, with a price 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 the Designated Intermediary;
4. Do not pay the Bid Amount in cheques, demand drafts or by cash, money order, postal order or by stock invest;

5. Do not send Bid cum Application Forms by post; instead submit the same to a Designated Intermediary only;
6. Do not Bid at Cut-off Price (for Bids by QIBs and Non-Institutional Bidders);
7. Do not instruct your respective banks to release the funds blocked in the ASBA Account under the ASBA process;
8. Do not submit the Bid for an amount more than funds available in your ASBA account.
9. 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;
10. 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;
11. 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);
12. Do not Bid for shares more than specified by respective Stock Exchanges for each category;
13. 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;
14. 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 Bidder; and
15. Do not submit Bids to a Designated Intermediary unless the SCSB where the ASBA Account is maintained, as specified in the Bid cum Application Form, has named at least one branch in that location for the Designated Intermediary to deposit the Bid cum Application Forms.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

#### **Payment into Anchor Escrow Account(s) for Anchor Investors**

Our Company and the Selling Shareholder, in consultation with the BRLMs, 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 Anchor Escrow Account(s) should be drawn in favour of:

- (a) In case of resident Anchor Investors: “SANDHAR PUBLIC ISSUE – ESCROW ACCOUNT – ANCHOR INVESTOR - R”
- (b) In case of Non-Resident Anchor Investors: “SANDHAR PUBLIC ISSUE – ESCROW ACCOUNT – ANCHOR INVESTOR - NR”

Anchor Investors should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between our Company, the Selling Shareholder, the Syndicate, the Escrow Collection Bank and the Registrar to the Offer to facilitate collections of Bid amounts from Anchor Investors.

#### **Pre-Offer Advertisement**

Subject to Section 30 of the Companies Act, 2013, our Company shall, after registering this Red Herring Prospectus with the RoC, publish a pre-Offer advertisement, in the form prescribed by the SEBI ICDR Regulations, in all editions of Financial Express and Jansatta (which are widely circulated English and Hindi newspapers, respectively, Hindi being the regional language of New Delhi and Haryana, where our Registered Office and Corporate Office is located). In the pre- Offer advertisement, we shall state the Bid / Offer Opening Date, the Bid / Offer Closing Date and the QIB Bid / Offer Closing Date. This advertisement, subject to the provisions of Section 30 of the Companies Act, 2013, shall be in the format prescribed in Part A of Schedule XIII of the SEBI ICDR Regulations.

*The above information is given for the benefit of Bidders. Our Company and the Selling Shareholder, our Directors, the officers of our Company and the members of the Syndicate are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this 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.*

## Signing of the Underwriting Agreement and the RoC Filing

- (a) Our Company, the Selling Shareholder 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;
- it shall not have any recourse to the proceeds of the Offer until final listing and trading approvals have been received from the Stock Exchanges;
- 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 within the prescribed time period under applicable law, 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 as per the mode(s) disclosed shall be made available to the Registrar to the Offer by our Company;
- Promoters' contribution, if required, shall be brought in advance before the Bid / Offer Opening Date;
- that if our Company and / or the Selling Shareholder do not proceed with the Offer after the Bid / Offer Closing Date but prior to Allotment, the reason thereof shall be given 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;
- that 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;

- where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the applicant 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;
- intimation of the credit 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 this Red Herring Prospectus are listed or until the Bid monies are unblocked in ASBA Account / refunded on account of non-listing, undersubscription, etc.

#### **Undertakings by the Selling Shareholder**

The Selling Shareholder undertakes that the Selling Shareholder is the legal and beneficial owner of, and has full clear and marketable title to the Equity Shares being offered by it in the Offer. Further, the Selling Shareholder undertakes that:

- the Equity Shares being sold by it pursuant to the Offer have been held by it for a period of at least one year prior to the date of filing the Draft Red Herring Prospectus with SEBI, are fully paid-up and are in dematerialised form;
- 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 appropriate instructions, and all reasonable cooperation 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 him pursuant to the Offer;
- 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;
- that it shall deposit its Equity Shares offered in the Offer in an escrow account opened with the Registrar to the Offer at least three days prior to filing of this Red Herring Prospectus with the RoC;
- that it shall take all such steps as may be required to ensure that the Equity Shares being sold by it pursuant to the Offer for Sale are available for transfer in the Offer for Sale, free and clear of any encumbrance, within the timelines specified under applicable law;
- that it shall not further transfer Equity Shares 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 and Equity Shares to be Allotted 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 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 from the Bid / Offer Closing Date of the Offer and in redressal of such investor grievances that pertain to the Equity Shares held by it and being offered pursuant to the Offer; and
- it shall not have recourse to the proceeds of the Offer until final approval for trading of the Equity Shares from all Stock Exchanges where listing is sought has been received.

#### **Utilisation of Offer Proceeds**

The Board of Directors certify that:

- all monies received out of the Fresh Issue shall be credited / transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act, 2013;
- details of all monies utilised out of the Offer shall be disclosed, and continue to be disclosed till the time any part of the Fresh Issue proceeds remains unutilised, under an appropriate head in the balance sheet of our Company indicating the purpose for which such monies have been utilised;
- details of all unutilised monies out of the Fresh Issue, if any shall be disclosed under an appropriate separate head in the balance sheet indicating the form in which such unutilised monies have been invested;



- the utilisation of monies received under the Promoters' contribution, if any, shall be disclosed, and continue to be disclosed till the time any part of the Offer Proceeds remains unutilised, under an appropriate head in the balance sheet of our Company indicating the purpose for which such monies have been utilised; and
- 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.

The Selling Shareholder along with our Company declare that all monies received out of the Offer for Sale shall be credited / transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act, 2013.

#### **Withdrawal of the Offer**

Our Company, in consultation with the BRLM, reserves the right not to proceed with the entire or portion of the Offer for any reason at any time after the Bid / Offer Opening Date but before the Allotment. In such an event, our Company would issue a public notice in the same newspapers, in which the pre-Offer advertisements were published, within two days of the Bid / Offer Closing Date, providing reasons for not proceeding with the Offer. Further, the Stock Exchanges shall be informed promptly in this regard by our Company. The BRLM, through 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. In the event of withdrawal of the Offer and subsequently, plans of a fresh offer by our Company, a fresh draft red herring prospectus will be submitted again to SEBI.

Notwithstanding the foregoing, this Offer is also subject to obtaining the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment and within six Working Days or such other period as may be prescribed, and the final RoC approval of the Prospectus after it is filed with the RoC and the Stock Exchanges.

## 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 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 BRLMs to the Offer and on the website of Securities and Exchange Board of India (“**SEBI**”) at [www.sebi.gov.in](http://www.sebi.gov.in).

For the definitions of capitalized terms and abbreviations used herein Bidders / Applicants may 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

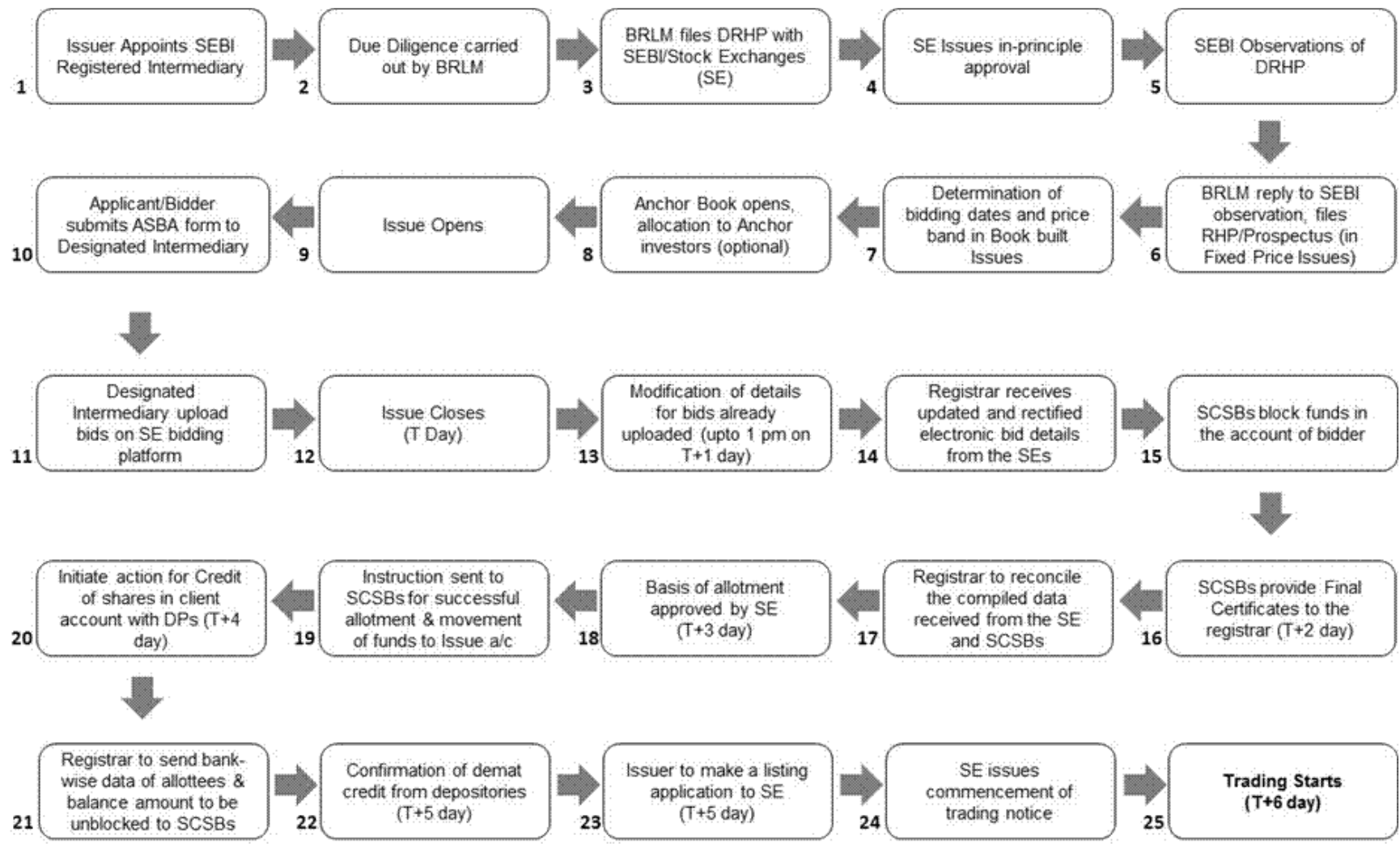
The Offer may be kept open for a minimum of three Working Days (for all category of Bidders / Applicants) and not more than ten Working Days. Bidders / Applicants are advised to refer to the Bid cum Application Form and Abridged Prospectus or RHP / Prospectus for details of the Bid / Offer Period. Details 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



### 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, FIIs and FPIs 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);
- FIIs and sub-accounts registered with SEBI, other than a sub-account which is a foreign corporate or foreign individual, bidding under the QIBs category;
- Sub-accounts of FIIs registered with SEBI, which are foreign corporates or foreign individuals only under the Non Institutional Bidder (“NIBs”) category;
- 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
NRIs, FIIs, their sub-accounts (other than sub-accounts which are foreign corporate(s) or foreign individuals bidding under the QIB), 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 re-materialised 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

<b>COMMON BID CUM APPLICATION FORM</b>	<b>XYZ LIMITED - INITIAL PUBLIC ISSUE - R</b>	<b>FOR RESIDENT INDIANS, INCLUDING RESIDENT QIBs AND ELIGIBLE NRIs APPLYING ON A NON-REPATRIATION BASIS</b>
Address : .....		Contact Details: .....
		CIN No. ....

<b>LOGO</b> TO, THE BOARD OF DIRECTORS XYZ LIMITED	<b>BOOK BUILT ISSUE</b> ISIN : .....	Bid cum Application Form No.
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SYNDICATE MEMBER'S STAMP & CODE	BROKER/SCSB/DP/RTA STAMP & CODE	<b>1. NAME &amp; CONTACT DETAILS OF SOLE / FIRST BIDDER</b> Mr. / Ms. _____ Address _____ Email _____ Tel. No (with STD code) / Mobile _____
SUB-BROKER'S / SUB AGENT'S STAMP & CODE	BROW BANK/SCSB BRANCH STAMP & CODE	
BANK BRANCH SERIAL NO.	SCSB SERIAL NO.	<b>2. PAN OF SOLE / FIRST BIDDER</b>

<b>3. BIDDER'S DEPOSITORY ACCOUNT DETAILS</b> <input type="checkbox"/> NSDL <input type="checkbox"/> CDSL _____ For NSDL, enter 8 digit DP ID followed by 8 digit Client ID / For CDSL, enter 16 digit Client ID	<b>6. INVESTOR STATUS</b> <input type="checkbox"/> Individual(s) - IND <input type="checkbox"/> Hindu Undivided Family - HUF <input type="checkbox"/> Bodies Corporate - CO <input type="checkbox"/> Banks & Financial Institutions - FI <input type="checkbox"/> Mutual Funds - MF <input type="checkbox"/> Non-Resident Indians - NRI (Non-Repatriation basis) <input type="checkbox"/> National Investment Fund - NIF <input type="checkbox"/> Insurance Funds - IF <input type="checkbox"/> Insurance Companies - IC <input type="checkbox"/> Venture Capital Funds - VCF <input type="checkbox"/> Alternative Investment Funds - AIF <input type="checkbox"/> Others (Please specify) - OTH		
<b>4. BID OPTIONS (ONLY RETAIL INDIVIDUAL BIDDERS CAN BID AT "CUT-OFF")</b>			
Bid Options Option 1 (OR) Option 2 (OR) Option 3	No. of Equity Shares Bid (In Figures) (Bid must be in multiples of Bid Lot as advertised) 8   7   6   5   4   3   2   1	Price per Equity Share (₹) / "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures) Bid Price    Retail Discount    Net Price 3   2   1    3   2   1    3   2   1	<b>5. CATEGORY</b> <input type="checkbox"/> Retail Individual Bidder <input type="checkbox"/> Non-Institutional Bidder <input type="checkbox"/> QIB *HUF should apply only through Karvy Application by IIF would be treated on par with Individual

<b>7. PAYMENT DETAILS</b>	<b>PAYMENT OPTION : FULL PAYMENT    <input type="checkbox"/>    PART PAYMENT    <input type="checkbox"/></b>
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 AGREEMENT (PROSPECTUS) AND THE GENERAL INFORMATION DOCUMENT FOR INVITING TO PUBLIC BIDDING (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.

<b>8A. SIGNATURE OF SOLE / FIRST BIDDER</b>	<b>8B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS)</b>	<b>BROKER / SCSB / DP / RTA STAMP (Acknowledging option do f Bid in Stock Exchange system)</b>
Date : _____	I/We authorize the SCSB to do all such activities necessary to make the Application in the line: 1) _____ 2) _____ 3) _____	

TEAR HERE

<b>LOGO</b> XYZ LIMITED INITIAL PUBLIC ISSUE - R	<b>Acknowledgement Slip for Broker/SCSB/DP/RTA</b>	Bid cum Application Form No.
--	--	------------------------------

DPID / CIID	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

<b>XYZ LIMITED - INITIAL PUBLIC ISSUE - R</b>	Option 1    Option 2    Option 3 No. of Equity Shares Bid Price Amount Paid (₹)	Stamp & Signature of Broker / SCSB / DP / RTA	Name of Sole / First Bidder _____ <b>Acknowledgement Slip for Bidder</b> Bid cum Application Form No.
	ASBA Bank A/c No. _____		
	Bank & Branch _____		

PLEASE FILL IN BLOCK LETTERS

TEAR HERE

TEAR HERE

<b>COMMON BID CUM APPLICATION FORM</b>	<b>XYZ LIMITED - INITIAL PUBLIC ISSUE - NR</b>	<b>FOR NON-RESIDENTS, INCLUDING ELIGIBLE NRIs, FPIs OR FVCI, ETC APPLYING ON A REPATRIATION BASIS</b>
	Address : _____ Contact Details: _____ CIN No _____	

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	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 <input type="checkbox"/> NSDL <input type="checkbox"/> CDSL	6. INVESTOR STATUS
For NSDL, enter 8 digit DP ID followed by 8 digit Client ID / For CDSL, enter 16 digit Client ID	<input type="checkbox"/> NRI Non-Resident Indian(s) (Repatriation basis)
	<input type="checkbox"/> FII FII or Sub-account not a Corporate/Foreign Individual
	<input type="checkbox"/> FIIA FII Sub-account Corporate/Individual
	<input type="checkbox"/> FVCI Foreign Venture Capital Investor
	<input type="checkbox"/> FPI Foreign Portfolio Investors
	<input type="checkbox"/> OTH Others (Please Specify) _____

4. BID OPTIONS (ONLY RETAIL INDIVIDUAL BIDDERS CAN BID AT "CUT-OFF")				5. CATEGORY		
Bid Options	No. of Equity Shares Bid (In Figures) (Bids must be in multiples of Bid Lot as advertised)	Price per Equity Share (₹) / "Cut-off" Price in multiples of ₹ 1/- only (In Figures)			Retail Individual Bidder	Non-Institutional Bidder
		Bid Price	Retail Discount	Net Price		
Option 1	8   7   6   5   4   3   2   1	3   2   1	3   2   1	3   2   1	<input type="checkbox"/>	<input type="checkbox"/>
(OR) Option 2					<input type="checkbox"/>	<input type="checkbox"/>
(OR) Option 3					<input type="checkbox"/>	<input type="checkbox"/>

7. PAYMENT DETAILS	PAYMENT OPTION : FULL PAYMENT <input type="checkbox"/> PART PAYMENT <input type="checkbox"/>
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)
Date : _____	I/We authorize the SCSB to do all acts as are necessary to make the Application in the line 1) _____ 2) _____ 3) _____	

PLEASE FILL IN BLOCK LETTERS

TEAR HERE

LOGO	<b>XYZ LIMITED</b>	<b>Initial Public Issue - NR</b>	<b>Acknowledgement Slip for Broker/SCSB/DP/RTA</b>	Bid cum Application Form No. _____
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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

<b>XYZ LIMITED - INITIAL PUBLIC ISSUE - NR</b>	Option 1    Option 2    Option 3	Stamp & Signature of Broker / SCSB / DP / RTA	Name of Sole / First Bidder _____
No. of Equity Shares			
Bid Price			
Amount Paid (₹)			
ASBA Bank A/c No. _____			
Bank & Branch _____			

**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:*

- (d) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or*
- (e) 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*
- (f) 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 refer 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 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. Bids by Employees must be for such number of shares to as to ensure that the Bid Amount less Discount (if applicable), payable by the Bidder does not exceed ₹500,000.

- (b) In case the Bid Amount exceeds ₹200,000 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.
- (c) In case of a Bid by an Eligible Employee Bidding under the Employee Reservation Portion which exceeds ₹200,000, but does not exceed ₹500,000, may not be considered for allocation under the Non-Institutional Category. However, in case the Bid Amount exceeds ₹500,000 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 and FII sub-accounts, Bids bearing the same PAN may be treated as multiple Bids by a Bidder and may be rejected.
  - ii. For Bids from Mutual Funds and FII sub-accounts, 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 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, and sub-accounts of FIIs (or FIIs and its sub-accounts) 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 and FPIs 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.

#### 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 two lakh Rupees, 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:

<b>COMMON BID REVISION FORM</b>	<b>XYZ LIMITED - INITIAL PUBLIC ISSUE - R</b> Address : ..... Contact Details: ..... CIN No ..... TO, THE BOARD OF DIRECTORS XYZ LIMITED	<b>FOR RESIDENT INDIANS, INCLUDING RESIDENT QIBs, AND ELIGIBLE NRIs APPLYING ON A NON-REPATRIATION BASIS</b>
LOGO	<b>BOOK BUILT ISSUE</b> ISIN : .....	Bid cum Application Form No. _____

<b>SYNDICATE MEMBER'S STAMP &amp; CODE</b>	<b>BROKER/SCSB/DP/RTA STAMP &amp; CODE</b>	<b>1. NAME &amp; CONTACT DETAILS OF SOLE / FIRST BIDDER</b> Mr./Ms. _____ Address _____ Email _____ Tel. No. (with STD code) / Mobile _____
<b>SUB-BROKER'S / SUBAGENT'S STAMP &amp; CODE</b>	<b>ESCROW BANK/SCSB BRANCH STAMP &amp; CODE</b>	<b>2. PAN OF SOLE / FIRST BIDDER</b> _____
<b>BANK BRANCH SERIAL NO.</b>	<b>SCSB SERIAL NO.</b>	<b>3. BIDDER'S DEPOSITORY ACCOUNT DETAILS</b> <input type="checkbox"/> NSDL <input type="checkbox"/> CDSL For NSDL, enter 8 digit DP ID followed by 8 digit Client ID / For CDSL, enter 16 digit Client ID

**PLEASE CHANGE MY BID**

Bid Options	No. of Equity Shares Bid (Bid must be in multiples of Bid Lot as advertised)										Price per Equity Share (₹) "Cut-off" (Price in multiples of ₹ 1/- only)				
	(In Figures)										(In Figures)				
	8	7	6	5	4	3	2	1	Bid Price	Retail Discount	Net Price	"Cut-off" (Please tick)			
Option 1												<input type="checkbox"/>			
(OR) Option 2												<input type="checkbox"/>			
(OR) Option 3												<input type="checkbox"/>			

**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)										Price per Equity Share (₹) "Cut-off" (Price in multiples of ₹ 1/- only)				
	(In Figures)										(In Figures)				
	8	7	6	5	4	3	2	1	Bid Price	Retail Discount	Net Price	"Cut-off" (Please tick)			
Option 1												<input type="checkbox"/>			
(OR) Option 2												<input type="checkbox"/>			
(OR) Option 3												<input type="checkbox"/>			

**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 IN SIGNING OF THIS APPLICATION / APPLICATION FORM HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THE BID DOCUMENTS AND THE GENERAL INFORMATION DOCUMENT FOR RESIDENT INDIAN PUBLIC ISSUE / FPI/ADVERTISEMENTS AND CONFIRM THE BIDDERS UNDERSTANDING AS GIVEN OVERHEADS/PHONE (ON BEHALF OF JOINT APPLICANTS, IF ANY) BIDDERS CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILLING UP THE BIDDING FORM GIVEN OVERHEADS.

<b>7A. SIGNATURE OF SOLE / FIRST BIDDER</b>	<b>7B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS)</b>	<b>BROKER / SCSB / DP / RTA STAMP (Acknowledging upload of Bid in Book E exchange system)</b>
Date : _____	1) _____ 2) _____ 3) _____	

TEAR HERE

LOGO	<b>XYZ LIMITED</b> BID REVISION FORM - INITIAL PUBLIC ISSUE - R	<b>Acknowledgement Slip for Broker/SCSB/DP/RTA</b>	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

<b>XYZ LIMITED - BID REVISION FORM - INITIAL PUBLIC ISSUE - R</b>	Option 1	Option 2	Option 3	Stamp & Signature of Broker / SCSB / DP / RTA	Name of Sole / First Bidder
	No. of Equity Shares				
	Bid Price				<b>Acknowledgement Slip for Bidder</b>
	Additional Amount Paid (₹)				
ASBA Bank A/c No.				Bid cum Application Form No. _____	
Bank & Branch					

Instructions to fill each field of the Revision Form can be found on the reverse side of the Revision Form. Other than instructions already highlighted at paragraph 4.1 above, point wise instructions regarding filling up various fields of the Revision Form are provided below:

**4.2.1.1 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 and Employees should ensure that the Bid Amount, subsequent to revision, does not exceed ₹500,000. In case the Bid Amount exceeds ₹200,000 (in the case of RIBs and Retail Individual Shareholders) or ₹500,000 (in the case of Employees) 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, the Bid will be considered for allocation under the Non-Institutional Category in terms of the RHP / Prospectus, provided that in case of a Bid by an Employee Bidding in the Employee Reservation Portion, a Bid exceeding ₹500,000 will be considered for allocation under the Non-institutional Category in terms of the Red Herring Prospectus / 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 Employees Bidding in the Employee 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, the Bid may be considered for allocation under the Non-Institutional Category in terms of the RHP / Prospectus, provided that in case of a Bid by an Employee Bidding in the Employee Reservation Portion, a Bid exceeding ₹500,000 will be considered for allocation under the Non-institutional Category in terms of the Red Herring Prospectus / 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 Lead Manager 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 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.
- (d) Applications by Employees must be for such number of shares so as to ensure that the application amount payable does not exceed ₹500,000 on a net basis.
- (e) 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.
- (f) An application cannot be submitted for more than the Offer size.
- (g) The maximum application by any Applicant should not exceed the investment limits prescribed for them under the applicable laws.
- (h) **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.
- (i) 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 and FII sub-accounts, Applications bearing the same PAN may be treated as multiple applications by an Applicant and may be rejected.
  - ii. For applications from Mutual Funds and FII sub-accounts, submitted under the same PAN, as well as Applications on behalf of the PAN Exempted Applicants, the Application Forms may be checked for common DP ID and Client ID. In any such applications which have the same DP ID and Client ID, these may be treated as multiple applications and may be rejected.
- (j) 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 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, and sub-accounts of FIIs (or FIIs and its sub-accounts) 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:-**

<b>Mode of Application</b>	<b>Submission of Bid cum Application Form</b>
Anchor Investors Application Form	1) To the Book Running Lead Manager 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) 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.
- (c) 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.
- (d) 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.
- (e) 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 places 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 Exchange 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) Undersubscription 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 Offer, spill-over to the extent of such undersubscription may be permitted from the Reserved Portion to the Offer. For allocation in the event of an undersubscription 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 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 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 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) Undersubscription 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 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 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 the 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.

## 7.6 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 to 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 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 undersubscription 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 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, nor 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) **NECS**—Payment of refund may be done through NECS for Bidders / Applicants having an account at any of the centers specified by the RBI. This mode of payment of refunds may be subject to availability of complete bank account details including the nine-digit MICR code of the Bidder / Applicant as obtained from the Depository;
- (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.*

<b>Term</b>	<b>Description</b>
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	A 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

<b>Term</b>	<b>Description</b>
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.
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
Business Day	Monday to Saturday (except 2nd and 4th Saturday of a month and public holidays)
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 #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 <a href="http://www.sebi.gov.in/cms/sebi_data/attachdocs/1316087201341.html">http://www.sebi.gov.in/cms/sebi_data/attachdocs/1316087201341.html</a>
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 ( <a href="http://www.bseindia.com">www.bseindia.com</a> and <a href="http://www.nseindia.com">www.nseindia.com</a> )

<b>Term</b>	<b>Description</b>
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 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 promoter and immediate relatives of the promoter. 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
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

<b>Term</b>	<b>Description</b>
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
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
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

<b>Term</b>	<b>Description</b>
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 #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 <a href="http://www.sebi.gov.in/cms/sebi_data/attachdocs/1316087201341.html">http://www.sebi.gov.in/cms/sebi_data/attachdocs/1316087201341.html</a>
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. The Union Cabinet, as provided in the Cabinet Press Release dated May 24, 2017, has given its approval for phasing out the FIPB. Accordingly, the process for foreign direct investment (“**FDI**”) and approval from the Government of India will now be handled by the concerned ministries or departments, in consultation with the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India (“**DIPP**”), Ministry of Finance, Department of Economic Affairs, FIPB section, through a memorandum dated June 5, 2017 has notified the specific ministries handling relevant sectors.

The Government has, from time to time, made policy pronouncements on FDI through press notes and press releases. The 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 28, 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.

As per current foreign investment policies, the transfer of shares between an Indian resident and a non-resident does not require the prior approval of the FIPB or 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 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 guidelines prescribed by 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 state securities laws in 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 in accordance with any applicable U.S. state securities laws. The Equity Shares are being offered and sold outside the United States in offshore transactions in reliance on Regulation S and the applicable laws of each jurisdiction where such offers and sales are made.**

The above information is given for the benefit of the Bidders. Our Company, the Selling Shareholder 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 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

Set forth below is certain information relating to our share capital, voting rights, dividend, lien, forfeiture, restrictions on transfer and transmission of Equity Shares or debentures and / or on their consolidation/ splitting and other important terms of Articles of Association of our Company. Please note that each provision herein below is numbered as per the corresponding article number in the Articles of Association and capitalized / defined terms herein have the same meaning given to them in the Articles of Association.

*Capitalized terms used in this section have the meaning that has been given to such terms in the Articles of Association of our Company. Pursuant to Schedule I of the Companies Act, 2013 and the SEBI ICDR Regulations, the main provisions of the Articles of Association of our Company are detailed below:*

**The Articles of Association of the Company consist of Part I and Part II. In the event of any inconsistency between Part I and Part II of the Articles of Association, the provisions of Part II shall prevail over Part I. However Part II of the Articles of Association shall automatically terminate and cease to have any force and effect and be deemed to fall away on and from the date of listing of equity shares of the Company on a stock exchange in India subsequent to an initial public offering of equity shares of the Company, without any further action by the Company or by its shareholders.**

### PART I

#### Authorized Share Capital

Article 4 provides that the authorized Share Capital of the Company shall be such amount and be divided into such shares as may from time to time, be provided in clause V of Memorandum with power to reclassify, subdivide, consolidate and increase and with power from time to time, to issue any shares of the original capital or any new capital and upon the sub-division of shares to apportion the right to participate in profits, in any manner as between the shares resulting from sub-division.

#### Variation of Rights

Article 4 provides that the Share Capital of the Company may be classified into shares with differential rights as to dividend, voting or otherwise in accordance with the applicable provisions of the Act, Rules, and Law, from time to time. If at any time the Share capital is divided into different classes of Shares, the rights attached to any class (unless otherwise provided by the terms of issue of the Shares of that class) may, subject to the provisions of the Sections 106 and 107 of the Companies Act, 1956 or the Act, as the case may be, and whether or not the Company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued Shares of that class, or with the sanction of a Special Resolution passed at a separate meeting of the holders of the shares of that class. To every such separate meeting, the provisions of these articles relating to general meetings shall mutatis mutandis apply, but so that the necessary quorum shall be at least two persons holding at least one-third of the issued Shares of the class in question.

#### Increase, reduction and alteration in capital

Article 7 provides that the Company, subject to provisions of these Articles and Section 61 of the Act, in General Meeting may from time to time, alter the conditions of its Memorandum as follows, that is to say, it may: -

- 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;
- c. sub-divide its existing shares of any of them into shares of smaller amount that is fixed by the Memorandum so, however, that in the subdivision 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
- d. cancel any shares, which at the date of the passing of the resolution have not been taken or agreed to be taken by the person and diminish the amount of its Share Capital by the amount of the shares so cancelled.

Subject to the provisions of Sections 66 inclusive of the Act, Board may accept from any member the surrender on such terms and conditions as shall be agreed of all or any of his shares.

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.

Article 8 provides that the Company may, subject to the applicable provisions of the Act and the Companies Act, 1956, from time to time, reduce its Capital, any capital redemption reserve account and the securities premium account in any manner for the time being authorized by Law.

Article 9 provides that pursuant to a resolution of the Board, the Company may purchase its own Equity Shares or other Securities, as may be specified by the MCA, by way of a buy-back arrangement, in accordance with Sections 68, 69 and 70 of the Act, the Rules and subject to compliance with Law.

### **Payment of commission and brokerage**

Article 5 provides that the Company may exercise the powers of paying commissions conferred by sub-Section (6) of Section 40, provided that the rate percent or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by that Section and rules made there under. The rate or amount of the commission shall not exceed the rate or amount prescribed in rules made under sub-Section (6) of Section 40. The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in the one way and partly in the other.

### **Call on Equity Shares**

Article 13 provides that

- a. Subject to the provisions of Section 49 of the Act, the Board may, from time to time, make such calls as it thinks fit upon the members in respect of all moneys unpaid on the Shares (whether on account of the nominal value of the Shares or by way of premium) held by them respectively and not by the conditions of allotment thereof made payable at fixed times, and the member shall pay the amount of every call so made on him to the person and at the time and place appointed by the Board of Directors.
- b. A call shall be deemed to have been made at the time when the resolution of the Board authorizing such call was passed. The Board making a call may by resolution determine that the call shall be deemed to be made on a date subsequent to the date of the resolution, and in the absence of such a provision, a call shall be deemed to have been made on the same date as that of the resolution of the Board making such calls.
- c. Not less than thirty days' notice of any call shall be given specifying the time and place of payment provided that before the time for payment of such call, the Directors may, by notice in writing to the members, extend the time for payment thereof.
- d. If by the terms of issue of any share or otherwise, any amount is made payable at any fixed times, or by installments at fixed time, whether on account of the nominal value of the share or by way of premium, every such amount or installments shall be payable as if it were a call duly made by the Board, on which due notice had been given, and all the provisions contained herein, or in the terms of such issue, in respect of calls shall relate and apply to such amount or installments accordingly.
- e. If the sum called in respect of a share is not paid on or before the day appointed for payment thereof, the holder for the time being of the share in respect of which the call shall have been made or the installments shall fall due, shall pay interest for the same at the rate of 10 percent per annum, from the day appointed for the payment thereof to the time of the actual payment or at such lower rate as the Directors may determine. The Board shall also be at liberty to waive payment of that interest wholly or in part.
- f. The provisions of these Articles as to payment of interest shall apply in the case of non-payment of any such sum which by the terms of issue of a share, become payable at a fixed time, whether on account of the amount of the share or by way of premium, as if the same had become payable by virtue of a call duly made and notified.
- g. The Board, may, if it thinks fit, receive from any member willing to advance all of or any part of the moneys uncalled and unpaid upon any shares held by him and upon all or any part of the moneys so advance, the Board may (until the same would, but for such advance become presently payable) pay interest at such rate not exceeding, unless the Company in its General Meeting shall otherwise direct, 12% per annum, as may be agreed upon between the Board and the member paying the sum in advance but shall not in respect of such advances confer a right to the dividend or participate in profits. The Directors may at any time repay the amount so advanced.
- h. The members shall not be entitled to any voting rights in respect of the moneys so paid by them until the same would, but for such payment, become presently payable.
- i. Neither a judgment nor a decree in favour of the Company for calls or other moneys 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 member in respect of any share, either by way of principal or interest nor any indulgency 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 herein after provided.

- j. The provisions of these Articles shall mutatis mutandis apply to the calls on debentures of the Company.

### **Forfeiture, Surrender and Lien**

Articles 15 provides that

- a. If a member fails to pay any call or installment of a call on the day appointed for the payment not paid thereof, the Board may during such time as any part of such call or installment remains unpaid serve a notice on him requiring payment of so much of the call or installment as is unpaid, together with any interest, which may have accrued. The Board may accept in the name and for the benefit of the Company and upon such terms and conditions as may be agreed upon, the surrender of any share liable to forfeiture and so far as the law permits of any other share.
- b. On the trial or hearing of any action or suit brought by the Company against any shareholder or his representative to recover any debt or money claimed to be due to the Company in respect of his share, it shall be sufficient to prove that the name of the defendant is or was, when the claim arose, on the Register of shareholders of the Company as a holder, or one of the holders of the number of shares in respect of which such claim is made, and that the amount claimed is not entered as paid in the books of the Company and it shall not be necessary to prove the appointment of the Directors who made any 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 matter whatsoever; but the proof of the matters aforesaid shall be conclusive evidence of the debt.
- c. The notice shall name a further day (not earlier than the expiration of fourteen days from the date of service of the notice), on or before which the payment required by the notice is to be made, and shall state that, in the event of non-payment on or before the day appointed, the shares in respect of which the call was made will be liable to be forfeited.
- d. If the requirements of any such notice as, aforementioned are not complied with, any share in respect of which the notice has been given may at any time thereafter, before the payment 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 in respect of the forfeited shares and not actually paid before the forfeiture.
- e. When any share shall have been so forfeited, notice of the resolution shall be given to the member in whose name it stood immediately prior to the forfeiture and an entry of the forfeiture shall not be in any manner invalidated by any omission or neglect to give such notice or to make such entry as aforesaid.
- f. A forfeited or surrendered share may be sold or otherwise disposed off on such terms and in such manner as the Board may think fit, and at any time before such a sale or disposal, the forfeiture may be cancelled on such terms as the Board may think fit.
- g. A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares but shall, notwithstanding such forfeiture, remain liable to pay and shall forthwith pay the Company all moneys, which at the date of forfeiture is payable by him to the Company in respect of the share, whether such claim be barred by limitation on the date of the forfeiture or not, but his liability shall cease if and when the Company received payment in full of all such moneys due in respect of the shares.
- h. The forfeiture of a share shall involve in the extinction of all interest in and also of all claims and demands against the Company in respect of the shares and all other rights incidental to the share, except only such of these rights as by these Articles are expressly saved.
- i. A duly verified declaration in writing that the declarant is a director, the manager or the secretary, of the company, and that a share in the company has been duly forfeited 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 share; (ii) The company may receive the consideration, if any, given for the share on any sale or disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of; (iii) The transferee shall thereupon be registered as the holder of the share; and (iv) The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.
- j. The provisions of these regulations as to forfeiture shall apply in the case of non-payment of any sum which by terms of issue of a share, becomes payable at a fixed time, whether, on account of the amount of the share or by way of premium or otherwise as if the same had been payable by virtue of a call duly made and notified.
- k. Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers herein before given, the

Directors may cause the purchaser's name to be entered in the register in respect of the shares sold and may issue fresh certificate in the name of such a purchaser. The purchaser shall not be bound to see to the regularity of the proceedings, nor to the application of the purchase money and after his name has been entered in the register 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.

Article 14 provides that the fully paid shares will be free from all liens, while in the case of partly paid Shares, the Company's lien, if any, will be restricted to moneys called or payable at a fixed time in respect of such shares.

#### **First and paramount lien**

- a. The Company shall have a first and paramount lien—
  - (i) on every Share (not being a fully paid-up Share), for all monies (whether presently payable or not) called, or payable at a fixed time, in respect of that Share; and
  - (ii) on all Shares (not being fully paid Shares) standing registered in the name of a single person, for all monies presently payable by him or his estate to the Company:

*Provided that* the Board of Directors may at any time declare any Share to be wholly or in part exempt from the provisions of this Article.

- b. The Company's lien, if any, on a Share shall extend to all Dividends payable and bonuses declared from time to time in respect of such Shares.

#### **Powers of the Company to sell the Shares under lien**

- a. The Company may sell, in such manner as the Board of Directors thinks fit, any Shares on which the Company has a lien:

*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.
- b. To give effect to any such sale, the Board of Directors may authorise some person to transfer the Shares sold to the purchaser thereof.
  - (i) The purchaser shall be registered as the holder of the Shares comprised in any such transfer.
  - (ii) 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.
- c. The proceeds of the 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.
- d. 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.

#### **Transfer and Transmission of shares**

Section 17 provides that

- a. The Company shall maintain a "Register of Transfers" and shall record 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. 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.

- d. 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.
- e. 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 Shareholders in respect thereof.
- f. The Board shall have power on giving not less than 7 (seven) days previous notice by advertisement in a newspaper circulating in the city, town or village in which the Office of the Company is situated to close the transfer books, the Register of Shareholders 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.
- g. 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.

- h. 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.
- i. 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.
- j. (i) On the death of a Shareholder, the survivor or survivors where the Shareholder was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only persons recognised by the company as having any title to his interest in the shares. (ii) Nothing in clause (i) shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.
- k. 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 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.
- l. 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.
- m. Subject to the provisions of Articles, any person becoming entitled to a share in consequence of the death or insolvency of a Shareholder may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect, either: (a) to be registered himself as holder of the share; or (b) to make such transfer of the share as the deceased or insolvent member could have made. The Board shall, in either case, have

the same right to decline or suspend registration as it would have had, if the deceased or insolvent member had transferred the share before his death or insolvency.

- n. If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the company a notice in writing signed by him stating that he so elects. If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share. All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the Shareholder had not occurred and the notice or transfer were a transfer signed by that Shareholder.
- o. 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.

- p. Every instrument of transfer shall be presented to the Company duly stamped for registration accompanied by the certificate of the Shares to which it relates, and such other evidence as the Board may require to show 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.
  - i. 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.
  - ii. 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.
- q. 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.
- r. 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.
- s. 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 Shareholders), 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.
- t. The provision of these Articles shall 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.

## **Borrowing Powers**

Article 23 provides that

- a. Subject to the provisions of the Act and these Articles, the Board may from time to time at their discretion raise or borrow or secure the payment of any such sum of money for the purpose of the Company, in such manner and upon such terms and conditions in all respects as they think fit, and in particular, by promissory notes or by receiving deposits and advances with or without security or by the issue of bonds, debentures, perpetual or otherwise, including debentures convertible into shares of this or any other Company or perpetual annuities and to secure any such money so borrowed, raised or received, mortgage, pledge or charge the whole or any part of the property, assets or revenue of the Company present or future, including its uncalled capital by special assignment or otherwise or to transfer or convey the same absolutely or in trust and to give the lenders powers of sale and other powers as may be expedient and to purchase, redeem or pay off any such securities; provided however, that the moneys to be borrowed, together with the money already borrowed by the Company apart from temporary loans obtained from the Company's bankers in the ordinary course of business shall not, without the sanction of the Company by a Special Resolution at a General Meeting, exceed the aggregate of the paid up capital of the Company and its free reserves. Provided that every Special Resolution passed by the Company in General Meeting in relation to the exercise of the power to borrow shall specify the total amount up to which moneys may be borrowed by the Board of Directors.
- b. The Directors may by resolution at a meeting of the Board delegate the above power to borrow money otherwise than on debentures to a committee of Directors or managing Director or to any other person permitted by applicable law, if any, within the limits prescribed.
- c. To the extent permitted under the applicable law and subject to compliance with the requirements thereof, the Directors shall be empowered to grant loans to such entities at such terms as they may deem to be appropriate and he same shall be in the interests of the Company.
- d. 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.

### **Conversion of shares into stock**

Article 24 provides that

- a. The Company may, by Ordinary Resolution, convert all or any fully paid share(s) of any denomination into stock and vice versa.
- b. The holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same regulations, under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit; provided that the Board may, from time to time, fix the minimum amount of stock transferable, so, however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose.
- c. The holders of the stock shall, according to the amount of the 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 privilege or advantage (except participation in the dividends and profits of the Company and its 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.
- d. Such of the regulations contained in these presents, other than those relating to share warrants as are applicable to paid-up shares shall apply to stock and the words shares and shareholder in these presents shall include stock and stockholder respectively.

### **Convening Meeting**

Article 25 provides that in accordance with the provisions of the Act, the Company shall in each year hold a General Meeting specified 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 an Extraordinary General Meetings.

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.

Article 26 provides that 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 situate, as the Board may determine and the notices calling the Meeting shall specify it as the Annual General Meeting.

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.

Article 27 provides that

- 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. However, a General Meeting may be called after giving shorter notice if consent is given in writing or by electronic mode by not less than 95 (ninety five) percent of the Shareholders entitled to vote at that meeting.

The notice of every meeting shall be given to:

- i. every Shareholder, legal representative of any deceased Shareholder or the assignee of an insolvent member of the Company;
  - ii. auditor or Auditors of the Company; and
  - iii. all Directors.
- e. 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.
  - f. Contents and manner of service of notice and Persons on whom it is to be served: 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 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.
  - g. Special business: Subject to the applicable provisions 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.
  - h. 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 of the Act.
  - i. 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.

- j. 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.
- k. The notice of the General Meeting shall comply with the provisions of Companies (Management and Administration) Rules, 2014.

## Voting

Article 32 provides that

- 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 scrutinize 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.

Further, Article 34 provides for the mechanism for voting at an EGM or an AGM. It provides that:

- a. Subject to any rights or restrictions for the time being attached to any class or classes of shares,—
  - (i) on a show of hands, every member present in person shall have one vote; and
  - (ii) on a poll, the voting rights of members shall be in proportion to his share in the paid-up equity Share Capital of the Company.
- b. A member may exercise his vote at a meeting by electronic means in accordance with Section 108 and shall vote only once.
- c. In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted

to the exclusion of the votes of the other joint holders. For this purpose, seniority shall be determined by the order in which the names stand in the register of members.

- d. A member 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, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy.
- e. Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll.
- i. No member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the Company have been paid or in regard to which the Company has exercised any right of lien.
- j. No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes. Any such objection made in due time shall be referred to the Chairperson of the meeting, whose decision shall be final and conclusive and every vote not disallowed at such meeting shall be valid for all purposes.

Article 35 provides for the proxy voting rights as follows:

- a. The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarized copy of that power a authority, shall be deposited at the registered office of the Company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll; and in default the instrument of proxy shall not be treated as valid.
- b. An instrument appointing a proxy shall be in the form as prescribed in the rules made under Section 105.
- c. A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given, Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the Company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used.

## **Director**

Article 37 provides that

- a. Until otherwise determined by Special Resolution of the number of Directors of the Company shall not be less than three or more than twelve.
- b. The Company in General Meeting may from time to time increase or reduce the number of Directors within the limits fixed by Article 37(a).
- c. The following persons shall be the First Directors of the Company.
  - i. Mr Jayant Davar
  - ii. Mrs Monica Davar
  - iii. Yash Pal Vij
- d. The Company shall also comply with the provisions of the Companies (Appointment and Qualification of Directors) Rules, 2014 and the provisions of the SEBI Listing Regulations.

Article 38 provides that the Board may appoint any person other than a person who fails to get appointed as a director in a general meeting, as an additional director, who 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.

Article 39 provides that the Board may, appoint a person, not being a person holding any alternate directorship for any other director in the Company, to act as an alternate director for a director during his absence for a period of not less than three months from India.

Article 40 provides that 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, such 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.

Article 41 provides that whenever the Board enter 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 whatever. The nominee Director shall hold office only so long as any monies remain owed by the Company to such lenders.

Article 42 provides that 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 so appointed shall be a member of the project management sub-committee, audit sub-committee and other sub-committees of the Board, if so desired by the lenders.

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.

Article 43 provides that the Company shall have such number of Woman Director 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.

Article 49 provides that 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 managing Director or whole-time Director(s), appointed or the Directors appointed as a Debenture Director under Articles hereto shall not retire by rotation under this Article nor shall they be included in calculating the total number of Directors of whom one third shall retire from office under this Article.

### **Proceedings of the Board of Directors**

Article 59 of provides that

- a. Board Meetings shall be held at least once in every 3 (three) month period and there shall be at least 4 (four) Board Meetings 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 in Mumbai, 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 shall not be dealt with in a meeting through video conferencing or other audio visual means. 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 continuing directors may act notwithstanding any vacancy in the Board; but, if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing directors or director may act for the purpose of increasing the number of directors to that fixed for the quorum, or of summoning a general meeting of the company, but for no other purpose.
- d. (i) The Board may elect a Chairperson of its meetings and determine the period for which he is to hold office. (ii) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the directors present may choose one of their number to be Chairperson of the meeting.
- e. The Company Secretary shall, as and when directed by the Chairman 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.
- f. The Board may meet either at the Office of the Company, or at any other location in India or outside India as the Chairman may determine.
- g. 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.
- h. At any Board Meeting, each Director may exercise 1 (one) vote. In case of an equality of votes, the Chairperson of the Board, if any, shall have a second or casting 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.

Article 60 provides for the quorum required for the board meetings

- a. Subject to the provisions of Section 174 of the Act, the quorum for each Board Meeting shall be at least three Directors the presence of Directors by video conferencing or by other audio visual means shall also be counted for the purposes of calculating quorum.
- b. 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.
- c. 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.

## **Dividends**

Article 70 provides that

- a. The Company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.
- b. Subject to the provisions of section 123, the Board may from time to time pay to the Shareholders such interim dividends as appear to it to be justified by the profits of the Company.
- c. (i) The Board may, before recommending any dividend, set aside out of the profits of the Company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the Company may be properly applied, including provision for meeting contingencies or for equalising dividends; and pending such application, may, at the like discretion, either be employed in the business of the Company or be invested in such investments (other than shares of the Company) as the Board may, from time to time,

thinks fit. (ii) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.

- d. (i) Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the Company, dividends may be declared and paid according to the amounts of the shares. (ii) No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this regulation as paid on the share (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 share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.
- e. The Board may deduct from any dividend payable to any Shareholder all sums of money, if any, presently payable by him to the Company on account of calls or otherwise in relation to the shares of the Company.
- f. (i) Any dividend, interest or other monies payable in cash in respect of shares may be paid by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of Shareholders, or to such person and to such address as the holder or joint holders may in writing direct. (ii) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.
- g. Any one of two or more joint holders of a share may give effective receipts for any dividends, bonuses or other monies payable in respect of such share.
- h. Notice of any dividend that may have been declared shall be given to the persons entitled to share therein in the manner mentioned in the Act.
- i. No dividend shall bear interest against the Company.

### **Capitalization of Profits**

Section 77 provides that:

- a. The Company may in a General Meeting, upon recommendation of the Board, resolve:
  - i. That it is desirable to capitalise any part of the amounts for the time being standing to the credit of the Company's reserve accounts or to the credit of the profit and loss accounts or; and
  - ii. That such sum be accordingly set free for distribution in the manner specified in clause (b) amongst the members who would have been entitled thereto if distributed by way of dividend and in the same proportion.
- b. The sum aforesaid shall not be paid in cash but shall be applied, subject to the provisions contained in clause (c) either in or towards:
  - i. Paying up any amount for the time being unpaid on shares held by such members respectively; or
  - ii. Paying up in full unissued shares of the Company to be allotted and distributed, credited as fully paid up, to and amongst such members in the proportion aforesaid; or
  - iii. Partly in the way specified in sub-clause (i) and partly in that specified in sub-clause (ii).
- c. A share premium account and a capital redemption fund may be applied in the paying up of unissued shares to be issued to members of the Company as fully paid bonus shares.

### **Powers of Directors for declaration of Bonus**

- a. Whenever such a resolution as aforesaid shall have been passed by the Board shall:
  - i. make all appropriations and applications of the undistributed profits to be capitalized thereby and issue of fully paid shares or debentures, if any; and
  - ii. generally do all acts and things required to give effect thereto.

- b. The Board shall have full power:
  - i. to make such provision, by the issue of fractional certificates or by payments in cash or otherwise as it thinks fit in the case of shares becoming distributable in fraction; and also
  - ii. to authorise any person to enter on behalf of all the members entitled thereto into an agreement with the Company providing for the allotment to them respectively credited as fully paid up of any further shares or debentures of which they may be entitled upon such capitalisation or as the case may require, for the payment of by the Company on their behalf, by the application thereto of their respective proportion of the profits resolved to be capitalised or the amounts or any part of the amounts remaining unpaid on the shares.
- c. Any agreement made under such authority shall be effective and binding on all such members.

### **Winding up**

Article 78 provides that 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.

### **Indemnity**

Article 79 provides that

- a. Subject to the provisions of Section 197 of the Act every Director, Manager, Secretary and other officer or employee of the Company shall be indemnified by the Company against, and it shall be the duty of the Directors out of the assets of the Company to pay all costs, losses, and expenses (including travelling expenses) which any such Director, officer or employee may incur or becomes liable to by reason of any contract entered into or act or deed done by him or any other way in the discharge of his duties, as such Director, officer or employee.
- b. Subject as aforesaid, every Director, Manager, Secretary, or other officer/employee of the Company shall be indemnified against any liability, incurred by them or him in defending any proceeding whether civil or criminal in which judgment is given in their or his favour or in which he is acquitted or discharged or in connection with any application under Section 463 of the Act in which relief is given to him by the Court and without prejudice to the generality of the foregoing, it is hereby expressly declared that the Company shall pay and bear all fees and other expenses incurred or incurable by or in respect of any Director for filing any return, paper or document with the Registrar of Companies, or complying with any of the provisions of the Act in respect of or by reason of his office as a Director or other officer of the Company.

### **Secrecy**

Article 83 provides that Every Director, Managing Directors, Manager, Secretary, Auditor, trustee, members of 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 a resolution of the Company in a 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 affairs.

## **PART II**

The provisions of the Shareholders Agreement dated the March 30, 2012 by and amongst the Company, GTI Capital Beta Pvt Ltd, Jayant Davar, Monica Davar, Sandhar Estates Private Limited, YSG Estates Private Limited, Sanjeevni Impex Private Limited, Sandhar Enterprises, Sandhar Infosystems Limited and Jubin Finance & Investments Limited (the "Shareholders' Agreement") shall form part of the Articles of Association of the Company (the "Articles") and are deemed to be incorporated herein by reference and notwithstanding anything to the contrary contained in the Articles. In the event of any conflict or inconsistency between the provisions of the Shareholders' Agreement incorporated herein by reference and the provisions of the Articles, the provisions of the Shareholders' Agreement incorporated by reference shall prevail.

## 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 this Red Herring Prospectus which will be delivered to the RoC for registration. Copies of the abovementioned contracts and the documents for inspection referred to hereunder, may be inspected at the Registered and Corporate Office between 10 AM and 5 PM on all Working Days from the date of this Red Herring Prospectus until the Bid / Offer Closing Date.

#### A. Material Contracts for the Offer

1. Offer Agreement dated December 7, 2017, executed amongst our Company, the Promoter, the Selling Shareholder and the BRLMs.
2. Cash Escrow Agreement dated March 7, 2018, executed amongst our Company, the Selling Shareholder, the Registrar to the Offer, the BRLMs, Bankers to the Offer.
3. Share Escrow Agreement dated March 7, 2018, executed amongst the Selling Shareholder, our Company, and the Escrow Agent.
4. Syndicate Agreement dated March 7, 2018, executed amongst our Company, the Selling Shareholder, the BRLMs and the Syndicate Members.
5. Underwriting Agreement dated [●] executed amongst our Company, the Selling Shareholder and the Underwriters.
6. Registrar Agreement dated December 5, 2017, executed amongst our Company, the Selling Shareholder and the Registrar to the Offer.
7. Monitoring Agency Agreement dated March 7, 2018, executed amongst our Company and the Monitoring Agency.
8. Ad Agency Agreement dated December 7, 2017, executed amongst our Company, Adfactors Advertising, and Adfactors PR Private Limited

#### 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 October 19, 1987 issued by the RoC to our Company in our former name, being Sandhar Locking Devices Private Limited.
3. Fresh certificate of incorporation dated September 21, 1992 issued by the RoC to our Company, consequent upon conversion to a public company in the name of Sandhar Locking Devices Limited.
4. Fresh certificate of incorporation dated November 11, 2005 issued by the RoC to our Company consequent upon change of name to Sandhar Technologies Limited.
5. Resolution of the Board of Directors dated November 18, 2017 in relation to the Offer and other related matters.
6. Resolution of the board of directors of the Selling Shareholder dated November 30, 2017, approving its participation in the Offer for Sale.
7. Shareholders' resolution dated November 18, 2017 in relation to this Offer and other related matters.
8. Letter of consent dated March 5, 2018, issued by the Selling Shareholder approving the Offer for Sale.
9. Resolution of the Board of Directors dated March 7, 2018, approving this Red Herring Prospectus.
10. The examination reports of the Statutory Auditor dated November 18, 2017, in relation to our Company's Restated Unconsolidated Summary Statements and Restated Consolidated Summary Statements.



11. Copies of the annual reports of our Company for the Financial Years 2013, 2014, 2015, 2016 and 2017.
12. Consent from the Statutory Auditor namely, B S R & Co. LLP, Chartered Accountants, to include their name as required under Section 26(1)(a)(v) of the Companies Act, 2013 in this Red Herring Prospectus and as an “Expert” as defined under Section 2(38) of the Companies Act, 2013, in respect of the examination reports of the Statutory Auditor on the Restated Unconsolidated Summary Statements and Restated Consolidated Summary Statements, both dated November 18, 2017 and the statement of possible special tax benefits dated March 1, 2018, included in this Red Herring Prospectus and such consent has not been withdrawn as on the date of this Red Herring Prospectus.
13. The Statement of Possible Special Tax Benefits dated March 1, 2018 from the Statutory Auditor.
14. Consent of the Selling Shareholder, our Directors, our Company Secretary and Compliance Officer, our Chief Financial Officer, our Statutory Auditor, Legal Counsel to the Offer, bankers / lenders to our Company, the BRLMs, the Syndicate Members, Escrow Collection Bank(s), Bankers to the Offer, the Registrar to the Offer, as referred to, in their specific capacities.
15. Due Diligence Certificate dated December 7, 2017 addressed to SEBI from the BRLMs.
16. Consent from CRISIL Limited, dated December 1, 2017 in relation to the industry report titled “Review & Outlook on Indian Automobile / Automotive component sectors” dated December 2017.
17. Copies of resolution in relation to the appointment of our Co-Chairman and Managing Director.
18. In principle listing approvals dated January 10, 2018, and January 5, 2018, issued by BSE and NSE respectively.
19. Scheme of amalgamation approved by High Court of Delhi dated May 26, 2006.
20. Scheme of amalgamation approved by High Court of Delhi dated May 2, 2013.
21. Tripartite agreement dated September 29, 2015 between our Company, NSDL and the Registrar to the Offer.
22. Tripartite agreement dated September 22, 2015 between our Company, CDSL and the Registrar to the Offer.
23. Shareholders agreement dated March 30, 2012, executed *inter alios* among our Company and GTI Capital, the first amendment agreement to the abovementioned shareholders agreement dated September 28, 2015, executed *inter alios* among our Company and GTI, and the second amendment agreement to the abovementioned shareholders agreement dated December 7, 2017, executed *inter alios* among our Company and GTI.
24. Share Purchase Agreement dated March 30, 2012 between our Company, GTI Capital and the Actis Group.
25. SEBI observation letter bearing number CFD/DIL – II/ADM/AV/OW/2018/6768 dated March 1, 2018.

Any of the contracts or documents mentioned in this 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 rules, regulations, or 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 Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, 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 Red Herring Prospectus are true and correct.

### SIGNED BY DIRECTORS AND CHIEF FINANCIAL OFFICER OF OUR COMPANY

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**Dharmendar Nath Davar**

*(Chairman and Non-Executive, Non-Independent Director)*

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**Jayant Davar**

*(Co-Chairman and Managing Director)*

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**Arvind Joshi**

*(Whole-time Director and Chief Financial Officer)*

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**Monica Davar**

*(Non-Executive, Non-Independent Director)*

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**Mohan Lal Bhagat**

*(Independent Director)*

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**Ravinder Nagpal**

*(Independent Director)*

\_\_\_\_\_

**Krishan Lal Chugh**

*(Independent Director)*

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**Arvind Kapur**

*(Independent Director)*

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**Gaurav Dalmia**

*(Nominee Director, Non-Independent and Non-Executive Director)*

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**Arjun Sharma**

*(Independent Director)*

Place: New Delhi

Date:

## **DECLARATION BY THE SELLING SHAREHOLDER**

GTI Capital Beta Pvt Ltd hereby certifies that all statements, disclosures, and undertakings made by it in this Red Herring Prospectus in relation to itself and the Equity Shares being offered by it in the Offer for Sale are true and correct, provided however, it assumes no responsibility for any of the statements made by the Company, or any other person(s) in this Red Herring Prospectus.

**Signed for and on behalf of GTI Capital Beta Pvt Ltd**

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**Name:**

**Designation:**

**Date:**