

LETTER OF OFFER

January 12, 2017

For the Eligible Equity Shareholders of the Company only

**IP RINGS LIMITED**

Our Company was incorporated as 'IP Rings Limited' on January 30, 1991, as a public limited company under the Companies Act, 1956, registered with the Registrar of Companies, Chennai, Tamil Nadu. Our Company received its certificate of commencement of business on July 5, 1991.

CIN: L28920TN1991PLC020232.

Registered Office: D 11/12, Industrial Estate Maraimalai Nagar – 603 209, Tamil Nadu, India

Tel No: 044-27452853 / 044-27452929; **Fax No.:** 044-27452560

Contact Person: Mrs. S Priyamvatha, Company Secretary and Compliance Officer

E-mail: iprmmn@iprings.com, **Website:** www.iprings.com

FOR PRIVATE CIRCULATION TO THE ELIGIBLE EQUITY SHAREHOLDERS OF OUR COMPANY ONLY**LETTER OF OFFER**

ISSUE OF 56,33,718 EQUITY SHARES OF FACE VALUE OF RS. 10 EACH (“RIGHTS EQUITY SHARES”) OF IP RINGS LIMITED (THE “COMPANY” OR THE “ISSUER”) FOR CASH AT A PRICE OF RS. 88.75 PER RIGHTS EQUITY SHARE (INCLUDING A PREMIUM OF RS. 78.75 PER RIGHTS EQUITY SHARE) NOT EXCEEDING AN AMOUNT OF RS. 5,000 LAKHS BY THE COMPANY TO THE ELIGIBLE EQUITY SHAREHOLDERS IN THE RATIO OF 4 RIGHTS EQUITY SHARES FOR EVERY 5 EQUITY SHARES HELD ON THE RECORD DATE, I.E. JANUARY 17, 2017 (THE “ISSUE”). THE ISSUE PRICE OF EACH RIGHTS EQUITY SHARE IS 8.875 TIMES THE FACE VALUE OF THE RIGHTS EQUITY SHARE.

GENERAL RISKS

Investments in equity and equity related securities involve a degree of risk and investors should not invest any funds in the Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in relation to the Issue. For taking an investment decision, investors must rely on their own examination of the Issuer and the Issue including the risks involved. The securities being issued in the issue have not been recommended or approved by the Securities and Exchange Board of India (“SEBI”) nor does the SEBI guarantee the accuracy or adequacy of this document. **Investors are advised to refer to the section titled “Risk Factors” from page 11 before making an investment in this Issue.**

ISSUER’S ABSOLUTE RESPONSIBILITY

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

LISTING

The existing Equity Shares of our Company are listed on the BSE Limited (“BSE”). Our Company has received an ‘in-principle’ approval from the BSE for listing the Rights Equity Shares arising from this Issue pursuant to its letter dated October 18, 2016. For the purposes of the Issue, the Designated Stock Exchange is the BSE.

LEAD MANAGER TO THE ISSUE**REGISTRAR TO THE ISSUE****Axis Capital Limited**

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Link Intime India Private Limited

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Investor Grievance ID: iprl.rights@linkintime.co.in

SEBI Registration No.: INR000004058

ISSUE SCHEDULE

ISSUE OPENS ON	LAST DATE FOR REQUEST FOR SPLIT APPLICATION FORMS	ISSUE CLOSSES ON
JANUARY 23, 2017	JANUARY 30, 2017	FEBRUARY 6, 2017

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SECTION I – GENERAL

DEFINITIONS AND ABBREVIATIONS

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

The following list of defined terms is intended for the convenience of the reader only and is not exhaustive.

Company and Industry Related Terms

Term	Description
“IPRL” or “the Company” or “our Company” or “we” or “us” or “our” or “Issuer”	IP Rings Limited
Articles / Articles of Association / AoA	Articles of Association of our Company, as amended
Statutory Auditor	The statutory auditors of our Company, namely, R.G.N. Price & Co., Chartered Accountants
Board / Board of Directors / Our Board	The board of directors of our Company or any duly constituted committee thereof, as the context may require
Director(s)	Any or all director(s) of our Company, as the context may require
Equity Share(s)	The equity share(s) of our Company having a face value of Rs. 10 each, fully paid up
Group Companies	Such companies as covered under the applicable accounting standards and also other companies as considered material by the Board of the Issuer. In accordance with the policy adopted by the Board <i>vide</i> its resolution dated July 28, 2016, excluding the companies with whom our Company is no longer associated, have been determined to be the 'group companies' of our Company in accordance with applicable accounting standards, being AS 18.
Memorandum / Memorandum of Association	Memorandum of Association of our Company, as amended
Promoter and Promoter Group	The promoter and promoter group of our Company as identified in the filings made by our Company with the Stock Exchange
Registered Office	D 11/12, Industrial Estate Maraimalai Nagar – 603 209, Tamil Nadu, India
Registrar of Companies / RoC	Registrar of Companies, Chennai, Tamil Nadu located at Block No.6, B Wing, 2nd Floor, Shastri Bhawan 26, Haddows Road, Chennai – 600034

Conventional and General Terms

Term	Description
AIF Regulations	Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
Companies Act	The Companies Act, 1956 and the Companies Act, 2013, as applicable
Companies Act, 1956	The Companies Act, 1956, and the rules made thereunder to the extent not repealed
Companies Act, 2013	The Companies Act, 2013, and the rules made thereunder to the extent in force pursuant to notification of the notified sections.
Depositories Act	The Depositories Act, 1996
FCNR Account	Foreign Currency Non Resident Account
FEMA	Foreign Exchange Management Act, 1999, and any circulars, notifications, rules and regulations issued pursuant to the provisions

Term	Description
	thereof
FEMA Regulations	Foreign Exchange Management (Transfer or Issue of Security by a person resident outside India) Regulations, 2000
FII Regulations	Securities and Exchange Board of India (Foreign Institutional Investor) Regulations, 1995
Financial Year / Fiscal	The period of 12 (twelve) months beginning April 1 and ending March 31 of that particular year, unless otherwise stated
FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000
ICDR Regulations	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
IFRS	International Financial Reporting Standards.
India	Republic of India
Indian GAAP	The generally accepted accounting principles in India
Industrial Policy	The industrial policy and guidelines issued by the Ministry of Industry, Government of India.
IT Act	The Income Tax Act, 1961
Listing Agreement	The equity listing agreement signed between our Company and the Stock Exchange
Listing Regulations	The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015
Merchant Bankers Regulations	The Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992
Mutual Fund	Mutual fund registered with SEBI under the Securities and Exchange Board of India (Mutual Fund) Regulations, 1996
Non Resident / NR	Persons resident outside India as defined in the FEMA
Rupees / Rs. / INR	The lawful currency of India
SEBI Act	The Securities and Exchange Board of India Act, 1992
FPI Regulations	The Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014
Takeover Regulations	The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
VCF Regulations	Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996

Issue Related Terms

Term	Description
Abridged Letter of Offer	The abridged letter of offer to be sent to the Eligible Equity Shareholders of our Company with respect to this Issue in accordance with the provisions of the ICDR Regulations and the Companies Act
Allot / Allotment / Allotted	Unless the context otherwise requires, the allotment of Rights Equity Shares pursuant to the Issue to the Allottees
Allottee(s)	The successful applicant(s) eligible for Allotment of Rights Equity Shares pursuant to the Issue
Applicant(s)	Eligible Equity Shareholders and/or Renouncees who are entitled to apply or have applied for Rights Equity Shares under the Issue, as the case may be
Application	Application made by the Applicant whether submitted by way of CAF or in the form of a plain-paper Application, to subscribe to the Rights Equity Shares issued pursuant to the Issue at the Issue Price including applications by way of the ASBA Process
Application Money	The aggregate value of the Application indicated in the Application Form or SAF, payable at the time of the Application
Application Form	The form in terms of which an Applicant shall make an Application to subscribe to the Rights Equity Shares pursuant to the Issue, including plain-paper Applications

Term	Description
ASBA/Application Supported by Blocked Amount	An application (whether physical or electronic) used by ASBA Applicants to make an application authorizing the SCSB to block the amount payable on application in their specified bank account
ASBA Account	Account maintained with an SCSB and specified in the CAF or plain paper application, as the case may be, for blocking the amount mentioned in the CAF, or the plain paper application, as the case may be
ASBA Investor / ASBA Applicant(s)	<p>Eligible Equity Shareholders proposing to subscribe to the Issue through ASBA process and:</p> <p>(a) who are holding our Equity Shares in dematerialized form as on the Record Date and have applied for their Rights Entitlements and/ or additional Rights Equity Shares in dematerialized form;</p> <p>(b) who have not renounced their Rights Entitlements in full or in part;</p> <p>(c) who are not Renounees; and</p> <p>(d) who are applying through blocking of funds in a bank account maintained with SCSBs.</p> <p>All QIBs and other Investors whose application value exceeds Rs. 200,000 complying with the above conditions must participate in this Issue through the ASBA process only notwithstanding anything contained hereinabove, all Renounees (including Renounees who are individuals) shall apply in the Issue only through non-ASBA process. Further, all QIB Investors are mandatorily required to use the ASBA facility, even if application amount does not exceed Rs. 200,000</p>
Banker(s) to the Issue	HDFC Bank Limited
BSE	The BSE Limited
Composite Application Form / CAF	Form used by an Investor to make an Application for Allotment of Rights Equity Shares in the Issue, or renounce his Rights Entitlement or request for SAFs, and used by sole Renounee to make an Application for Allotment of Rights Equity Shares in the Issue to the extent of renunciation of Rights Entitlement in their favour
Controlling Branches	Such branches of the SCSBs which coordinate applications under the Issue by the ASBA Investors with the Registrar to the Issue, the Lead Manager and the Stock Exchange and a list of which is available at http://www.sebi.gov.in/cms/sebi_data/attachdocs/1365051213899.html
Depository	NSDL and CDSL or any other depository registered with SEBI under Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996 as amended from time to time, read with the Depositories Act, 1996.
Designated Branches	Such branches of the SCSBs which shall collect CAF from ASBA investor and a list of which is available on http://www.sebi.gov.in/cms/sebi_data/attachdocs/1365051213899.html
Demographic Details	Demographic details of Investors available with the Depositories, including address and bank account details.
Designated Stock Exchange / DSE	The BSE Limited
Draft Letter of Offer / DLOF	The draft letter of offer of our Company dated August 30, 2016 filed with SEBI for its observations and comments which does not contain complete particulars of the Issue
Eligible Equity Shareholder	A holder of Equity Shares as on the Record Date
Investor(s)	The Eligible Equity Shareholders of our Company on the Record Date and Renounee(s)
Issue Agreement	The agreement entered into on August 29, 2016, between our Company and the Lead Manager, pursuant to which certain arrangements are agreed to in relation to the Issue.
Issue	Issue of 56,33,718 Equity Shares of face value of Rs. 10 each of the Company for cash at a price of Rs. 88.75 per Rights Equity Share (including a premium of Rs. 78.75 per Rights Equity Share) not

Term	Description
	exceeding an amount of Rs. 5,000 lakhs by the Company to the Eligible Equity Shareholders in the ratio of 4 Rights Equity Shares for every 5 Equity Shares held on the Record Date, i.e. January 17, 2017. The Issue Price of each Rights Equity Share is 8.875 times the face value of the Rights Equity Share
Issue Closing Date	February 6, 2017
Issue Opening Date	January 23, 2017
Issue Price	Rs. 88.75 per Rights Equity Share
Issue Proceeds	The monies received by our Company pursuant to the Rights Equity Shares which are allotted pursuant to the Issue
Lead Manager	Axis Capital Limited
Letter of Offer / LOF	This letter of offer dated January 12, 2017 filed with the Stock Exchange after incorporating SEBI's observations and comments on the Draft Letter of Offer
MSE	Madras Stock Exchange
Net Proceeds	The Issue Proceeds less the Issue related expenses. For further details, please see section " <i>Objects of the Issue</i> " on page 55 of this Letter of Offer
Non Institutional Investor(s)	An Investor other than a Retail Individual Investor and a Qualified Institutional Buyer
QIB(s) / Qualified Institutional Buyer(s)	Qualified Institutional Buyers as defined under Regulation 2(1)(zd) of the ICDR Regulations.
Qualified Foreign Investors / QFI	Qualified Foreign Investor as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014 (as amended), registered with SEBI under applicable laws in India
Record Date	January 17, 2017
Refund Banker	HDFC Bank Limited
Registrar to the Issue or Registrar	Link Intime Private Limited
Renouncee(s)	Any person(s) who have / has acquired Rights Entitlements from Eligible Equity Shareholders
Retail Individual Investor(s)	Individual Investors who have applied for Equity Shares for an amount not more than Rs. 200,000 (including HUFs applying through their Karta)
Rights Entitlement	The number of Rights Equity Shares that an Eligible Equity Shareholder is entitled to in proportion to his / her shareholding in our Company as on the Record Date
Rights Equity Shares	The Equity Shares offered and to be issued and allotted pursuant to the Issue
Split Application Form (s) / SAF(s)	The application form(s) used in case of renunciation in part by an Eligible Equity Shareholder in favour of one or more Renouncees.
Self Certified Syndicate Bank or SCSB	The banks which are registered with SEBI under the SEBI (Bankers to an Issue) Regulations, 1994 and offers services of ASBA, including blocking of bank account and a list of which is available on http://www.sebi.gov.in/cms/sebi_data/attachdocs/1365051213899.html
Stock Exchange	The BSE Limited where the Equity Shares are presently listed

Abbreviations

Term	Description
AIF(s)	Alternative investment fund(s) as defined in and registered under the AIF Regulations
AGM	Annual General Meeting
AS	Accounting Standards, as issued by the ICAI
AY	Assessment Year
BPLR	Benchmark Prime Lending Rate
CDSL	Central Depository Services (India) Limited
CIN	Company Identity Number
CIT	Commissioner of Income Tax

Term	Description
DIN	Director Identification Number
DP	Depository Participant
EBIDTA	Earnings Before Interest, Depreciation, Taxes & Amortization
EGM	Extraordinary General Meeting
EPS	Earnings Per Share, which is the profit after tax for a fiscal year divided by the weighted average of outstanding number of equity shares at the end of the fiscal year
ERP	Enterprise resource planning
FDI	Foreign Direct Investment
FI	Financial Institution
FII(s)	Foreign Institutional Investors registered with SEBI under applicable laws
FVCI(s)	Foreign venture capital investors, as defined in and registered under the FVCI Regulations
GDP	Gross Domestic Product
GoI or Central Government	Government of India
HUF	Hindu Undivided Family
ICAI	Institute of Chartered Accountants of India
Ind-AS	IFRS converged Indian Accounting Standards, notified pursuant to the Companies (Accounting Standards) Rules, 2015 issued by the MCA on February 16, 2015, which came into effect from April 1, 2016
ISIN	International Securities Identification Number
ITAT	Income Tax Appellate Tribunal
MICR	Magnetic Ink Character Recognition
MoU	Memorandum of Understanding
N.A.	Not Applicable
NACH	National Automated Clearing House
NAV	Net Asset value
NBFC	Non-Banking Financial Company
NEFT	National Electronic Fund Transfer
NRI(s)	An individual resident outside India who is a citizen of India or is an 'Overseas Citizen of India' cardholder within the meaning of section 7(A) of the Citizenship Act, 1955, and shall have the meaning ascribed to such term in the FEMA Regulations
NRE Account	Non Resident External Account
NRO Account	Non Resident Ordinary Account
NSDL	National Securities Depository Limited
OCB(s)	Overseas Corporate Body(ies)
PAN	Permanent Account Number
RBI	Reserve Bank of India
R&D	Research and Development
RTGS	Real Time Gross Settlement
SEBI	Securities and Exchange Board of India constituted under the SEBI Act
STT	Securities Transaction Tax
VAT	Value Added Tax
VCF	Venture capital funds, as defined in and registered under the VCF Regulations
w.e.f.	with effect from

The words and expressions used but not defined herein shall have the same meaning as is assigned to such terms under the Companies Act, the Depositories Act and the rules and regulations made thereunder. Notwithstanding the foregoing, terms under the sections titled “*Financial Statements*” and “*Statement of Tax Benefits*” on pages 68 and 60, of this Letter of Offer, respectively, shall have the meanings given to such terms in these respective sections.

NOTICE TO INVESTORS

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

No action has been or will be taken to permit this Issue in any jurisdiction where action would be required for that purpose, except that the Draft Letter of Offer was filed with SEBI for observations. Accordingly, the rights or Equity Shares may not be offered or sold, directly or indirectly, and the Letter of Offer / Abridged Letter of Offer and CAFs may not be distributed in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction. Receipt of this Letter of Offer will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer and, under those circumstances, this Letter of Offer must be treated as sent for information only and should not be copied or redistributed.

Accordingly, persons receiving a copy of this Letter of Offer should not, in connection with the Issue of the rights or Equity Shares, distribute or send the same in or into the United States or any other jurisdiction where to do so would or might contravene local securities laws or regulations. If this Letter of Offer is received by any person in any such territory, or by their agent or nominee, they must not seek to subscribe to the rights or Equity Shares referred to in this Letter of Offer. Envelopes containing a CAF should not be dispatched from any jurisdiction where it would be illegal to make an offer, and all persons subscribing for the Equity Shares in this Issue must provide an Indian address.

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

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

CERTAIN CONVENTIONS, USE OF FINANCIAL INFORMATION AND CURRENCY OF PRESENTATION

Certain Conventions

Unless otherwise specified or the context otherwise requires, all references in this Letter of Offer to “India” are to the Republic of India, together with its territories and possessions; all references to the “Government” or the “Central Government” are to the Government of India

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

Financial Data

Unless stated otherwise, the financial information and data in this Letter of Offer is derived from our Audited Financial Statements for the Financial Year ended March 31, 2016, and our Ind-AS Limited Review Financial Statements for the six-month period ended September 30, 2016, which have been included in this LOF. For further details please see the section titled “*Financial Statements*” on page 68. We publish our financial statements in Indian Rupees.

Our Company’s fiscal year commences on April 1 and ends on March 31 of the following calendar year. Accordingly, all references to a particular “financial year” or “fiscal year” or “Fiscal” are to the 12 (twelve) month period ended March 31 of that year.

Our Company has historically prepared its financial statements in accordance with Indian GAAP, applicable accounting standards and guidance notes issued by the ICAI, the Companies Act and other statutory and/or regulatory requirements. However, as an associate of a company that is required to prepare its financial statements in accordance with Ind-AS from April 1, 2016 onwards, we are required to prepare and present our financial statements in accordance with Ind-AS from April 1, 2016 onwards. Consequently, pursuant to a meeting of the Board on September 7, 2016, our Company had for the first time adopted Ind-AS, and declared its financial information for the three-month period ended June 30, 2016. Subsequently, pursuant to a meeting of the Board on December 7, 2016, our Company has declared its financial information for the six-month period ended September 30, 2016 (the “**Ind-AS Limited Review Financial Statements**”). The Ind-AS Limited Review Financial Statements have been prepared in accordance with Ind-AS with a transition date of April 1, 2015, in accordance with the requirements of the Listing Regulations and SEBI’s circular no. CIF/CFD/CMD/15/2015 dated November 30, 2015, read together with SEBI’s circular no. CIF/CFD/FAC/62/2016 dated July 5, 2016, and other statutory and/or regulatory requirements.

Indian GAAP differs significantly in certain respects from Ind AS, IFRS and US GAAP. Further, Ind-AS differs significantly in certain respects from Indian GAAP and US GAAP. Neither the information set forth in our financial statements nor the format in which it is presented should be viewed as comparable to information prepared in accordance with IFRS or any accounting principles other than principles specified in the Indian accounting practices. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Letter of Offer should accordingly be limited. We have not attempted to explain those differences or quantify their impact on the financial data included herein, and we urge you to consult your own advisors regarding such differences and their impact on our financial data.

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

Currency of Presentation

All references to “Rs.” or “INR” or “Rupees” refer to Indian Rupees, the lawful currency of India. Any reference to “USD” or “US\$” or “\$” refers to the United States Dollar, the lawful currency of the United States of America.

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

Please Note:

- One million is equal to 10 Lakhs / 1,000 thousand;
- One lakh is equal to 100 thousand; and
- One crore is equal to 10 million / 100 lakhs.

Important Note on Introduction of Ind-AS and its Impact on Preparation and Presentation of our Historical and Future Financial Statements

The Ministry of Corporate Affairs (“MCA”) notified the Companies (Indian Accounting Standards) Rules, 2015 on February 16, 2015, providing revised roadmap on implementation of Ind-AS, which stipulates implementation of Ind-AS in a phased manner beginning from accounting period 2016 – 2017. As an associate of a company that is required to prepare its financial statements in accordance with Ind-AS from April 1, 2016 onwards, we are also required to prepare and present our financial statements in accordance with Ind-AS from April 1, 2016 onwards.

Our historical audited financial statements for the period prior to April 1, 2016, are prepared in accordance with the Companies Act and Indian GAAP. Given that Ind-AS differs in many respects from Indian GAAP, our financial statements prepared and presented in accordance with Ind-AS relating to any period subsequent to April 1, 2016, including our Ind-AS Limited Review Financial Statements, may not be comparable to our historical financial statements prepared under Indian GAAP for the period prior to April 1, 2016, and the transition to Ind-AS may have a significant impact on our financial results. For further information, see “*Risk Factors – Our Company is required to prepare financial statements in accordance with Ind-AS with effect from April 1, 2016, and has prepared its Ind-AS Limited Review Financial Statements for the six-month period ended September 30, 2016, in accordance therewith. Ind-AS differs from Indian GAAP, IFRS and US GAAP in many ways and our financial statements relating to periods commencing April 1, 2016 prepared under Ind-AS, including our Ind-AS Limited Review Financial Statements, may not be comparable to our historical financial statements prior to such period prepared under Indian GAAP.*” on page 24.

For illustrative purposes only, we discuss the transition to Ind AS, by discussing the impact upon our financial results for Financial Year ended March 31, 2016, herein below:

Illustrative Impact on the Statement of Profits and Losses

If our financial statements for Financial Year ended March 31, 2016, had been prepared in accordance with Ind-AS, our net profit would have been higher, on account of adjustment of actuarial gain, hedge accounting and depreciation on tools and spares, as set forth herein below:

Particulars	Financial Year Ended March 31, 2016 (Rs. in Lakhs)
Profit/(loss) as per Indian GAAP	9.47
Adjustment of Actuarial gain or loss ⁽¹⁾	14.71*
Hedge Accounting ⁽²⁾	1.30*
Depreciation on tools and spares ⁽³⁾	(2.17)*
Adjusted Profit/(loss) as per Ind-AS	23.31*

* The numbers presented are unaudited and have not been subjected to any limited review.

1. **Defined Benefit Plan** – Under Ind-AS, actuarial gains arising on defined benefit plans are recognized in Other Comprehensive Income, whereas under previous Indian GAAP, the same would be charged to the statement of profit and loss.
2. Under Ind-AS, the depreciation of major currencies in which we transact business would have been offset by the forward rates contracted with banks in the past. This would lead to a gain on settlement of our forward contracts, which we would recognize as part of our other income. As a result of this, our foreign exchange gain would have increased by Rs. 1.30 lakhs for Financial Year ended March 31, 2016.
3. Under Ind-AS, tools and machinery spares would have been reclassified to fixed assets from their earlier classification as inventory under Indian GAAP. On account of the above reclassification, these tools and machinery spares would need to be depreciated based upon their useful lives as per Schedule II of the Companies Act, 2013, which would result in an increase in depreciation by Rs. 2.17 lakhs.

As a consequence of the aforementioned adjustments, the net profit of the Company would have increased by Rs. 13.84 lakhs, and our net profit would have been Rs. 23.31 lakhs for Financial Year ended March 31, 2016, if our financial statements for the period had been prepared in accordance with Ind-AS.

Illustrative Impact on Statement of Assets and Liabilities

The table below shows the key items from our statement of assets and liabilities that would be impacted due to the transition to Ind AS:

Particulars	As at March 31, as per Indian GAAP (Rs. in Lakhs)	Increase/(Decrease) in absolute terms* (Rs. in Lakhs)
Non-Current Assets		
Property, plant and equipment ⁽¹⁾	7,933.15	27.22
Financial Assets		
Non- Current Investments ⁽²⁾	9.71	1.27
Current Assets		
Inventory ⁽¹⁾	2,705.94	(53.39)
Short term loans and advances ⁽³⁾	833.18	0.14
Reserves and Surplus		
Surplus in Profit and Loss Account (Loss carried forward)	714.15	22.13
Other Comprehensive Income	Nil	16.10
- Hedge Reserve ⁽³⁾	Nil	0.14
- Deferred tax liabilities ⁽¹⁾	80.4	7.42
Other current liabilities ⁽³⁾	2,108.81	5.90

* This column presents the increase or decrease in the line items on account of the impact of the transition to Ind-AS. The numbers presented are unaudited and have not been subjected to any limited review.

- Under Ind-AS, tools and machinery spares would have been reclassified to fixed assets from their earlier classification as inventory under Indian GAAP. The value of such tools and machinery spares that would have been reclassified would amount to Rs. 53.39 lakhs, and depreciation for such tools and machinery spares would have been provided upto March 31, 2016, as a result of which, there would have been a net increase in fixed assets amounting to Rs.27.22 lakhs. Based on the foregoing, the deferred tax liabilities on account of the increased depreciation would have increased by Rs. 7.42 lakhs.
- Non-currents investments would have been revalued at fair value, which would have resulted in an increase in their value by Rs. 1.27 lakhs
- The depreciation of major currencies in which we transact business would have been offset by the forward rates contracted with banks in the past. The accounting of these forward contracts in our books would have resulted in an increase in other current liabilities to the extent of Rs. 5.90 lakhs, and the creation of a hedge reserve amounting to Rs. 0.14 lakhs.
- The loss carried forward in the profit and loss account would have increased by Rs. 22.13 lakhs after current year and prior year adjustments to the statement of profit and loss account.

FORWARD LOOKING STATEMENTS

Our Company has included statements in this Letter of Offer which contain words or phrases such as ‘anticipate’, ‘believe’, ‘continue’, ‘can’, ‘could’, ‘estimate’, ‘expect’, ‘expected to’, ‘future’, ‘intend’, ‘is likely’, ‘may’, ‘objective’, ‘plan’, ‘potential’, ‘project’, ‘pursue’, ‘shall’, ‘should’, ‘will’, ‘will continue’, ‘would’, or other words or phrases of similar import. Similarly, statements that describe our objectives, strategies, plans or goals are also forward looking statements. However, these are not the exclusive means of identifying forward-looking statements. All statements regarding our Company’s expected financial conditions, results of operations, business plans and prospects are forward-looking statements.

All forward looking statements are subject to risks, uncertainties and assumptions about our Company that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Actual results may differ materially from those suggested by the forward looking statements due to risks or uncertainties associated with our expectations with respect to, but not limited to, factors affecting:

- Our ability to continue to utilize our manufacturing facilities;
- Our ability to maintain our relationships with our customers and leverage such relationships in the future;
- Our ability to accurately forecast the demand for our products;
- Any slowdown in the automotive sector or any adverse changes in the conditions affecting the growth of the transportation sector;
- Our ability to manage our raw material costs and sell our products at competitive prices in light of downward pricing pressure from our customers;
- Our ability to meet the stringent quality standards and other technical specifications of our customers with respect to our products;
- Our ability to retain, attract and incentivize our senior management and skilled employees;
- Increasing competition in or other factors affecting our industry; and
- The performance of the financial markets in India and globally.

For a further discussion of factors that could cause our Company’s actual results to differ, please refer to the section titled “*Risk Factors*” on page 11. By their very nature, market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains, losses or impact or net interest income and net income could materially differ from those that have been estimated, expressed or implied by such forward-looking statements or other projections.

Although our Company believes that the expectations reflected in such forward-looking statements are reasonable at this time, it cannot assure investors that such expectations will prove to be correct. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements. Neither our Company nor the Lead Manager nor any of their respective affiliates or advisors 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 / Stock Exchange requirements, our Company and Lead Manager will ensure that Investors are informed of material developments until the time of the grant of listing and trading permission for the Rights Equity Shares by the Stock Exchange.

SECTION II – RISK FACTORS

An investment in equity and equity related securities involves a high degree of risk. You should carefully consider all of the information in this Letter of Offer, including the risks and uncertainties described below, before making an investment. Our Company’s actual results could differ materially from those anticipated in the section titled “Forward Looking Statements” on page 10, as a result of certain factors, including the considerations described below. If any of the following risks actually occur, our business, financial condition, results of operations and prospects could suffer, the trading price of the Equity Shares could decline and you may lose all or part of your investment. You should also pay particular attention to the fact that we are governed in India by a legal and regulatory environment which in some material respects may be different from that which prevails in other countries.

Unless specified or quantified in the relevant risk factors detailed below, we are not in a position to quantify the financial or other implications of any of the risks described in this section.

Internal risk factors

- 1. *A portion of the Net Proceeds is proposed to be utilized to repay/prepay the loans availed from certain members of our Promoter and Promoter Group. Further, we propose to utilize a part of the Net Proceeds for general corporate purposes and our management will have the discretion to deploy the funds to this end.***

We intend to use the Net Proceeds for the purposes as described under the section titled “Objects of the Issue” on page 55, which include to repay/prepay certain loans availed from two of the members of our Promoter and Promoter Group, namely Simpson & Company Limited and India Pistons Limited. The selection of borrowing proposed to be repaid from our Company’s facilities is based on *inter alia*, the nature and timing of such loans and their short tenor and in addition the conditions specified for their repayment/prepayment. While we believe that such repayment will help in reducing the outstanding indebtedness and debt servicing costs and enable utilization of the internal accruals for further investment in the business growth and expansion, there can be no assurance that such repayment/prepayment will help us in achieving any of the aforesaid objectives. Additionally, no tangible assets will be created from the portion of the Net Proceeds proposed to be utilised for the repayment/repayment of the loans availed by our Company from such members of our Promoter and Promoter Group.

Further, a certain portion of the total Net Proceeds have been allocated towards general corporate purposes. As on date, we have not earmarked specific amounts from the Net Proceeds to be utilized for such general corporate purposes, subject to such utilization not exceeding 25% of the Net Proceeds of the Issue. The manner of deployment and allocation of such funds is entirely at the discretion of our management and our Board, subject to compliance with the necessary provisions of applicable law. For further details, please see section “Objects of the Issue” on page 55 of this Letter of Offer.

- 2. *There are legal proceedings currently outstanding involving our Company. Any adverse decision may render us liable to liabilities and may adversely affect our business, results of operations and profitability.***

There are certain outstanding legal proceedings initiated against our Company. These legal proceedings are pending at different levels of adjudication before various courts and regulatory bodies. The amounts claimed in these proceedings have been disclosed to the extent ascertainable as on date of this Letter of Offer. Should any new developments arise, such as any change in applicable Indian laws or any rulings against us by appellate courts or tribunals, we may need to make provisions in our financial statements that could increase expenses and current liabilities. There can be no assurance that these proceedings will not be determined adversely to us or that penal or other action will not be taken against our Company. Any adverse decision in such proceedings may have an adverse effect on our business, results of operations and financial condition. A summary of material litigation and disputes against our Company is as follows:

Nature of Litigation	Number of Outstanding Matters	Aggregate Amount Involved (Rs. In Lakhs)
Direct Tax Proceedings	3	350.30

Our failure to successfully defend claims could result in our business, prospects, financial condition and results of operations being adversely affected. For more information regarding pending litigation, please see the section titled “*Outstanding Litigations and Other Defaults*” on page 114.

3. *Our business is significantly dependent on our manufacturing facilities, and the loss or shutdown of operations at our manufacturing facilities may have a material adverse effect on our business, financial condition, results of operations and cash flows.*

We have facilities in Maraimalai Nagar, Tamil Nadu, through which we carry out our manufacturing operations, which exposes us to a significant concentration risk. Our manufacturing facilities are subject to operating risks, such as (i) the risk of substantial disruption or shutdown due to breakdowns or failure of equipment, natural disasters, storms, fires, explosions, earthquakes, floods and other catastrophic events, which could cause power interruptions and water shortages, actual, potential or suspected epidemic outbreaks, terrorist attacks and wars, labour disputes, strikes, lock-outs, loss of services of our external contractors, and industrial accidents, (ii) performance below expected levels of output or efficiency, and (iii) obsolescence.

Our facility and equipment would be difficult and costly to replace on a timely basis. Moreover, catastrophic events could also destroy any inventory located at our facility. If there is any prolonged disruption or shutdown of operations at our manufacturing facilities, we may not be able to replace the equipment or inventories, or set up different facilities to continue our operations in a timely and cost-effective manner or at all. We may not be able to recover from damages or interruptions caused to our manufacturing facilities in a timely manner or at all. The occurrence of any such event could result in the temporary or long-term closure of our manufacturing facilities, severely disrupt our business operations and materially and adversely affect our business, results of operations, financial condition and cash flows.

Further, it is also important that we maintain capacity utilisation levels at our manufacturing facilities 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.

4. *A significant portion of our products are sold to automobile manufacturers and any failure to maintain our relationships with such customers could have an adverse effect on our business, results of operations and profitability.*

A significant portion of our products are manufactured in accordance with the requirements of, or sold to, automobile manufacturers. Since we are significantly dependent on certain key customers, the loss of any one of such customers or a significant reduction in demand from some of our customers could have an adverse effect on our business, financial condition, results of operations and cash flows. While we believe that our relationships with our customers are strong, there can be no assurance that we will be able to maintain such relationships. Any failure in this regard will impact our ability to source orders through such customers. Further, we may be unsuccessful in our endeavours to forge new relationships with the manufacturers that we do not currently service. If any of our existing relationships were to be altered or terminated and we are unable to obtain sufficient replacement orders on comparable terms, our business, financial condition, results of operations, cash flows and business prospects could be materially and adversely affected.

5. *Our business is significantly dependent upon our transactions with related parties. The loss or a major reduction in such transactions may have an adverse impact upon our business and results of operations.*

We have entered into transactions with related parties, including the members of our Group Companies and Promoter and Promoter Group and may continue to do so in the future. Our business is significantly dependent upon our transactions with such related parties. With respect to our manufacturing operations, we are required to purchase a variety of raw materials, including, inter alia, ring blanks, piston & crank pins, tools and consumables. In the past, we have met a majority of our requirement for such raw materials by way of purchases from our related parties, including members of our Promoter and Promoter Group and our Group Companies. For instance, in Fiscal 2016, 17.79% of our total purchases, aggregating to Rs. 738.59 lakhs, were from transactions with related parties. Further, our related parties

also serve as major customers for a number of our products, including pistons rings and toolings. In Fiscal 2016, Rs. 2,676.48 lakhs, representing 20.32% of our aggregate sales of Rs. 13,168.84 lakhs, was derived from sales made to related parties. While we believe that we have obtained requisite approvals under applicable laws, wherever required, for all such transactions and have carried them out on an arms-length basis and on commercially reasonable terms, there can be no assurance that we would not have achieved more favourable commercial terms with other parties.

Furthermore, we may continue to enter into related party transactions in the future, and such transactions may potentially involve conflicts of interest which may be detrimental to our Company. For additional details in relation to the cumulative value and nature of transactions with our Group Companies, see “*Risk Factors - Prominent Note No. 3*”. The loss or a major reduction in such transactions may have an adverse impact upon our business, financial condition and results of operations. For further details please see “*Financial Statements*” beginning on page 68 of this Letter of Offer.

6. *If we are unable to accurately forecast demand for our products, our business, cash flows, financial condition 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 automobile customers may affect demand for our products from such customers. Our inability to forecast the level of customer demand for our products, process innovation and value engineering costs as well as inability to accurately schedule our raw material purchases and production and manage our inventory may adversely affect our business and cash flows from operations.

We manufacture products for our customer by way of purchase orders received from such customers. These purchase orders specify the price at which the products are to be supplied and 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 or quarterly business volumes, which enable us to predict our income for a portion of our business, the actual orders are only placed by way of 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 at short intervals, 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 may share annual or quarterly forecasts with us, we do not have any recourse against our customers in the event of a reduction in the forecasted volume.

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.

7. *Pricing pressure from our customers may adversely affect our profitability and results of operations.*

Downward pricing pressure by vehicle manufacturers is a characteristic of the automotive components industry. In addition, estimating the impact of such pricing pressure is subject to a host of uncertainties as any price reductions are a result of negotiations and other factors. Accordingly, automotive component manufacturers must be able to reduce their operating costs in order to maintain profitability. Such price

reductions may affect our revenues and profit margins. If we are unable to offset such price reductions in the future through improved operating efficiencies and other cost reduction initiatives, our business, financial condition and results of operations may be adversely affected.

8. *Our Company has entered into certain technical assistance agreements with Nippon Piston Ring Co. Limited. Any inability to renew these agreements on commercially beneficial terms or at all, may adversely impact our revenues, results of operations and financial conditions.*

We have entered into six agreements with Nippon Piston Ring Co. Limited to avail technical assistance with respect to product and process development, which are valid for a pre-determined tenure. Out of the aforesaid technical assistance agreements, three have expired in December 2016 and are currently in the process of renewal, one is scheduled to expire in March 2017 and two are scheduled to expire in March 2018. As consideration for the extension/renewal of such agreements, we are required to pay royalty to Nippon Piston Ring Co. Limited for such extended/renewed period. In Fiscal 2016, we have paid total royalty aggregating to Rs. 119.45 lakhs pursuant to such agreements.

While we have been able to renew or obtain extensions with respect to such technical assistance agreements in the past, there can be no assurance that we will be able to negotiate any renewal or extension of such technical assistance on commercially beneficial terms in the future. In case of any failure by the Company to extend/renew such agreements, we will be unable to continue to avail technical assistance from Nippon Piston Ring Co. Limited, which may have an adverse impact on our ability to function in a competitive manner and consequently, result in an adverse impact upon our business, results of operations and financial conditions.

9. *The loss of a significant supplier could affect our business, results of operations and financial conditions.*

Our Company depends upon certain key suppliers for an uninterrupted supply of the raw material and components for our manufacturing operations. Further, in the case of certain products, these suppliers may also be the sole supplier. The loss of any significant supplier or the inability of the such supplier to supply the raw materials and components in a timely manner or at all, could have an effect on our business, results of operations and financial conditions.

10. *Some of our Directors may be involved with companies in the same line of business as us.*

Some of our Directors are also promoters and/or directors of certain companies which are involved in a similar line of business as our Company. Mr. A. Venkataramani, Mr. N. Venkataramani, Dr. R. Mahadevan and Mr. J. Shivakumar serve as directors on the board of India Pistons Limited, while Mr. Yoshio Onodera serves as a joint director on the board of Nippon Piston Ring Co. Limited, both of which are involved in the similar line of business as our Company. We have not entered into any non-compete arrangement with India Pistons Limited. Further, the agreements that we have entered into with Nippon Piston Ring Co. Limited to avail technical assistance contain covenants in accordance with which we are required to obtain prior permission from Nippon Piston Ring Co. Limited before exporting the products manufactured pursuant to such technical assistance to avoid conflict of interest. We cannot assure you that such Directors will not favour their own interests or the interests of the companies in which they serve as directors over our interests. The Directors, including those in a similar line of business, may dilute their attention to our business, which could adversely affect our business, financial condition and results of operations. A conflict of interest may occur between our business and the other businesses of our Directors which could have an adverse effect on our operations. For more details, please refer to the section titled “*Our Management*” on page 64 of this Letter of Offer.

11. *We are subject to strict quality requirements, customer inspections and audits, and any failure to comply with quality standards may lead to cancellation of existing and future orders and could negatively impact our reputation and our business and results of operations and prospects.*

We manufacture high precision products for the automotive sector based on technical specifications and designs provided by our customers. Given the nature of our products and the sector in which we operate, we believe that our customers have high standards for product quality and delivery schedules. Adherence to quality standards is a critical factor as a defect in the products manufactured by our Company or failure to comply with the design specifications of our customers may, in turn, lead to the manufacture of faulty

products by our customers. This may lead to cancellation of supply orders or non-renewal of contracts by our customers. Further, the use of our products, carries a risk of product liability claims arising from personal injury, death or property damage due to equipment failure and accidents, if our components are defective or are used incorrectly by our customers (or by their customers, who are the end-users). Any failure to make timely deliveries of products as per our customers' requirements could result in cancellation or non-renewal of purchase orders or payment of penalty.

While we have put in place quality control procedures and measures, we cannot assure you that our products will always be able to satisfy our customers' quality standards. Our quality control procedures may fail to test for all possible conditions of use or identify all defects in the design, engineering or specifications of the components. Any such failure to identify defects could require us to undertake service actions or component recalls. Any defect in our Company's components could also result in customer claims for damages. Any negative publicity regarding our Company, or our products could adversely affect our reputation, our operations and our results from operations.

12. *The success of the products manufactured by us depends on the success of the products manufactured by our customers.*

The revenue from our sales to our top five customers constituted about 54.27 % of our aggregate revenue. The success of our products depends significantly on the success of the products of our customers, particularly the automobile markets. In the event of a decrease in the demand of vehicles or reduction in sales of our customers' or defects in our customers' products, which may or may not be attributable to us, we may experience adverse effects on our business, financial condition, results of operations and prospects.

13. *As a manufacturing business, our success depends on the smooth supply and transportation of raw materials from our suppliers to our manufacturing facilities and from our manufacturing facilities to our customers, which is subject to various uncertainties and risks.*

We depend on external suppliers, sub-contractors and vendors for the supply of raw materials and components for our products. Any disruption of their operations and/or inadequate or interrupted transportation of raw materials and components to our manufacturing facilities could adversely affect our business, financial condition, results of operations and cash flows. Further, disruptions of transportation services because of weather-related problems, strikes, lock-outs, inadequacies in the road infrastructure and port facilities, geopolitical events, or other events could impair our ability to supply our products to our customers.

14. *Our contingent liabilities could adversely affect our financial condition.*

As of March 31, 2016, we had contingent liabilities not provided for, as disclosed in the notes to our Audited Financial Statements:

	Particulars	(Rs. in Lakhs)
(a)	Bills Discounted	208.98
(b)	Outstanding Letters of Credit	66.66
(c)	Bank Guarantees	1.0
(d)	Income Tax / Sales Tax matters under appeal	577.12

(Amounts remitted against the disputed tax up to March '16 – Rs. 163.50 lakhs and included in advance tax under the schedule Loans and Advances)

- (e) The Company had imported Plant and Machinery (Capital Goods) in the earlier years at concessional rate of duty under the Export Promotion Capital Goods Scheme. The Export Obligation to be met in this regard by the Company / Group Company, as per the Scheme before 2014-15 amounts to Rs. 2712.91 lakhs. The Company / Group Company has met obligation to the extent of Rs. 1767.76 lakhs by March 2014. Liability at the beginning of the year 2014-15 stood at Rs. 945.15 lakhs. The Company had time limit up to August 2014. The EPCG Regulations provides for extending the time limit. The Company had already

Particulars	(Rs. in Lakhs)
applied for extension of this time limit for meeting this obligation.	
The Company during the year 2014-2015 has met Export Obligation after maintaining average exports to the tune of Rs. 235.19 lakhs. During 2015-16, the Company has fully met the outstanding export Obligation of Rs. 709.96 lakhs after maintain average exports. However, as the Company is yet to get the approval for extension of time limit, these export sales has not been apportioned against the obligation. Once the Company obtains extension, the entire outstanding obligation will be set-off against these exports. However, in case of non-fulfilment of export obligation, unless the period is extended, liability to pay the proportionate duty saved along with interest will arise.	
(f) Claims due from custom authorities	42.56

Our contingent liabilities may become actual liabilities. In the event that any of our contingent liabilities materialize, our business, financial condition and results of operations may be adversely affected. Furthermore, there can be no assurance that we will not incur similar or increased levels of contingent liabilities in the current fiscal year or in the future. For further details, see section titled “*Financial Statements*” on page 68.

15. *We have incurred losses for the Fiscals 2015 and 2014, and may experience similar losses in the future.*

In accordance with the Ind-AS Limited Review Financial Statements for the six-month period ended September 30, 2016, our Company incurred a net loss of Rs. 41.21 lakhs. We have recorded a net profit of Rs. 9.47 lakhs for the Fiscal 2016 and incurred a net loss of Rs. 48.55 lakhs and Rs. 275.56 lakhs, for the Fiscal 2015 and Fiscal 2014, respectively. We cannot guarantee that we will not continue to incur losses and be profitable in the future. We may incur losses in the future for a number of reasons, including the other risks described in this Letter of Offer, and we may also encounter unforeseen expenses, difficulties, complications, delays and other unknown events. If we continue to incur losses in the future, our financial condition, our reputation and the market price of our Equity Shares could suffer.

16. *Our Company has entered into an agreement for the lease and purchase of factory land from Chennai Metropolitan Development Authority. The transfer of such factory land in favour of the Company is subject to certain conditions precedent and any failure to fulfil such conditions, in a timely manner or at all may, result in our inability to utilize the said land for our proposed expansion activities.*

Our Company has entered into a Lease-cum-sale agreement with the Chennai Metropolitan Development Authority for the transfer of factory land situated at C-15/3 Maraimalai Nagar for a consideration of Rs. 13.23 lakhs. As per the terms of the aforementioned agreement, the title of the land will be transferred after the completion of one year of commencement of commercial production and completion of eight years of lease period. Our Company has submitted the building plan to the concerned authorities for their approval. Further, our Company is in discussions with the Chennai Metropolitan Development Authority regarding the conditions for the transfer of the land to the Company. In the event our Company is not able to fulfil any of the conditions mentioned above or for any other reason, it may not be able to utilize the said land for its proposed expansion activities.

17. *Our failure to compete effectively in the highly 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 multinational as well as Indian companies in our industry and procure new businesses from our customers. An inability to procure new businesses or to retain or increase our existing businesses may adversely affect our financial performance. In addition, there can be no assurance that we will remain competitive with respect to the technology, design and quality of our products. Some of our competitors may have certain operational advantages, which may enable them to better respond to customer demands.

We may incur significant expenses in preparing to meet anticipated customer requirements which may not be recovered. Any major expansion of business and/or technological upgradation by our competitors may require us to incur additional expenditure to keep pace with the growing competition and to meet customer requirements.

18. *We have paid managerial remuneration in excess of the limits prescribed under the Companies Act, 1956, in Fiscal 2014.*

For Fiscal 2014, we paid managerial remuneration to our Managing Director, namely Mr. A. Venkataramani, and our then whole time Director, namely Dr. G. N. Gowrishankar, amounting to Rs. 88.20 lakhs, which was in excess of the limits prescribed under section 198 the Companies Act, 1956. By way of a special resolution passed at the AGM held on July 31, 2014, the Shareholders approved the waiver of recovery of aforesaid excess remuneration paid. While the Company has sought an approval from the Central Government in respect of the aforesaid excess payment, as prescribed under the Companies Act, 1956, such an approval is pending receipt as on the date of this LOF. In accordance with the relevant provisions of the Companies Act, if any Director draws or receives, directly or indirectly, by way of remuneration any such sums in excess of the limit prescribed, or without the prior sanction of the Central Government, where it is required, such a Director is required to refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. Until such an approval is received, our Company is not permitted to waive the recovery of any sum refundable to us from such Directors. For additional details, see section titled “*Financial Statements*” on page 68.

19. *As we generate revenue and incur expenses in multiple currencies, exchange rate movements may have an adverse effect on our results of operations and cash flows.*

We have foreign currency exposure related to foreign-denominated revenues and costs, including export sales and costs of imported equipment and material. For example, in Fiscal 2016, our earnings in foreign currency on a receipt basis were Rs. 1,051.15 lakhs, and our expenditure in foreign currency were Rs. 2,262.17 lakhs. We expect that our foreign currency exposure will increase as our business grows. The impact of future exchange rate fluctuations on the Company’s financial condition or results of operations cannot be accurately predicted and consequently, we may be unable to balance our foreign currency exposure from generating revenue and incurring expenses in multiple currencies. While we endeavour to mitigate our foreign currency exchange risk, there can be no assurance that we will be able to adequately address any exposure arising therefrom. As on March 31, 2016, we had negative net unhedged foreign currency exposure to the extent of Rs. 105.01 lakhs. Significant currency exchange rate fluctuations and currency devaluations could have an adverse effect on our results of operations and cash flows from period to period.

20. *If we are subject to product liability claims, it could expose us to costs and liabilities and adversely affect our reputation, revenues and profitability.*

We are exposed to risks associated with product liability claims as a result of sale of such products in India and in other jurisdictions. Such claims may arise if any of our products are deemed or proven to be unsafe, ineffective or defective or if we are alleged to have engaged in practices such as insufficient or improper labelling of products or providing inadequate warnings. There can be no assurances that we will not become subject to product liabilities claims or that we will be able to successfully defend ourselves against any such claims. If we are unable to defend ourselves against such claims, among other things, we may be subject to civil liability for physical injury, death or other losses caused by our products and to criminal liability and the revocation of our business licenses if our automobile products are found to be defective. In addition, we may be required to recall the products, suspend sales or cease sales.

Other jurisdictions in which our products are, or may in the future be, sold, may have similar or more onerous product liability and regulatory regimes, as well as more litigious environments that may further expose us to the risk of product liability claims. We currently maintain product liability insurance, however, we cannot guarantee its full coverage or that we will be able to maintain it in future. Even if we are able to successfully defend ourselves against any such product financial resources and the time and attention of our management. Moreover, even the allegation that our automobile products are defective, whether or not ultimately proven, may adversely affect our reputation and sales volumes.

Further, some of the agreements with our customers provide for such product liability provisions wherein we may be responsible for indemnification for loss, liability, cost and expense arising out of a claim that a defect in the design or manufacture of the products, including defects in material or manufacturing processes or techniques, caused personal injury or loss of, destruction or damage to property. Thus, our Company may have to indemnify costs in full in case the customer decides to perform a recall due to a potential risk of a product manufactured and supplied by our Company causing personal injury of property damage due to a part being a faulty part. In case the customer agrees to reimburse its end customer due to a part failure or non-conformity, our Company is obliged to negotiate with the customer in good faith for reimbursement of these expenses on a case-to-case basis.

21. *Our Company has had negative cash flows in the past years, details of which are given below. Sustained negative cash flow could impact our growth and business.*

We have incurred negative cash flow in the past and cannot assure that such negative cash flows will not occur again in the future. Details of cash flows for the preceding three years:

Particulars	Fiscal 2016	Fiscal 2015	Fiscal 2014
	(Rs. in Lakhs)		
Net cash (used in)/ generated from operating activities	151.30	(242.65)	96.68
Net cash generated (used) in/ generated from investing activities	(2,044.04)	(552.56)	(1,200.80)
Net cash (used in)/ generated from financing activities	1,926.12	845.07	1,143.18
Net increase in cash and cash equivalents	33.38	49.86	39.06

In case, we have negative cash flows in future, it could adversely impact our operations and financial standing of our Company.

22. *We depend significantly on sales in India, any decrease in which will adversely affect our business, revenue, results of operations and cash flows.*

In Fiscal 2016, we derived Rs. 11,811.35 lakhs, constituting 89.69 % of our revenue from operations from India. Existing and potential competitors may increase their focus on India, which could reduce our market share. For example, our competitors may intensify their efforts to capture a larger market share by undertaking aggressive pricing strategies and increasing their focus on product development. If we are unable to compete effectively in India, it could adversely affect our sales volumes and pricing levels for our products in India, as well as erode our market share. In the event that we experience adverse effects on our sales volumes or pricing levels, or loss of market share, due to increased competition or otherwise, it could adversely affect our business, revenue, results of operations and cash flows.

23. *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.

24. *If we fail to develop technologies, processes or products needed to support consumer demand, we may lose significant market share or be unable to recover associated costs.*

Our ability to sell our products to automobile manufacturers or in the replacement market or in the aftermarket may be significantly impacted if we do not develop or make available technologies, processes, or products according to consumer demand or which might be developed by our competitors. This includes but is not limited to changes in the design of and materials used to manufacture our products. Additionally, developing new products and technologies requires significant investment and capital expenditures and is technologically challenging and requires extensive testing and accurate anticipation of technological and market trends. If we fail to develop new products that are appealing to our customers, or fail to develop products on time and within budgeted amounts, we may be unable to recover our product development and testing costs. If we cannot successfully use new production or equipment methodologies we invest in, we may also not be able to recover those costs, whether because we lose market share in the replacement market or in sales to original equipment manufacturers and in our export markets.

25. *We supply certain products to our competitors.*

Our Company supplies certain products, namely tools, to certain companies that are also our competitor in the automotive components sector. The continued sale of products to our competitors may, *inter alia*, result in strengthening their market position and perception of such competitors amongst our customers and may have an adverse impact on our ability to compete in the market.

26. *Any slowdown in the automotive sector or any adverse changes in the conditions affecting the growth of transportation sector could adversely impact our business, results of operations, financial condition and cash flows.*

Our business is heavily dependent on the performance and market trends of the automotive sector. The sales of products are directly related to the production requirements of our major customers. Further, our production and sales may also be affected by general economic or industry conditions, including trends in the automobile manufacturing sector, fuel prices, regulatory requirements, government initiatives and other factors which are not within our control. Any economic downturn in the manufacture and sale of vehicles, whether in India or any other geography in which we operate, may significantly affect our business, financial condition, results of operations, cash flows and growth.

27. *Our indebtedness and the conditions and restrictions imposed by our financing agreements could adversely affect our ability to conduct our business and operations.*

As of March 31, 2016, we had long term borrowings (excluding current maturities of long term borrowings) of Rs. 1413.89 lakhs and short term borrowings of Rs. 6219.31 lakhs. Our pre-Issue total borrowings / equity ratio as on March 31, 2016 was 2.11. In addition, we may incur additional indebtedness in the future. Our ability to meet our debt service obligations and repay our outstanding borrowings depends primarily on the revenue generated by our business. We cannot assure you that we will generate sufficient revenues to service existing or proposed borrowings or fund other liquidity needs.

Further, 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 include restrictions on:

- alteration of our capital structure in any manner;
- formulating any scheme of amalgamation or reconstruction;
- declaring or pay dividend for any year except out of profits for the year and after meeting the lender's obligations;
- creating any further charge, lien or encumbrance on hypothecated assets or any part thereof;
- undertaking any new projects or implement any scheme of expansion or acquire fixed assets except those indicated in the funds flow statement submitted to the lenders;
- selling, assigning, mortgaging or otherwise disposing off any of the fixed assets charged to the lenders.

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

Any failure to comply with the requirement to obtain a consent, or other condition or covenant under our financing agreements that is not waived by our lenders or is not otherwise cured by us, may lead to a termination of our credit facilities, acceleration of all amounts due under such facilities and trigger cross default provisions under certain of our other financing agreements, and may materially and adversely affect our ability to conduct our business and operations or implement our business plans. Moreover, our ability to borrow and the terms of our borrowings depend on our financial condition, the stability of our cash flows and our capacity to service debt in a rising interest rate environment.

28. ***Our success depends largely on the continued efforts of our senior managerial personnel and our ability to attract and retain skilled personnel. Any loss of our senior managerial personnel could adversely affect our business, results of operations and financial condition.***

We depend significantly on the expertise, experience and continued efforts of our senior managerial personnel. If one or more members of our senior managerial personnel are unable or unwilling to continue in his/ her present position, it could be difficult to find a timely replacement and our business could be adversely affected. Our future success will also depend on our ability to attract highly skilled personnel. Competition for senior managerial personnel in our industry is intense and it is possible that we may not be able to retain our existing senior managerial personnel or may fail to attract/retain new employees at equivalent positions in the future. As such, the loss of our senior managerial personnel could adversely affect our business, results of operations and financial condition.

29. ***Our Directors and senior managerial personnel may have interests in us other than reimbursement of expenses incurred or normal remuneration or benefits.***

Our Directors and senior managerial personnel are also interested in us to the extent of their shareholding, dividend entitlement and remuneration paid to them for services rendered as our Directors and senior managerial personnel and reimbursement of expenses payable to them. For more information, please see the section titled “*Our Management*” and “*Financial Statements*” on page 64 and 68, respectively.

30. ***We require certain regulatory approvals and licenses in the ordinary course of our business, and the failure to obtain, maintain and renew these approvals and licenses necessary for carrying out our business, in a timely manner or at all, may adversely affect our operations.***

We are subject to various environmental, health and safety, employee-related and other laws and regulations applicable to our business operations, including laws and regulations governing our relationship with our employees in areas such as minimum wages, maximum working hours, overtime, working conditions, hiring and terminating employees, contract labour and work permits, as well as other local laws or regulations in the countries in which we operate. Further, our manufacturing facilities is also subject to regulatory risks arising from any failure to comply with the directives of relevant government authorities or any changes in governmental regulations affecting our business and our facility, such as any change in the zoning of the land on which our manufacturing facilities are located into a residential or other non-industrial use, which could lead to a loss of licenses, certifications, permits and the ability to continue operating our current manufacturing facilities. The success of our business operations is contingent upon, among other factors, receipt of all required licenses, permits and authorizations, including local land use permits, building and zoning permits, environmental permits, and health and safety permits. Although we believe that we are in compliance with all environmental, health and safety, employee-related and other applicable laws and regulations currently in force, changes in laws or regulations in the countries in which we operate may result in us incurring significant costs in order to maintain compliance with such laws and regulations and may delay or prevent project completion. For information in relation to the approvals that we have applied for but which are pending as on the date of this LOF, please see the section titled “*Government and Other Approvals*” on page 115.

Due to the possibility of unanticipated regulatory developments, the amount and timing of future expenditures to comply with regulatory requirements may vary substantially from those currently anticipated. If there is any unanticipated change in the environmental, health and safety regulations we are subject to, we may need to incur substantial capital expenditures to comply with such new

regulations. Our costs of complying with current and future environmental, health and safety laws and our liabilities arising from failure to comply with applicable regulatory requirements may adversely affect our business, financial condition and results of operations

There can be no assurances that the legal framework, licensing and other regulatory requirements or enforcement trends in our industry will not further change in a manner that does not result in increased costs of compliance, or that we will be successful in responding to such changes. Moreover, as we grow our business, the potential for violating these laws and regulations may also increase. If we fail to comply with any existing laws and regulations, or fail to obtain, maintain or renew any of the required licenses or approvals, the relevant regulatory authorities may impose fines and penalties on us, revoke our business licenses and approvals and/or require us to discontinue our business or impose restrictions on the affected portion of our business. Any action brought against us for alleged violations of laws or regulations, even if our defence thereof is successful, could cause us to incur significant legal expenses and divert our management's attention from the operation of our business. Any determination that we have violated, or the public announcement that we are being investigated for possible violations, of these laws or regulations, could harm our reputation, operating results and financial condition.

If we are found in violation, we may be subject to any applicable penalties associated with such violations, including civil and criminal penalties, damages and fines, loss of various licenses, certificates, accreditations or authorizations, orders to refund payments received by us, and orders to curtail or cease our operations. If we lose or otherwise are unable to maintain any of our required licenses and approvals under applicable laws and regulations, our business operations will be materially and adversely affected.

31. *The workers at our manufacturing facilities are members of a union and we may be subject to industrial unrest, slowdown or increased manpower costs, which may adversely affect our results of operations and financial condition.*

The workers at our manufacturing facilities at Maraimalai Nagar are members of a registered union. While we have not experienced any significant worker related issues in the past, there can be no assurance that we will not experience any strikes, work stoppages or other industrial actions or that these situations will not disrupt our business and operations in the future. In the event that we are unable to manage any worker related issues or negotiate any settlement with our workers on acceptable terms, it could result in strikes, work stoppages or increased operating costs as a result of higher than anticipated wages or benefits. In addition, such industrial disruptions or work stoppages may result in production losses and delays in delivery of products, which may adversely affect our business prospects, reputation, and results of operations.

32. *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.*

At present, our internal control and compliance records are maintained electronically which may be subject to transcription errors or manipulation. There can be no assurance that deficiencies in our internal controls will not arise, 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. If we are unable to maintain an effective system of internal controls and compliances, our business and reputation could be adversely affected.

33. *Our application with respect to one of our patent is pending. Any failure to obtain registrations in relation to such patents could impact our ability to enforce our rights with respect to such intellectual property in the future.*

We have made an application towards the registration of one of our patents, namely for manufacture of pole wheels, which is currently pending. We cannot assure you that they will be registered in a timely manner, or at all. For information in relation to the patents that we have applied for but which are pending registration as on the date of this LOF, please see the section titled "Government and Other Approvals" on page 115. Since, our Company does not enjoy the statutory protections accorded to such registered intellectual property, there can be no assurance that third parties will not infringe our intellectual property, causing damage to our business prospects, reputation and goodwill. Any misuse by third parties

could adversely affect our competitiveness, which could in turn adversely affect our financial performance and the market price of our Equity Shares. If our patents are registered in favour of a third party, we may not be able to claim registered ownership of such patents and consequently, we may be unable to seek remedies for infringement.

34. *Our Promoter and Promoter Group will continue to hold majority shareholding after the completion of the Issue.*

As of September 30, 2016, our Promoter and Promoter Group held 51.83% of our issued, paid-up and subscribed Equity Share capital. Further, consequent to the Issue, the shareholding of the Promoter and Promoter Group in our Company may increase beyond their existing shareholding. For further details, please see the section titled “*Capital Structure*” on page 42.

Accordingly, our Promoter and Promoter Group will continue to exercise control over us, including being able to influence the composition of our Board and influence matters requiring shareholder approval. Our Promoter and Promoter Group may take or block actions with respect to our business, which may conflict with our interests or the interests of our minority shareholders. Through their influence, our Promoter and Promoter Group may be in a position to delay, defer or cause a change of our control or a change in our capital structure, delay, defer or cause a merger, consolidation, takeover or other business combination involving us, discourage or encourage a potential acquirer from making a tender offer or otherwise attempting to obtain control of us.

35. *Our Company has availed certain loans which are repayable upon demand and/or notice by the relevant lenders. If such lenders call upon our Company to repay such borrowings on demand and/or upon serving a notice for the prescribed period, we may have to raise funds to refinance these obligations, which may adversely affect our business, operations, financial condition and cash flows.*

Our Company has availed certain loans which are repayable upon demand and/or notice by the relevant lenders under the respective agreements. If such lenders call upon our Company to repay such borrowings on demand and/or upon serving a notice for the prescribed period, we may have to raise funds to refinance these obligations. If we are unable to raise such finance in a timely manner or at all or our failure to otherwise repay such loans in a timely manner or at all, could adversely affect our business operations, financial condition and cash flows.

36. *Our insurance coverage may not adequately protect us against possible risk of loss.*

While we believe that we maintain insurance coverage in amounts consistent with industry norms, our insurance policies do not cover all risks and are subject to exclusions and deductibles. If our production facility is damaged in whole or in part and our operations are interrupted for a sustained period due to fire and similar perils, there can be no assurance that our insurance policies will be adequate to cover the losses that may be incurred as a result of such interruption or the costs of repairing or replacing the damaged facilities. If we suffer a large uninsured loss or any insured loss suffered by us significantly exceeds our insurance coverage, our business, financial condition, results of operations and cash flows may be materially and adversely affected.

37. *We may not be successful in implementing our strategies, including our growth strategy.*

The growth of our business will depend greatly on our ability to effectively implement our business and strategies. Even if we have 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 manage our business and strategies could have an adverse effect on our business, financial condition and profitability.

38. *Some of our Company’s secretarial forms relating to the allotment of the Equity Shares are not traceable.*

Our Company is unable to locate the secretarial forms, namely Form 2s, filed in relation to the allotments of Equity Shares made in the years 1992 and 1997. While our Company believes that these secretarial

forms were duly filed, we have been unable to locate copies of these documents in our records or obtain copies of the same from the appropriate authorities. We cannot assure you that all or any of such filings were in fact made in a timely manner or at all, that these filings will be available in the future or that we will not be subject to any penalties imposed by the competent regulatory authority in connection with these filings.

39. *Our R&D 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.*

In Fiscal 2016, we incurred aggregate R&D expenses amounting to Rs. 25.46 lakhs. We expect to continue to dedicate a portion of our financial and other resources to our R&D efforts in order to maintain our competitive position. However, investing in R&D, 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 R&D and are unable to generate an adequate return on our investment, our business and results of operations may be materially and adversely affected.

40. *Changes in trade policies may affect us.*

Any change in policies by the countries, in terms of tariff and non-tariff barriers, from which our suppliers import their raw materials, components and/or countries to which we export our products, may have an adverse effect on our profitability.

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

We rely on our information technology systems in connection with order booking, material procurement, accounting and production. Therefore, the reliability of our network infrastructure is critical to our business. Any failure in our information technology systems could result in business interruptions, including disruption in our supply management, the loss of buyers, damaged reputation and weakening of our competitive position, any of which could have a material adverse effect on our business, financial condition, results of operations and cash flows.

42. *We may undertake acquisitions, investments, strategic relationships or divestments in the future, which may pose management and integration challenges.*

We may make acquisitions, investments, strategic relationships and divestments in the future as part of our growth strategy in India. These acquisitions, investments, strategic relationships and divestments may not necessarily contribute to our profitability and may divert the attention of our management or require us to assume high levels of debt or contingent liabilities, as part of such transactions. In addition, we could experience difficulty in combining operations and cultures and may not realize the anticipated synergies or efficiencies from such transactions. These difficulties could disrupt our ongoing business, distract our management and employees and increase our expenses.

43. *Taxes and other levies imposed by the local authorities, Central or State Governments, as well as other financial policies and regulations, may have an adverse effect on our business, financial condition and results of operations.*

We are subject to taxes and other levies imposed by the Central or State Governments in India, including customs duties, excise duties, central sales tax, state sales tax, service tax, income tax, value added tax and other taxes, duties or surcharges introduced on a permanent or temporary basis from time to time. The central and state tax scheme in India is extensive and subject to change from time to time. Any adverse changes in any of the taxes levied by the Central or State Governments may adversely affect our competitive position and profitability.

44. *The requirement of funds in relation to the Objects of the Issue has not been appraised and our budgeted expenditure program may change.*

We intend to use the Net Proceeds for the purposes as described under the section titled “*Objects of the Issue*” on page 55. The Objects of the Issue have not been appraised by any bank, financial institution or third party. These are based on management estimates. In view of the highly competitive nature of the industry in which we operate, we may have to revise such management estimates from time to time and consequently our funding requirements may also change.

45. *Our ability to pay dividend in the future will depend upon future earnings, financial conditions, cash flows, working capital and capital expenditure requirements.*

Our Company has not declared any dividend for the preceding three fiscals. Our Company cannot give any assurance that dividend will be paid in future. The declaration and payment of any dividend in the future will be recommended by our Board of Directors, at their discretion, and will depend on a number of factors like its earnings, cash generated from operations, capital requirements and overall financial condition.

46. *We do not have documentary proof for certain details included in the Director biographies under the section titled “Our Management”.*

We do not have documentary proof for certain details included in the Director biographies under the section titled “*Our Management*” on page 64. The details included in the section are based on the details provided by the Directors and are supported by certificates executed by such Directors, certifying the authenticity of the information provided and information available in the public domain, including disclosures made in the Annual Reports of the Company for the past years.

47. *Our ability to invest in overseas subsidiaries and joint ventures may be constrained by Indian and foreign investment laws, which may adversely affect our growth strategy and business prospects.*

Under the extant Indian foreign investment laws, an Indian company is permitted to invest up to 400% of its net worth as on the date of its last audited balance sheet in overseas joint ventures or subsidiaries except when such proposed financial investment exceeds US\$1 billion (or its equivalent) in a financial year, in which case approval of the RBI is required. This limit also applies to any other form of financial commitment by such Indian company, including in terms of a loan, guarantee or counter guarantee. Such investment or financial commitment is subject to certain conditions.

Investment or financial commitment not complying with the stipulated conditions is permitted only with the RBI’s prior approval. In addition, there are certain routine procedural and disclosure requirements in relation to any such overseas direct investment. The limitations on overseas direct investment may constrain our ability to acquire additional interests or increase our stakes in overseas entities as well as to provide other forms of financial support to such entities, which may adversely affect our growth strategy and business prospects.

External risk factors

1. *Our Company is required to prepare financial statements in accordance with Ind-AS with effect from April 1, 2016, and has prepared its Ind-AS Limited Review Financial Statements for the six-month period ended September 30, 2016, in accordance therewith. Ind-AS differs from Indian GAAP, IFRS and US GAAP in many ways and our financial statements relating to periods commencing April 1, 2016 prepared under Ind-AS, including our Ind-AS Limited Review Financial Statements, may not be comparable to our historical financial statements prior to such period prepared under Indian GAAP.*

Our Company has historically prepared its financial statements in accordance with Indian GAAP, applicable accounting standards and guidance notes issued by the ICAI, the Companies Act and other statutory and/or regulatory requirements. However, as an associate of a company that is required to prepare its financial statements in accordance with Ind-AS from April 1, 2016 onwards, we are required to prepare and present our financial statements in accordance with Ind-AS from April 1, 2016 onwards. Pursuant to a meeting of the Board on December 7, 2016, our Company has declared the Ind-AS Limited Review Financial Statements for the six-month period ended September 30, 2016, which have been prepared in accordance with Ind-AS with a transition date of April 1, 2015, in accordance with the requirements of the Listing Regulations and SEBI’s circular no. CIF/CFD/CMD/15/2015 dated

November 30, 2015, read together with SEBI's circular no. CIF/CFD/FAC/62/2016 dated July 5, 2016, and other statutory and/or regulatory requirements.

Given that Ind AS differs in many respects from Indian GAAP, our financial statements relating to any period subsequent to April 1, 2016, including our Ind-AS Limited Review Financial Statements, may not be comparable to our historical financial statements prepared under Indian GAAP for the period prior to April 1, 2016. For an illustrative discussion in relation to the impact upon our financial results for Financial Year ended March 31, 2016, on account of the transition to Ind AS, see "*Certain Conventions, Use of Financial Information and Currency of Presentation*" on page 7.

Any failure to successfully adopt Ind-AS may have an adverse effect on the trading price of the Equity Shares and/or may lead to regulatory action and other legal consequences. In addition, our management may be required to divert its time and other resources for the successful and timely implementation of Ind-AS. Moreover, our transition to Ind-AS reporting may be hampered by increasing competition and increased costs for the relatively small number of Ind-AS-experienced accounting personnel available as more Indian companies begin to prepare Ind-AS financial statements. There is not yet a significant body of established practice from which to draw references/judgments regarding the implementation and application of Ind-AS.

2. *Changes in legislation or changes in the rules relating to tax regimes could significantly and adversely affect our business, prospects and results of operations.*

Tax and other levies imposed by the central and state governments in India that affect our tax liability include income tax, value added tax, turnover tax, service tax, stamp duty and other special taxes and surcharges which are introduced on a temporary or permanent basis from time to time. The central or state government may, in the future, increase the corporate income tax or any indirect taxes it imposes. Any such future increases or amendments may affect the overall tax efficiency of companies operating in India and may result in significant additional taxes becoming payable. Additional tax exposure could adversely affect our business, cash flows and results of operations.

Moreover, the GoI has proposed a comprehensive national goods and services tax ("**GST**") regime that will combine taxes and levies by the central and state governments into a unified rate structure. Given the limited availability of information in the public domain concerning the GST, there can be no assurances as to the tax regime following implementation of the GST. The implementation of this new structure may be affected by any disagreement between certain state governments, which could create uncertainty. Any such future amendments may affect our overall tax efficiency, and may result in significant additional taxes becoming payable.

Further, the General Anti-Avoidance Rules ("**GAAR**") are proposed to be effective from April 1, 2017. If these GAAR provisions are made applicable to our Company, it may have an adverse tax impact on us. In the absence of any precedents on the subject, the application of these provisions could result in denial of tax benefit amongst other consequences which are uncertain. If the GAAR provisions are made applicable to the Company, it may have a material adverse tax impact on the Company.

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

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

Our results of operations are dependent on, and have been adversely affected by, economic and market conditions in India. The Indian market and the Indian economy are influenced by economic and market conditions in other countries, including, but not limited to, the conditions in the United States of America, in Europe and in certain emerging economies in Asia. Financial turmoil in Asia and elsewhere in the world in recent years has affected the Indian economy. Any worldwide financial instability may cause increased volatility in the Indian financial markets and, directly or indirectly, adversely affect the Indian economy and financial services sector and its business, which could adversely affect our business, results of operations and cash flows.

4. *Our future operating results are difficult to predict. Any unfavourable changes in the factors affecting our operations, including the economic, political, legal or social environments of the locations in which we operate may adversely affect our operating results and profitability.*

Our business and results of operations may be adversely affected by, among other factors, the following:

- general economic and business environment in India;
- our ability to successfully implement our strategy and growth plans;
- our ability to compete effectively and access funds at competitive cost;
- changes in domestic or international interest rates and liquidity conditions;
- defaults by customers resulting in an increase in the level of non-performing assets in our portfolio;
- interest rates and our ability to enforce security; and
- change in political conditions in India.

All of the above factors may affect our revenues and therefore have an impact on our operating results and profitability. Our business, earnings, asset values and the value of our Equity Shares may be materially and adversely affected by developments with respect to inflation, interest rates, currency fluctuations, government policies, price and wage controls, exchange control regulations, retail laws and regulations, taxation, expropriation, social instability and other political, legal or economic developments in or affecting the states in which we primarily operate. We have no control over such conditions and developments and can provide no assurance that such conditions and developments will not have a material adverse effect on our operations or the price of or market for our Equity Shares.

5. *Any downgrading of India's sovereign debt rating by an independent agency may harm our ability to raise financing.*

Any adverse revisions to India's sovereign credit ratings for domestic and international debt by international rating agencies may adversely affect our ability to raise additional financing and the interest rates and other commercial terms at which such additional financing is available. This could have an adverse effect on our capital expenditure plans, business and financial performance and the price of our Equity Shares.

6. *If acts of terrorism and other similar threats to security, communal disturbances or riots erupt in India, or if regional hostilities increase, this would adversely affect the Indian economy, and our business, results of operations and cash flows.*

India has experienced communal disturbances, terrorist attacks and riots in the past. If such events recur, our operational and marketing activities may be adversely affected, resulting in a decline in our income. The Asian region has from time to time experienced instances of civil unrest and hostilities among neighbouring countries, including those between India and Pakistan. Hostilities and tensions may occur in the future and on a wider scale. Military activity or terrorist attacks in India, as well as other acts of violence or war could influence the Indian economy by creating a perception that investments in India involve higher degrees of risk. Events of this nature in the future, as well as social and civil unrest within other countries in Asia, could influence the Indian economy and could have an adverse effect on the market for securities of Indian companies, including our Equity Shares.

7. *Political instability or changes in the Government or its policies could impact the liberalization of the Indian economy and adversely affect economic conditions in India generally.*

Our performance and growth are dependent on the health of the Indian economy and more generally the global economy. The economy could be adversely affected by various factors such as political or regulatory action, including adverse changes in liberalization policies, social disturbances, terrorist attacks and other acts of violence or war, natural calamities, interest rates, commodity and energy prices and various other factors. The rate of economic liberalization could change, and specific laws and policies affecting foreign investment, currency exchange rates and other matters affecting investment in India could change as well. As a result, our business and the market price and liquidity of the Equity Shares may be affected by such economic and/or political changes.

While the current Government is expected to continue the liberalization of India's economic and financial sectors and deregulation policies, there can be no absolute assurance that such policies will be continued. A significant change in India's economic liberalization and deregulation policies could disrupt business and economic conditions in India generally and specifically have an adverse effect on our operations.

8. *If the rate of Indian price inflation increases, our business and results of operations may be adversely affected.*

In the recent past, India has experienced fluctuating wholesale price inflation as compared to historical levels due to the global economic downturn. An increase in inflation in India could cause a rise in the price of raw materials and wages, or any other expenses that we incur. If this trend continues, we may be unable to accurately estimate or control our costs of production and this could have an adverse effect on our business and results of operations.

9. *The extent and reliability of Indian infrastructure, to the extent insufficient, could adversely impact our results of operations and financial condition.*

India's physical infrastructure is less developed than that of many developed nations. Any congestion or disruption with its port, rail and road networks, electricity grid, communication systems or any other public facility could disrupt our normal business activity. Any deterioration of India's physical infrastructure would harm the national economy, disrupt the transportation of goods and supplies, and add costs to doing business in India. These problems could interrupt our business operations, which could have adverse effect on our results of operations and financial condition.

10. *Investors may not be able to enforce a judgment of a foreign court against us or our management.*

The enforcement of civil liabilities by overseas investors in our Equity Shares, including the ability to effect service of process and to enforce judgments obtained in courts outside of India may be adversely affected by the fact that we are incorporated under the laws of the Republic of India and all of our executive officers and directors reside in India. Nearly all of our assets and the assets of our executive officers and directors are also located in India. As a result, it may be difficult to enforce the service of process upon us and any of these persons outside of India or to enforce outside of India, judgments obtained against us and these persons in courts outside of India.

India is not a party to any international treaty in relation to the recognition or enforcement of foreign judgments. Recognition and enforcement of foreign judgments are provided for under Section 13 and Section 44A of the Civil Procedure Code respectively. The Government of India has under Section 44A of the Civil Procedure Code notified certain countries as reciprocating countries, as discussed below. Section 13 of the Civil Procedure Code provides that a foreign judgment shall be conclusive regarding any matter directly adjudicated upon, between the same parties or between the parties whom they or any of them claim are litigating under the same title, except: (i) where the judgment has not been pronounced by a court of competent jurisdiction, (ii) where the judgment has not been given on the merits of the case, (iii) where it appears on the face of the proceedings that the judgment is founded on an incorrect view of international law or a refusal to recognize the law of India in cases in which such law is applicable, (iv) where the proceedings in which the judgment was obtained were opposed to natural justice, (v) where the judgment has been obtained by fraud, or (vi) where the judgment sustains a claim founded on a breach of any law in force in India.

Section 44A of the Civil Procedure Code provides that where a foreign judgment has been rendered by a court in any country or territory outside India, which the Government of India has by notification declared to be a reciprocating territory, it may be enforced in India by proceedings in execution as if the judgment had been rendered by the relevant court in India. However, Section 44A of the Civil Procedure Code is applicable only to monetary decrees not being in the nature of any amounts payable in respect of taxes or other charges of a similar nature or in respect of a fine or other penalties and does not include arbitration awards. The United Kingdom and some other countries have been declared by the GoI to be a reciprocating territory for the purposes of Section 44A.

However, the United States has not been declared by the GoI to be a reciprocating territory for the purposes of Section 44A. A judgment of a court in the United States may be enforced in India only by a suit upon the judgment, subject to Section 13 of the Civil Procedure Code and not by proceedings in

execution. The suit must be brought in India within three years from the date of the judgment in the same manner as any other suit filed to enforce a civil liability in India. Generally, there are considerable delays in the disposal of suits by Indian courts. It may be unlikely that a court in India would award damages on the same basis as a foreign court if an action is brought in India. Furthermore, it may be unlikely that an Indian court would enforce foreign judgments if it viewed the amount of damages awarded as excessive or inconsistent with public policy in India. A party seeking to enforce a foreign judgment in India is required to obtain prior approval from the RBI under FEMA to repatriate any amount recovered pursuant to execution and any such amount may be subject to income tax in accordance with applicable laws. Any judgment or award in a foreign currency would be converted into Indian Rupees on the date of the judgment or award and not on the date of the payment. Generally, there are considerable delays in the processing of legal actions to enforce a civil liability in India, and therefore it is uncertain whether a suit brought in an Indian court will be disposed-off in a timely manner or be subject to considerable delays.

11. *The possible future exit by the United Kingdom from the European Union has created significant volatility in global financial markets, which could in turn adversely affect the trading prices of our Equity Shares.*

The possible future exit by the United Kingdom from the European Union may impact the trading prices of our Equity Shares after listing. As a result of the referendum held in the United Kingdom on June 23, 2016, which resulted in a vote in favour of the exit from the European Union, the global financial markets have experienced significant volatility. Such economic and financial volatility may continue over the next few months and may further impact global financial markets, which may adversely affect the trading prices of our Equity Shares.

12. *There is no assurance on our Company's ability to pay dividends on the Equity Shares in the future.*

The amount of future dividend payments by our Company, if any, will depend on our Company's future earnings, financial condition, cash flows, working capital requirements, capital expenditures, applicable Indian legal restrictions and other factors. Our Company may decide to retain all of its earnings to finance the development and expansion of its business and therefore, may not declare dividends on the Equity Shares.

13. *There is no guarantee that the Rights Equity Shares issued pursuant to the Issue will be listed on the Stock Exchange in a timely manner or at all and any trading closures at the Stock Exchange may adversely affect the trading price of our Equity Shares.*

In accordance with Indian law and practice, permission for listing of the Rights Equity Shares will not be granted until after those Rights Equity Shares have been issued and Allotted. In addition, we are required to deliver this Letter of Offer to SEBI and the Stock Exchange under the applicable provisions of the Companies Act and the ICDR Regulations. The trading approval shall be granted subject to the submission of all other relevant documents authorizing the issuing of Rights Equity Shares. There could be a failure or delay in listing the Rights Equity Shares on the Stock Exchange. Any failure or delay in obtaining the approval would restrict investors' ability to dispose of their Equity Shares.

The regulation and monitoring of Indian securities markets and the activities of investors, brokers and other participants differ, in some cases significantly, from those in Europe and the U.S. The Stock Exchange has, in the past, experienced problems, including temporary exchange closures, broker defaults, settlements delays and strikes by brokerage firm employees, which, if continuing or recurring, could affect the market price and liquidity of the securities of Indian companies, including the Equity Shares, in both domestic and international markets. A closure of, or trading stoppage on the Stock Exchange could adversely affect the trading price of the Equity Shares.

14. *The price of the Equity shares of our Company has experienced volatility in the recent past.*

In Fiscal 2016 and in the current fiscal, there have been fluctuations in the price of the Equity Shares. The fluctuation in the price of Equity Share is attributable to several factors, including but not limited to, volatility in the Indian and global securities market, volatility in the Rupee's value relative to the US dollar, the Euro and other foreign currencies, our profitability and results of operations. Further, since the announcement of the Issue by the Company in May 2016, there has been a steady increase in the quoted price of the Equity Shares on the BSE. There can be no assurance that any growth in the price of the

Equity Share will continue in the future. There is a risk of losing a substantial part of the investment that the investors may make in the Issue of the Company, owing to the volatility in the price of the Equity Shares.

15. *The price of the Equity Shares may be highly volatile after the Issue.*

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

- volatility in the Indian and global securities market;
- our operations and performance;
- performance of our competitors and the perception in the market about investments in the automotive / automotive ancillary industry;
- adverse media reports on us or the Indian automotive / automotive ancillary industry;
- changes in the estimates of our performance or recommendations by financial analysts;
- significant developments in India's economic liberalization and deregulation policies; and
- significant developments in India's fiscal and environmental regulations.

There can be no assurance that the prices at which the Equity Shares are initially traded will correspond to the prices at which the Equity Shares will trade in the market subsequently.

16. *Fluctuations in the exchange rate between the Indian Rupee and other currencies could have an adverse effect on the value of our Equity Shares in those currencies, independent of our operating results.*

Our Equity Shares are quoted in Rupees on the Stock Exchange. Dividends, if any, in respect of our Equity Shares will be paid in Rupees. Any adverse movement in currency exchange rates during the time it takes to undertake such conversion may reduce the net dividend to investors. Additionally, any adverse movement in currency exchange rates during a delay in repatriating the proceeds from a sale of Equity Shares outside India may reduce the net proceeds received by investors. The exchange rate between the Indian Rupee and other currencies (such as, the U.S. dollar, the Euro, the pound sterling and the Singapore dollar) has changed substantially in the last two decades and could fluctuate substantially in the future, which may have an adverse effect on the value of our Equity Shares and returns from our Equity Shares in foreign currency terms, independent of our operating results.

17. *The Competition Act, by regulating our Company's business and activities, may materially and adversely affect our Company's results of operations and financial condition.*

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 is void, and any abuse of dominant position by an enterprise which is in a dominant position, is void and will be subject to substantial penalties. It is unclear how the Competition Act will affect industries in India and our Company's business. Consequently, our Company cannot assure prospective investors that enforcement under the Competition Act will not have a material adverse effect on its results of operations and financial condition.

18. *A third party could be prevented from acquiring control of our Company because of the Takeover Regulations under Indian law.*

There are provisions in Indian law that may discourage a third party from attempting to take control of our Company, even if it would result in the purchase of our Equity Shares at a premium to the market price or would otherwise be beneficial to our Company's Shareholders. Indian takeover regulations contain certain provisions that may delay, deter or prevent a future takeover or change in control so as to ensure that the interests of shareholders are protected. Any person acquiring either "control" or an interest (either on its own or together with parties acting in concert with it) in 25% or more of our Company's voting Equity Shares must make an open offer to acquire at least another 26% of our Company's outstanding voting Equity Shares. A takeover offer to acquire at least another 26% of our Company's outstanding voting Equity Shares also must be made if a person (either on its own or together with parties acting in concert with it) holding between 25% and 75% of our Company's voting Equity Shares has

entered into an agreement to acquire or decided to acquire additional voting Equity Shares in any financial year that exceed 5% of our Company's voting Equity Shares. These and other applicable provisions may discourage or prevent certain types of transactions involving an actual or threatened change in control.

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

Under current Indian tax laws and regulations, capital gains arising from the sale of Equity Shares in an Indian company are generally taxable in India. Any gain realized on the sale of listed equity shares on a stock exchange held for more than 12 (twelve) months will not be subject to capital gains tax in India if Securities Transaction Tax ("STT") has been paid on the transaction. STT will be levied on and collected by a domestic stock exchange on which the Equity Shares are sold. Any gain realized on the sale of equity shares held for more than 12 (twelve) months by an Indian resident, which are sold other than on a recognized stock exchange and on which no STT has been paid, will be subject to long term capital gains tax in India. Further, any gain realized on the sale of listed equity shares held for a period of 12 (twelve) months or less will be subject to short-term capital gains tax in India. Capital gains arising from the sale of the Equity Shares will be exempt from taxation in India in cases where the exemption from taxation in India is provided under a treaty between India and the country of which the seller is resident.

Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on a gain upon the sale of the Equity Shares.

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

We are subject to a daily circuit breaker imposed by all stock exchanges in India which does not allow transactions beyond certain volatility in the price of equity shares. This circuit breaker operates independently of the index-based market-wide circuit breakers generally imposed by SEBI on Indian stock exchanges. The percentage limit on our circuit breaker is set by the stock exchanges based on the historical volatility in the price and trading volume of the equity shares. The stock exchanges do not inform us of the percentage limit of the circuit breaker from time to time, and may change it without our knowledge. This circuit breaker effectively limits the upward and downward movements in the price of the Equity Shares. As a result of this circuit breaker, there can be no assurance regarding the ability of shareholders to sell the Equity Shares or the price at which shareholders may be able to sell their Equity Shares.

21. *Any future issuance of Equity Shares may dilute your shareholding and sales of our Equity Shares by our Promoter and Promoter Group or other major shareholders may adversely affect the trading price of the Equity Shares.*

Any future issuances by our Company may lead to the dilution of investors' shareholdings in our Company. Any future equity issuances by our Company or sales of the Equity Shares by our Promoter and Promoter Group or other major shareholders or may adversely affect the trading price of the Equity Shares. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of the Equity Shares.

22. *Conditions in the Indian securities market may affect the price or liquidity of the Equity Shares.*

The Indian securities markets are smaller than securities markets in more developed economies. Indian stock exchanges have in the past experienced substantial fluctuations in the prices of listed securities. These exchanges have also experienced problems that have affected the market price and liquidity of the securities of Indian companies, such as temporary exchange closures, broker defaults, settlement delays and strikes by brokers. In addition, the governing bodies of the Indian stock exchanges have from time to time restricted securities from trading, limited price movements and restricted margin requirements. Further, disputes have occurred on occasion between listed companies and the Indian stock exchanges and other regulatory bodies that, in some cases, have had a negative effect on market sentiment. If similar problems occur in the future, the market price and liquidity of the Equity Shares could be adversely affected.

23. *The Issue Price of our Rights Equity Shares may not be indicative of the market price of our Equity Shares after the Issue.*

The Issue Price of Rights Equity Share may not be indicative of the market price for our Equity Shares after the Issue. The market price of our Equity Shares could be subject to significant fluctuations after the Issue, and may decline below the Issue Price. There can be no assurance that the investor will be able to sell their shares at or above the Issue Price. Among the factors that could affect our share price are:

- quarterly variations in the rate of growth of our financial indicators, such as earnings per share, net income and revenues;
- changes in revenue or earnings estimates or publication of research reports by analysts;
- speculation in the press or investment community;
- general market conditions; and
- domestic and international economic, legal and regulatory factors unrelated to our performance.

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

The Companies Act, the New Companies Act and related regulations, the Articles of Association and our Equity Listing Agreements govern our corporate affairs. Legal principles relating to these matters and the validity of corporate procedures, directors' fiduciary duties and liabilities, and shareholders' rights may differ from those that would apply to a company in another jurisdiction. Shareholders' rights under Indian law may not be as extensive as shareholders' rights under the laws of other countries or jurisdictions. Investors may have more difficulty in asserting their rights as a shareholder than as a shareholder of a corporation in another jurisdiction.

PROMINENT NOTES

1. Issue of 56,33,718 Rights Equity Shares of face value of Rs. 10 each for cash at a price of Rs. 88.75 per Equity Share including a share premium of Rs. 78.75 per Rights Equity Share aggregating up to Rs. 5,000 lakhs to the existing Eligible Equity Shareholders on a rights basis in the ratio of 4 Rights Equity Shares for every 5 Equity Shares held by them on the Record Date.
2. As on March 31, 2016, our Net Worth was Rs. 4,059.61 lakhs, as per our "Financial Statements" on page 68.
3. Our Company has no subsidiaries. The Company has entered into the following related party transactions with the Group Companies during Fiscal 2016, the nature of transactions and the cumulative value of transactions are as follows:

Nature of Transaction	Name of Entity	Transaction Amount (Rs. In Lakhs)
<i>Holding Company</i>		
Receiving of Service – Expense	Amalgamations Private Limited	5.35
<i>Fellow Subsidiaries</i>		
Sale of Goods	Bimetal Bearings Limited	7.01
Rendering of Service – Income	Bimetal Bearings Limited	0.85
Sale of Goods	India Pistons Limited	2044.43
Rendering of Service – Income	India Pistons Limited	461.60
Purchase of Goods	India Pistons Limited	690.05
Purchase of Capital items	India Pistons Limited	3.00
Receiving of Service – Expense	India Pistons Limited	41.28
Interest Paid	India Pistons Limited	45.12
Sale of Goods	IPL Engine Components Private Limited	4.48
Sale of Goods	Simpson & Co Limited	212.58

Nature of Transaction	Name of Entity	Transaction Amount (Rs. In Lakhs)
Receiving of Service – Expense	Simpson & Co Limited	1.50
Loan Availed	Simpson & Co Limited	1500.00
Interest Paid	Simpson & Co Limited	102.06
Sale of Goods	Tractors & Farm Equipments Limited	0.19
Rendering of Service – Income	IP Pins & Liners Limited	19.65
Purchase of Goods	IP Pins & Liners Limited	31.28
Receiving of Service – Expense	Sri Rama Vilas Service Limited	62.95
Purchase of Goods	Addison & Co. Limited	8.21
Receiving of Service – Expense	Associated Printers (Madras) Private Limited	1.44
Purchase of Goods	Speed A Way Private Limited	8.40
Receiving of Service – Expense	The Madras Advertising Co Limited	14.21
Purchase of Goods	LM Van Moppes Diamond Tools India Private Limited	0.52
Purchase of Goods	Shardlow India Limited	0.13
Key Management Personnel		
Receiving of Service – Expense	A. Venkataramani	69.64
Receiving of Service – Expense	R. Venkataraman	17.95
Receiving of Service – Expense	S. Priyamvatha	13.21

4. There has been no financing arrangement whereby the Promoter and Promoter Group, the directors of the Promoter and Promoter Group entities, our Directors and their relatives have financed the purchase by any other person of our securities other than in the normal course of business of the financing entity during the period of six months immediately preceding the date of filing of this Letter of Offer with SEBI.

SECTION III- INTRODUCTION

THE ISSUE

The Board of Directors of our Company have, pursuant to a resolution passed at their meeting held on May 5, 2016 authorized this offer of Rights Equity Shares.

The following is a summary of the Issue. This summary should be read in conjunction with, and is qualified in its entirety by, more detailed information in the section titled “*Terms of the Issue*” on page 125 of this Letter of Offer.

Rights Equity Shares being offered by our Company	56,33,718 Rights Equity Shares
Rights Entitlement for Rights Equity Shares	4 Rights Equity Shares for every 5 Equity Shares held on the Record Date i.e. January 17, 2017.
Record Date	January 17, 2017
Face Value per Rights Equity Shares	Rs. 10
Issue Price per Rights Equity Share	Rs. 88.75
Issue size	Not exceeding Rs. 5,000 lakhs
Paid-up Equity Shares outstanding prior to the Issue	70,42,147 Equity Shares
Equity Shares outstanding after the Issue	1,26,75,865 Equity Shares
Terms of the Issue	Please refer to the section titled “ <i>Terms of the Issue</i> ” on page 125 of this Letter of Offer.
Use of Issue Proceeds	For further information, see the section titled “ <i>Objects of the Issue</i> ” on page 55
Scrip Code	ISIN: INE558A01019 BSE: 523638 SECURITY ID: IPRINGLTD

Payment terms

The entire Issue Price will be paid on Application, along with the CAF.

SUMMARY FINANCIAL STATEMENTS

The following tables set forth the summary financial information derived from our audited financial statements as on and for Fiscal 2016 prepared in accordance with Companies Act, the Indian GAAP, applicable standards and guidance notes specified by the Institute of Chartered Accountants of India, applicable accounting standards and other applicable statutory and / or regulatory requirements. Unless stated otherwise, the summary of financial information presented below, is in Rs. and should be read in conjunction with the financial information and the notes thereto included in the section titled “*Financial Information*” on page 68 of this Letter of Offer.

Balance sheet:

Particulars	As at March 31, 2016 (Rs.)	As at March 31, 2015 (Rs.)
EQUITY AND LIABILITIES		
Shareholders' funds		
(a) Share capital	70,421,470	70,421,470
(b) Reserves and surplus	335,539,744	334,592,661
Non-current liabilities		
(a) Long term borrowings	141,388,769	208,413,665
(b) Deferred tax liabilities (Net)	8,039,940	7,775,782
(c) Long term provisions	5,924,170	5,413,274
Current liabilities		
(a) Short term borrowings	621,931,125	338,197,906
(b) Trade payables	163,807,394	133,961,125
(c) Other current liabilities	210,880,494	188,087,710
(d) Short term provisions	1,961,151	714,034
Total equity and liabilities	1,559,894,257	1,287,577,627
ASSETS		
Non-current assets		
(a) Fixed assets		
- Tangible assets	793,315,316	670,419,935
- Intangible assets	8,148,051	14,190,235
- Capital work in progress	8,707,198	253,997
- Intangible assets under development	6,061,537	2,320,276
(b) Non-current investments	970,830	441,830
(c) Long-term loans and advances	28,880,466	23,018,180
Current assets		
(a) Inventories	270,594,230	249,888,907
(b) Trade receivables	344,025,088	243,520,654
(c) Cash and bank balances	15,873,995	12,536,423
(d) Short term loans and advances	83,317,546	70,987,190
TOTAL ASSETS	1,559,894,257	1,287,577,627

Statement of Profit and Loss:

Particulars	For the year ended March 31, 2016 (Rs)	For the year ended March 31, 2015 (Rs.)
Sales	1,316,883,893	1,126,153,770
Less Excise Duty	135,194,246	113,274,001
Net Sales	1,181,689,647	1,012,879,769
Other income	5,230,062	4,919,057
Total Revenue	1,186,919,709	1,017,798,826
Expenses		
Cost of materials consumed	403,495,157	333,917,283
Employee benefit expense	183,963,914	172,024,317
Finance costs	85,235,206	77,464,265
Depreciation and amortization expense	69,320,266	67,112,426
Other expenses	443,693,925	378,809,506
Total expenses	1,185,708,468	1,029,327,797
Profit before Tax	1,211,241	(11,528,971)
Tax expense:		
(1) Current tax payable	-	-
(2) MAT Payable	230,802	-
(3) MAT credit entitlement	(230,802)	-
(4) Deferred tax	264,158	(6,674,374)
	-	-
Profit/(Loss) for the period from continuing operations	947,083	(4,854,597)

Cash Flow Statement:

Particulars	For The Year Ended March 31, 2016 (Rs.)	For The Year Ended March 31, 2015 (Rs.)
CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax and Extraordinary Items	1,211,241	(11,528,971)
Adjustments For		
- Depreciation	69,320,266	67,112,426
- Interest Received	(14,595)	(36,210)
- Dividend Received	-	(2,475)
- Interest and Finance charges	85,235,206	77,464,265
- Loss on Sale of Fixed Asset	71,087	266,997
- Profit on Sale of Fixed Asset	(181,056)	-
Total Adjustments	154,430,908	144,805,003
Operating Profit before Working Capital Changes	155,642,149	133,276,032
Adjustments For		
Trade and Other Receivables	(112,050,290)	(50,195,959)
Inventories	(20,705,323)	(47,328,816)
Trade Payables	76,210,196	26,505,545
Total Adjustments	(56,545,417)	(71,019,230)
Cash Generated from Operations	99,096,732	62,256,802
Interest Paid	(82,951,870)	(77,823,961)
Direct Taxes Paid	(1,015,302)	(8,698,310)
CASH FLOW BEFORE EXTRAORDINARY ITEMS	15,129,560	(24,265,469)
Extraordinary Items	-	-
NET CASH FLOW FROM OPERATING ACTIVITIES	15,129,560	(24,265,469)
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(204,360,440)	(55,437,573)
Sale of Fixed Assets	471,000	142,857
Purchase of Investments	(529,000)	-
Interest Received	14,595	36,210
Dividend Received	-	0.00

Particulars	For The Year Ended March 31, 2016 (Rs.)	For The Year Ended March 31, 2015 (Rs.)
NET CASH USED IN INVESTING ACTIVITIES	(204,403,845)	(55,256,031)
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Secured Loan	318,291,966	238,222,787
Proceeds from Unsecured Loan	100,000,000	50,000,000
Repayment of Secured Loan	(210,443,468)	(162,947,510)
Repayment of Unsecured Loan	(15,000,000)	(40,500,000)
Dividend Paid	(236,641)	(268,008)
NET CASH USED IN FINANCING ACTIVITIES	192,611,857	84,507,269
NET INCREASE/(DECREASE) IN CASH OR CASH EQUIVALENT	3,337,572	4,985,769

GENERAL INFORMATION

Our Company was incorporated as 'IP Rings Limited' on January 30, 1991, as a public limited company under the Companies Act, 1956. Our Company received its certificate of commencement of business on July 5, 1991 from the RoC.

Pursuant to the resolution passed by the Board of Directors of our Company at its meeting held on May 5, 2016, it has been decided to make the following offer to the Eligible Equity Shareholders of our Company, with a right to renounce:

Issue of 56,33,718 Equity Shares of face value of Rs. 10 each for cash at a price of Rs. 88.75 per Rights Equity Share (including a premium of Rs. 78.75 per Rights Equity Share) not exceeding an amount of Rs. 5,000 lakhs by the Company to the Eligible Equity Shareholders in the ratio of 4 Rights Equity Shares for every 5 Equity Shares held on the Record Date, i.e, January 17, 2017. The Issue Price of each Rights Equity Share is 8.875 times the face value of the Rights Equity Share.

For further details please refer to the section titled "*Terms of the Issue*" on page 125 of this LOF.

Registered Office of our Company

IP Rings Limited

D 11/12, Industrial Estate,
Maraimalai Nagar – 603 209
Tamil Nadu, India
Tel: 044-27452853 / 044-27452929
Fax: 044-27452560

Email: iprmmn@iprings.com

Website: www.iprings.com

CIN: L28920TN1991PLC020232

Company Registration No.: 020232

Address of the RoC

Registrar of Companies, Chennai, Tamil Nadu

Block No.6, B Wing, 2nd Floor,
Shastri Bhawan 26,
Haddows Road,
Chennai – 600034

The Equity Shares of our Company are listed on the BSE.

Company Secretary and Compliance Officer

Mrs. S Priyamvatha

D 11/12, Industrial Estate,
Maraimalai Nagar – 603 209,
Tamil Nadu, India
Tel: 044-27452853
Fax: 044-27452560
Email: ps@iprings.com

Investors may contact the Registrar to the Issue or the compliance officer in case of any pre-Issue or post-Issue related matters such as non-receipt of letter of Allotment, credit of shares, SAF or Refund Orders, etc. All grievances relating to the ASBA process may be addressed to the Registrar to the Issue, with a copy to the SCSBs, giving full details such as name, address of the applicant, ASBA Account number and the Designated Branch of the SCSBs where the CAF, or the plain paper Application, as the case may be, was submitted by the ASBA Investor.

Lead Manager to the Issue:

Axis Capital Limited

1st Floor, Axis House,
C-2, Wadia International Centre,
P.B. Marg, Worli,
Mumbai 400 025
Maharashtra, India

Contact Person: Lohit Sharma

Tel: + 91 22 4325 2152

Fax: +91 22 4325 3000

Email: iprings@axiscap.in

Website: www.axiscapital.co.in

Investor Grievance E-mail: complaints@axiscap.in

SEBI Registration Number: INM000012029

Experts

Except for the “*Financial Statements*” and the “*Statement of Tax Benefits*” beginning on pages 68 and 60 respectively of this Letter of Offer, the Company has not obtained any expert opinions under the Companies Act.

Refund Banker and Banker(s) to the Issue:

HDFC Bank Limited

FIG – OPS Department, Lodha – I,
Think Techno Campus, Office Level - 3,
Next to Kanjurmarg Railway Station,
Kanjurmarg (East),
Mumbai- 400042,
Maharashtra, India

Contact Person: Siddharth Jadhav

Tel: + 91 22 3075 2928/ 2927/ 2914

Fax: +91 22 2579 9801

Email: siddharth.jadhav@hdfcbank.com

Website: www.hdfc.com

Legal Counsel to the Issue

J. Sagar Associates

Vakils House,
18, Sprott Road
Ballard Estate
Mumbai- 400 001
Maharashtra, India
Tel: +91 22 4341 8600
Fax: +91 22 4341 8617

Legal Advisor to the Company

S. Ramasubramaniam & Associates

6/1, Bishop Wallers Avenue (West),
Mylapore,
Chennai – 600 004
Tel: 91- 44 – 24990069, 24990424, 24992596
Fax: 91- 44-24993516

Statutory Auditors of our Company

R.G.N. Price & Co.

861, Anna Salai,
Chennai – 600 002
Tamil Nadu, India
Tel: 044-28413633; 044-28583494; 044-28586446
Fax: 044-28544569
Firm Registration Number: 002785S

Registrar to the Issue

Link Intime India Private Limited

C- 13, Pannalal Silk Mills Compound,
L.B.S. Marg,
Bhandup (West),
Mumbai – 400 078
Maharashtra, India
Contact Person: Dinesh Yadav
Tel: +91 22 61715400
Fax: +91 22 2596 0329
Email: iprl.rights@linkintime.co.in
Website: www.linkintime.co.in
Investor Grievance ID: iprl.rights@linkintime.co.in
SEBI Registration No.: INR000004058

Self Certified Syndicate Bankers:

The list of banks that have been notified by SEBI to act as SCSBs for the Applications Supported by Blocked Amount Process is provided at www.sebi.gov.in/cms/sebi_data/attachdocs/1365051213899.html. For details on Designated Branches of SCSB collecting the CAF, please refer the above mentioned SEBI link.

Issue Schedule

The subscription will open upon the commencement of the banking hours and will close upon the close of banking hours on the dates mentioned below:

Issue Opening Date:	January 23, 2017
Last date for receiving requests for SAFs:	January 30, 2017
Issue Closing Date:	February 6, 2017

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

Monitoring Agency

Since the Issue Size is less than Rs. 50,000 lakhs, in terms of Regulation 16(1) of the ICDR Regulations, our Company is not required to appoint a monitoring agency for the purposes of this Issue.

Appraising Agency

None of the purposes for which the Net Proceeds are proposed to be utilized have been financially appraised by any bank, financial institution or third party.

Debenture Trustee

This not being a rights issue of convertible debt instruments, the appointment of a debenture trustee is not required.

Underwriting

Our Company has not entered into any underwriting arrangement with respect to the Issue.

Statement of responsibilities of the Lead Manager

As there is only one Lead Manager, inter-se allocation of responsibilities is not applicable. However, the list of major responsibilities of the Axis Capital Limited in relation to the Issue, *inter alia*, is as follows:

Sr. No.	Activities	Responsibility
1.	Capital structuring with the relative components and formalities such as type of instruments, etc.	AXIS
2.	Undertaking due diligence documents and together with legal counsels assist in drafting of the Offer Documents and of advertisement/publicity material including newspaper advertisements and brochure/ memorandum containing salient features of the Offer Document. Compliance with the ICDR Regulations and other stipulated requirements and completion of prescribed formalities with Stock Exchange and SEBI.	AXIS
3.	Selection of various agencies connected with the issue, namely Registrar to the Issue, Bankers to the Issue, printers and advertisement agencies.	AXIS
4.	Marketing of the Issue, which shall cover, inter alia, formulating marketing strategies, preparation of publicity budget, arrangements for selection of (i) ad-media, (ii) centers for holding conferences of stock brokers, investors, etc., (iii) bankers to the Issue, (iv) collection centers as per schedule III of the ICDR Regulations, (v) distribution of publicity and Issue material including composite application form, draft letter of offer, letter of offer, etc., and deciding upon the quantum of Issue material.	AXIS
5.	The post Issue activities will involve essential follow up steps, including follow-up with banker(s) to the issue and Self Certified Syndicate Banks to get quick estimates of collection and advising the issuer about the closure of the issue, finalization of basis of allotment / weeding out of multiple applications, listing of instruments and dispatch of certificates and refunds, with the various agencies connected with the work such as Registrar to the Issue, Bankers to the Issue and the bank handling refund business.	AXIS

Credit Rating

This being an issue of equity shares and not of convertible debt instruments, no credit rating is required.

Minimum Subscription

If our Company does not receive the minimum subscription of 90% of the Issue, or the subscription level falls below 90%, after the Issue Closing Date on account of cheques being returned unpaid or withdrawal of applications, our Company shall refund the entire subscription amount received within 15 (fifteen) days from the Issue Closing Date. In the event that there is a delay of making refunds beyond such period as prescribed by applicable laws, our Company shall pay interest for the delayed period at rates prescribed under applicable laws. The above is subject to the terms mentioned under the section titled '*Terms of the Issue – Basis of Allotment*' on page 148 of this LOF.

Principal Terms of Loans and Assets charged as security

For details of the principal terms of loans and assets charged as security of our Company, please see the section titled "*Financial Statements*" on page 68 of this LOF.

CAPITAL STRUCTURE

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

Particulars	Aggregate Value at Nominal Value (In Rs.)	Aggregate Value at Issue Price (In Rs.)
A) AUTHORISED SHARE CAPITAL		
2,00,00,000 Equity Shares of Rs. 10 each	20,00,00,000	-
ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL		
B) BEFORE THE ISSUE		
70,42,147 Equity Shares of Rs. 10 each	7,04,21,470	-
C) PRESENT ISSUE*		
56,33,718 Equity Shares of Rs. 10 each	5,63,37,180	4,99,992,473
ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL		
D) AFTER THE ISSUE**		
1,26,75,865 Equity Shares of Rs. 10 each	12,67,58,650	-
E) SECURITIES PREMIUM ACCOUNT**		
Before the Issue	10,54,28,400	-
After the Issue	54,90,83,693	-

*The Issue has been authorized by the Board at its meeting held on May 5, 2016.

**Assuming full subscription for and allotment of the Rights Entitlement.

Notes to the Capital Structure

1. The Company does not have any employee stock option scheme or employee stock purchase scheme.
2. The Company does not have any outstanding warrants, options, convertible loans, debentures or any other securities convertible at a later date into Equity Shares, as on the date of this Letter of Offer, which would entitle the holders to acquire further Equity Shares.
3. None of the Equity Shares held by our Promoter and Promoter Group are pledged with any banks or institutions, locked-in or otherwise encumbered.
4. Our Promoter and Promoter Group have not acquired any Equity Shares in the one year immediately preceding the date of the Draft Letter of Offer.
5. Our Promoter and Promoter Group have confirmed that they intend to, either through themselves or through other members of the Promoter and Promoter Group, subscribe to the full extent of their Rights Entitlement, in compliance with Regulation 10(4) of Takeover Regulations. Our Promoter and Promoter Group have also confirmed that they intend to (i) subscribe to additional Rights Equity Shares, and (ii) subscribe for unsubscribed portion in the Issue, if any. Such subscription to additional Rights Equity Shares and the unsubscribed portion, if any, shall be in accordance with Regulation 10(4) of Takeover Regulations, subject to their shareholding not exceeding 75% of the post-Issue Equity Share capital of the Company.

Such subscription for Rights Equity Shares over and above their Rights Entitlement, if allotted, may result in an increase in their percentage shareholding. Any such acquisition of additional Rights Equity Shares of the Company shall not result in a change of control of the management of the Company in accordance

with provisions of the Takeover Regulations and shall be exempt in terms of Regulation 10 (4)(a) and 10(4)(b) of the Takeover Regulations.

6. The present Issue being a rights issue, as per regulation 34(c) of the ICDR Regulations, the requirements of promoters' contribution and lock-in are not applicable.
7. All the Equity Shares are fully paid-up as on the date of this Letter of Offer, there are no partly paid-up Equity Shares.
8. The ex-rights price arrived in accordance with Clause 4(b) of Regulation 10 of the Takeover Regulations, in connection with the Issue is Rs. 149.67.

9. Shareholding Pattern of our Company as on September 30, 2016

A. Statement showing holding of specified securities as on September 30, 2016:

Category (I)	Category of shareholder (II)	Nos. of shareholders (III)	No. of fully paid up equity shares held (IV)	No. of partly paid-up equity shares held (V)	No. of shares underlying Depository Receipts (VI)	Total Nos. shares held (VII)=(IV)+(V)+(VI)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)			No. of Shares Underlying Outstanding convertible securities (including Warrants) (X)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)=(VII)+(X) As a % of (A+B+C2)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)	
								No of Voting Rights					Total as a % of (A+B+C)	No. (a)	As a % of total Shares held (b)	No. (a)		As a % of total Shares held (b)
								Class eg: X	Class eg: Y	Total								
(A)	Promoter & Promoter Group	6	3649832	0	0	3649832	51.83	-	-	-	-	-	51.83	0	0.00	0	0.00	3649832
(B)	Public	7386	3392315	0	0	3392315	48.17	-	-	-	-	-	48.17	0	0.00	0	0.00	2994386
(C)	Non Promoter – Non Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0
(C1)	Shares underlying DRs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C2)	Shares held by Employee Trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	7392	7042147	0	0	7042147	100	-	-	-	-	-	100	0	0.00	0	0.00	6644218

B. Statement showing shareholding pattern of our Promoter and Promoter Group as on September 30, 2016:

	Category & Name of the Shareholders (I)	Nos. of shareholders (III)	No. of fully paid up equity shares held (IV)	Partly paid-up equity shares held (V)	No. of shares underlying Depository Receipts (VI)	Total Nos. shares held (VII) = (IV) + (V) + (VI)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)			No. of Shares Underlying Outstanding convertible securities (including Warrants) (X)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI) = (VII) + (X) As a % of (A+B+C2)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)	
								No of Voting Rights					Total as a % of (A+B+C)	No. (a)	As a % of total Shares held (b)	No. (a)		As a % of total Shares held (b)
								Class eg: X	Class eg: Y	Total								
(1)	Indian																	
(a)	Individuals/Hindu undivided Family	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(b)	Central Government/ State Government(s)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(c)	Financial Institutions/ Banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(d)	Any Other (specify)	6	3649832	0	0	3649832	51.83	-	-	-	0	51.83	0	0.00	0	0.00	3649832	
(i)	India Pistons Limited	-	2078862	0	0	2078862	29.52	-	-	-	0	29.52	0	0.00	0	0.00	2078862	
(ii)	Tractors and Farm Equipment Limited	-	778440	0	0	778440	11.05	-	-	-	0	11.05	0	0.00	0	0.00	778440	
(iii)	Simpson & Co. Limited	-	405930	0	0	405930	5.76	-	-	-	0	5.76	0	0.00	0	0.00	405930	
(iv)	Amalgamations Private Limited	-	384100	0	0	384100	5.45	-	-	-	0	5.45	0	0.00	0	0.00	384100	
(v)	The United Nilgiri Tea Estates Co. Limited	-	2000	0	0	2000	0.03	-	-	-	0	0.03	0	0.00	0	0.00	2000	
(vi)	Higginbothams Private Limited	-	500	0	0	500	0.01	-	-	-	0	0.01	0	0.00	0	0.00	500	

(i)	Sub-Total (A)(1)	6	3649832	0	0	3649832	51.83	-	-	-	-	0	51.83	0	0.00	0	0.00	3649832
(2)	Foreign																	
(a)	Individuals (Non-Resident Individuals/ Foreign Individuals)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(b)	Government	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(c)	Institutions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(d)	Foreign Portfolio Investor	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(c)	Any Other (specify)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Sub-Total (A)(2)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	6	3649832	0	0	3649832	51.83	-	-	-	-	0	51.83	0	0.00	0	0	3649832

C. Statement showing holding of specified securities of public shareholders in our Company as of September 30, 2016:

	Category & Name of the Shareholders (I)	Nos. of shareholders (III)	No. of fully paid up equity shares held (IV)	Partly paid-up equity shares held (V)	No. of shares underlying Depository Receipts (VI)	Total Nos. shares held (VII)=(IV)+(V)+(VI)	Number of Voting Rights held in each class of securities (IX)			Total as a % of (A+B+C)	No. of Shares Underlying Outstanding convertible securities (including Warrants) (X)	Total Share holding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI) = (VII) + (X) As a % of (A+B+C2)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)	
							No of Voting Rights						No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)		
							Class eg: X	Class eg: Y	Total									
(1)	Institutions																	
(a)	Mutual Funds/	1	200	0	0	200	0.00	-	-	-	-	0	0.00	0	0.00	0	0.00	0
(b)	Venture Capital Funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(c)	Alternate Investment Funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(d)	Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(c)	Foreign Portfolio	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

	Category & Name of the Shareholders (I)	Nos. of shareholders (III)	No. of fully paid up equity shares held (IV)	Partly paid-up equity shares held (V)	No. of shares underlying Depository Receipts (VI)	Total Nos. shares held (VII)=(IV)+(V)+(VI)	Number of Voting Rights held in each class of securities (IX)			Total as a % of (A+B+C)	No. of Shares Underlying Outstanding convertible securities (including Warrants) (X)	Total Share holding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI) = (VII) + (X) As a % of (A+B+C2)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)	
							No of Voting Rights						No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)		
							Class eg: X	Class eg: Y	Total									
	Investors																	
(f)	Financial Institutions/ Banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(g)	Insurance Companies	1	90356	0	0	90356	1.28	-	-	-	-	0	1.28	0	0.00	0	0.00	90356
(i)	United India Insurance Co. Ltd		90356	0	0	90356	1.28	-	-	-	-	0	1.28	0	0.00	0	0.00	90356
(h)	Provident Funds/ Pension Funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(i)	Any Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Sub-	2	90556	0	0	90556	1.29					0	1.29	0	0.00	0	0.00	90356

	Category & Name of the Shareholders (I)	Nos. of shareholders (III)	No. of fully paid up equity shares held (IV)	Partly paid-up equity shares held (V)	No. of shares underlying Depository Receipts (VI)	Total Nos. shares held (VII)=(IV)+(V)+(VI)	Number of Voting Rights held in each class of securities (IX)			Total as a % of (A+B+C)	No. of Shares Underlying Outstanding convertible securities (including Warrants) (X)	Total Share holding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI) = (VII) + (X) As a % of (A+B+C2)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)	
							No of Voting Rights						No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)		
							Class eg: X	Class eg: Y	Total									
	Total (B)(1)																	
(2)	Central Government/ State Government(s)/ President of India	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Sub-Total (B)(2)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(3)	Non-institutions																	
(a)	Individuals – i.	7043	1264227	0	0	1264227	17.95	-	-	-	-	0	17.95	0	0.00	0	0.00	945000

Category & Name of the Shareholders (I)	Nos. of shareholders (III)	No. of fully paid up equity shares held (IV)	Partly paid-up equity shares held (V)	No. of shares underlying Depository Receipts (VI)	Total Nos. shares held (VII)=(IV)+(V)+(VI)	Share holding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)			Total as a % of (A+B+C)	No. of Shares Underlying Outstanding convertible securities (including Warrants) (X)	Total Share holding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI) = (VII) + (X) As a % of (A+B+C2)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)	
							No of Voting Rights						No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)		
							Class eg: X	Class eg: Y	Total									
Individual shareholders holding nominal share capital up to Rs. 2 lakhs.																		
ii. Individual shareholders holding nominal share capital in excess of	9	325343	0	0	325343	4.62	-	-	-	-	0	4.62	0	0.00	0	0.00	247643	

Category & Name of the Shareholders (I)	Nos. of shareholders (III)	No. of fully paid up equity shares held (IV)	Partly paid-up equity shares held (V)	No. of shares underlying Depository Receipts (VI)	Total Nos. shares held (VII)=(IV)+(V)+(VI)	Share holding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)			Total as a % of (A+B+C)	No. of Shares Underlying Outstanding convertible securities (including Warrants) (X)	Total Share holding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI) = (VII) + (X) As a % of (A+B+C2)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)	
							No of Voting Rights						No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)		
							Class eg: X	Class eg: Y	Total									
Rs. 2 lakhs.																		
Bhavani Krishnamoorthy	1	80500	0	0	80500	1.14	-	-	-	-	0	1.14	0	0.00	0	0.00	80500	
(b) NBFCs registered with RBI	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(c) Employee Trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(d) Overseas Depositories (holding DRs) (balancing figure)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(c) Any	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Category & Name of the Shareholders (I)	Nos. of shareholders (III)	No. of fully paid up equity shares held (IV)	Partly paid-up equity shares held (V)	No. of shares underlying Depository Receipts (VI)	Total Nos. shares held (VII)=(IV)+(V)+(VI)	Share holding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)			Total as a % of (A+B+C)	No. of Shares Underlying Outstanding convertible securities (including Warrants) (X)	Total Share holding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI) = (VII) + (X) As a % of (A+B+C2)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)	
							No of Voting Rights						No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)		
							Class eg: X	Class eg: Y	Total									
Other (specify)																		
Bodies Corporate	131	927910	0	0	927910	13.18	-	-	-	-	0	13.18	0	0.00	0	0.00		927110
Enam Securities Private Limited		501625	0	0	501625	7.12	-	-	-	-	0	7.12	0	0.00	0	0.00		501625
Gagandeep Credit Capital Private Limited		115000			115000	1.63						1.63						115000
Clearing member	33	17942	0	0	17942	0.25	-	-	-	-	0	0.25	0	0.00	0	0.00		17942
HUF	145	59935	0	0	59935	0.85	-	-	-	-	0	0.85	0	0.00	0	0.00		59933
Non Resident	22	2202	0	0	2202	0.03	-	-	-	-	0	0.03	0	0.00	0	0.00		2202

Category & Name of the Shareholders (I)	Nos. of shareholders (III)	No. of fully paid up equity shares held (IV)	Partly paid-up equity shares held (V)	No. of shares underlying Depository Receipts (VI)	Total Nos. shares held (VII)=(IV)+(V)+(VI)	Share holding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)			Total as a % of (A+B+C)	No. of Shares Underlying Outstanding convertible securities (including Warrants) (X)	Total Share holding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI) =(VII)+(X) As a % of (A+B+C2)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)		
							No of Voting Rights						No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)			
							Class eg: X	Class eg: Y	Total										
Indians																			
Foreign Collaborator	1	704200	0	0	704200	10.00	-	-	-	-	0	10.00	0	0.00	0	0.00	0	0.00	704200
Sub-Total (B)(3)	7384	3301759	0	0	3301759	46.89	-	-	-	-	0	46.89	0	0.00	0	0.00	0	0.00	2904030
Total Public Shareholding (B) = (B)(1)+(B)(2)+(B)(3)	7386	3392315	0	0	3392315	48.17	0	0	0	0	0	48.17	0	0	0	0	0	0	2994386
<i>Details of the shareholders acting as persons in Concert including their Shareholding (No. and %):</i>																			
<i>Details of Shares which remain unclaimed may be given hear along with details such as number of shareholders, outstanding shares held in demat/unclaimed suspense account, voting rights which are frozen etc.</i>																			
Note:																			
1. The term "Encumbrance" has the same meaning as assigned under regulation 28(3) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.																			
2. The details of the Shareholders holding more than 1% of the share capital of the Company are as disclosed above.																			

D. Statement showing shareholding pattern of the non-promoter – non- public shareholders as on September 30, 2016:

	Category & Name of the Shareholders (I)	Nos. of shareholders (III)	No. of fully paid up equity shares held (IV)	Partly paid-up equity shares held (V)	No. of shares underlying Depository Receipts (VI)	Total Nos. shares held (VII)=(IV)+(V)+(VI)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)			No. of Shares Underlying Outstanding convertible securities (including Warrants) (X)	Total Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)=(VII)+(X) As a % of (A+B+C2)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)	
								No of Voting Rights					Total as a % of (A+B+C)	No. (a)	As a % of total Shares held (b)	No. (a)		As a % of total Shares held (b)
								Class eg: X	Class eg: Y	Total								
(1)	Custodian/ DR Holder	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(2)	Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total Non-Promoter- Non Public Shareholding (c)= (c)(1)+(c)(2)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Details of the shareholders acting as persons in Concert including their Shareholding (No. and %):																		
Details of Shares which remain unclaimed may be given hear along with details such as number of shareholders, outstanding shares held in demat/unclaimed suspense account, voting rights which are frozen etc.																		
Note:																		
1. The term “Encumbrance” has the same meaning as assigned under regulation 28(3) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.																		
2. The details of the Shareholders holding more than 1% of the share capital of the Company are as disclosed above.																		

OBJECTS OF THE ISSUE

The Objects of the Issue are:

1. Repayment/ pre-payment, in full, of certain identified loans availed by our Company; and
2. General corporate purposes.

(collectively, referred to herein as the “**Objects**”)

We intend to utilize the gross proceeds raised through the Issue (the “**Issue Proceeds**”) after deducting the Issue related expenses (“**Net Proceeds**”) for the abovementioned Objects.

The main objects clause of our Memorandum enables our Company to undertake its existing activities and the activities for which funds are being raised by our Company through this Issue. The activities which have been carried out until now by our Company are valid in terms of the objects clause of our Memorandum. Further, the loans availed by our Company, certain of which may be repaid / pre-paid, in full, from the Net Proceeds, are for activities carried out by us as enabled by the objects clause of our Memorandum of Association.

Issue Proceeds

The details of the Issue Proceeds are as follows:

Particulars	Estimated Amount (Rs. in Lakhs)
Gross proceeds to be raised through the Issue	5,000.00
<i>Less:</i> Issue related expenses	191.50
Net Proceeds	4808.50

Requirement of Funds and Utilization of Net Proceeds

The utilization of the Net Proceeds is as follows:

Sr. No.	Particulars	Estimated Amount to be Utilized (Rs. in Lakhs)
1.	Repayment/ pre-payment, in full, of certain identified loans availed by our Company	3,700.00
2.	General Corporate Purposes	1108.50

Our funding requirements and the deployment of the Net Proceeds is based on internal management estimates and have not been appraised by any bank, financial institution or any other external agency. These are based on current conditions and are subject to change in light of changes in external circumstances or costs, or in other financial condition, business or strategy.

We operate in highly competitive and dynamic market conditions and may have to revise our estimates from time to time on account of external circumstances or costs in our financial condition, business or strategy. Consequently, our fund requirements may also change. Any such change in our plans may require rescheduling of our expenditure programs and increasing or decreasing expenditure for a particular object *vis-à-vis* the utilization of Net Proceeds. Until our Company realizes the Net Proceeds, it proposes to utilize its internal accruals and/or raise additional debt and / or receivables from customers in the form of advances, to meet the proposed expenditure in respect of the Objects.

In case of variations in the actual utilization 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 purpose for which funds are being raised in this Issue. If surplus funds are unavailable, the required financing will be through our internal accruals, cash flow from our operations and/or debt, as required. In case of a

shortfall in the Net Proceeds, we may explore a range of options including utilizing our internal accruals, and / or seeking additional debt from existing and future lenders. In the event that the estimated utilization out of the Net Proceeds in a Fiscal is not completely met, the same shall be utilized in the next Fiscal. For risks relating to our Objects please see the risk factor: “The requirement of funds in relation to the Objects of the Issue has not been appraised and our budgeted expenditure program may change” in the section titled “Risk Factors” on page 23 of this LOF.

Means of Finance

The requirements of the Objects detailed above are intended to be funded from the Net Proceeds. Accordingly, our Company confirms that there is no requirement for it 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 through the Issue.

Schedule of Deployment

Our Company proposes to deploy the entire Net Proceeds towards the aforesaid Objects during Fiscal 2017 depending upon various factors including the actual timing of the completion of the Issue and the receipt of the Net Proceeds.

Details of the Objects of the Issue

1. Repayment / pre-payment, in full, of certain identified loans availed by our Company

Our Company proposes to utilize an estimated amount of Rs. 3,700.00 lakhs from the Net Proceeds of the Issue towards repayment/pre-payment, in full, of certain identified loans availed by our Company.

The selection of borrowing proposed to be repaid from our Company’s facilities is based on *inter alia*, the nature and timing of such loans and their short tenor and in addition the conditions specified for their repayment/prepayment. We believe that such repayment will help in reducing the outstanding indebtedness and debt servicing costs and enable utilization of the internal accruals for further investment in the business growth and expansion. In addition, we believe that this would improve the ability to raise further resources in the future to fund the potential business development opportunities.

The following table provides details of the relevant terms of certain loans/facilities that are currently availed by our Company, out of which we may repay/prepay, in full, any or all of its respective loans/facilities, without any obligation to any particular lender:

#	Name of the Lender	Nature of Facility and Details of Document	Purpose	Amount Sanctioned (Rs. In Lakhs)	Principal Amount Outstanding as on October 31, 2016* (Rs. In Lakhs)	Rate of interest as on October 31, 2016 (% per annum)	Repayment Schedule	Pre-payment Penalty
1.	Simpson & Company Limited	Short Term Secured Loan Hypothecation cum loan agreement dated December 22, 2015 and Supplemental Agreement dated December 8, 2016	Purchase / in respect of certain assets (machinery)	1,000.00	1,000.00	9.00%	Within one year from the date of disbursement or at an early date through other financial arrangements including by way of rights issue. In accordance with the Supplemental Agreement dated	None

#	Name of the Lender	Nature of Facility and Details of Document	Purpose	Amount Sanctioned (Rs. In Lakhs)	Principal Amount Outstanding as on October 31, 2016* (Rs. In Lakhs)	Rate of interest as on October 31, 2016 (% per annum)	Repayment Schedule	Pre-payment Penalty
							December 8, 2016, the tenure of repayment has been extended upto March 31, 2017.	
2.	Simpson and Company Limited	Short Term Unsecured Loan Unsecured Loan Agreement dated December 22, 2015 and Supplemental Agreement dated December 8, 2016	Working Capital Requirements	1,200.00	1,200.00	9.00%	Within one year from the date of disbursement or at an early date through other financial arrangements including by way of rights issue. In accordance with the Supplemental Agreement dated December 8, 2016, the tenure of repayment has been upto March 31, 2017.	None
3.	India Pistons Limited	Unsecured Loan Unsecured Loan Agreement dated November 14, 2015 and Supplemental Agreement dated November 14, 2016	Working Capital Requirements	500.00	500.00	9.00%	Within one year from the date of disbursement or at an early date through other financial arrangements In accordance with the Supplemental Agreement dated November 14, 2016, the tenure of repayment has been extended by a period of one year.	None

#	Name of the Lender	Nature of Facility and Details of Document	Purpose	Amount Sanctioned (Rs. In Lakhs)	Principal Amount Outstanding as on October 31, 2016* (Rs. In Lakhs)	Rate of interest as on October 31, 2016 (% per annum)	Repayment Schedule	Pre-payment Penalty
4.	Tata Capital Financial Services Limited	Secured Term Loan Sanction Letter dated May 25, 2016 and Term Loan Agreement dated June 2, 2016	General Corporate Purposes	1,000.00	1,000.00	Floating rate of interest equal to short term lending rate less 6.00% (currently at 11.00%)	Interest to be paid on monthly basis from the date of first disbursement till maturity. Principal payable by bullet repayment at the end of the tenure.	None in case pre-payment is made out of rights issue/cash flows of the Company. Otherwise 2% on the amount prepaid
Total				3,700.00	3,700.00	-	-	-

**Certified by the Statutory Auditors vide their certificate dated January 12, 2017. Further, the Statutory Auditors have certified that these borrowing have been utilized for the purposes for which they were availed, as provided in the relevant borrowing documents.*

In addition to the above, we may, from time to time, enter into further financing arrangements and draw down funds thereunder. In such cases or in case any of the above loans are repaid/ pre-paid or further drawn-down, in full or in part, prior to the completion of the Issue, we may utilize the Net Proceeds towards repayment/ pre-payment of such additional indebtedness.

2. General Corporate Purposes

Our Board, will have flexibility in applying the balance amount, aggregating to Rs. 1108.50 lakhs, towards general corporate purposes, subject to such utilization not exceeding 25% of the Net Proceeds of the Issue, including, meeting our working capital requirements, routine capital expenditure, funding our growth opportunities and strategic initiatives, meeting expenses incurred in the ordinary course of business including salaries and wages, rent, administration expenses, insurance related expenses, repairs and maintenance, and the payment of taxes and duties, and meeting of exigencies which our Company may face in course of business.

Issue Expenses

The total expenses of the Issue are estimated to be approximately Rs. 191.50 lakhs. The expenses of the Issue include, among others, fees of the Lead Manager, fees of the Registrar to the Issue, fees of the other advisors, printing and stationery expenses, advertising, travelling and marketing expenses and other expenses.

The estimated Issue expenses are as under:

Particulars	Estimated Expenses (Rs. In Lakhs)	% of Estimated Issue size	% of Estimated Issue expenses
Fee to Intermediaries (Lead Manager, legal counsel, Registrar to the Issue)	121.50	2%	63%
Advertising, traveling and marketing expenses	30.00	1%	16%
Printing, postage and stationery expenses	10.00	0%	5%
Miscellaneous and other expenses	30.00	1%	16%
Total estimated Issue expenses	191.50	4%	100%

Appraisal of the Objects

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

Interim Use of Funds

Pending utilization for the purposes described above, we intend to deposit the Net Proceeds only in scheduled commercial banks included in the Second Schedule of the Reserve Bank of India Act, 1934. We confirm that pending utilization of the Net Proceeds, we shall not use the funds for any investments in the equity markets.

Bridge Loan

We have not raised any bridge loans which are required to be repaid from the Net Proceeds. However, depending upon business requirements, our Company may consider raising bridge financing facilities including any other short-term instrument like non-convertible debentures, commercial papers etc. pending receipt of the Net Proceeds.

Monitoring Utilization of Funds from Issue

As this is an Issue for an amount less than Rs. 50,000 lakhs, there is no requirement for the appointment of a monitoring agency. The Board or its duly authorized committees will monitor the utilization of the proceeds of the Issue. Our Company will disclose the utilization of the Issue Proceeds, including interim use, under a separate head along with details, for all such Issue Proceeds that have not been utilized. Our Company will indicate investments, if any, of unutilized Issue Proceeds in the balance sheet of our Company for the relevant Financial Years subsequent to the listing.

We also will on an annual basis, prepare a statement of funds which have been utilized for purposes other than those stated in the Letter of Offer, if any, and place it before the Audit Committee and the Board. Such disclosure will be made only until such time that all the Issue Proceeds have been utilized in full. The statement shall be certified by our Statutory Auditor. Further, in accordance with Regulation 32 of the Listing Regulations, we will furnish to the Stock Exchange on a quarterly basis, a statement including deviations and variations, if any, in the utilization of the Issue Proceeds from the Objects of the Issue as stated above. This information will also be published in newspapers simultaneously with the interim or annual financial results, after placing the same before the Audit Committee.

Our Company shall inform material deviations in the utilization of Issue Proceeds to the Stock Exchange and shall also simultaneously make the material deviations / adverse comments, of the Audit committee and the Board, if any, public through advertisement in newspapers.

Other confirmations

Except for the part of the Net Proceeds that will be utilized towards the repayment/pre-payment of certain loans availed by our Company from two of the members of our Promoter and Promoter Group, namely Simpson and Company Limited and India Pistons Limited, and payments made in the ordinary course of business, there are no material existing or anticipated transactions and no part of the Net Proceeds will be paid as consideration to the members of our Promoter and Promoter Group, Directors, Group Companies or key management personnel of the Company.

STATEMENT OF TAX BENEFITS

STATEMENT OF SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS UNDER THE APPLICABLE TAX LAWS IN INDIA

To,
The Board of Directors
IP Rings Limited
 D 11/12, Industrial Estate
 Maraimalai Nagar
 Kancheepuram District – 603 209
 Tamil Nadu

Dear Sirs,

Sub: Statement of Special tax benefit ('the Statement') available to IP Rings Limited and its shareholders prepared in accordance with the requirements under Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended (the 'Regulations').

We hereby report that the enclosed Annexure prepared by IP Rings Limited (the '**Company**'), states the special tax benefits available to the Company under the Income-tax Act, 1961 presently in force in India and to the shareholders of the Company under the Income-tax Act, 1961. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the statute. Hence, the ability of the Company or its shareholders to derive the special tax benefits is dependent upon fulfilling such conditions, which is based on business imperatives the Company may face in the future and accordingly, the Company may or may not choose to fulfill.

The benefits discussed in the enclosed Annexure cover only special tax benefits available to the Company and do not cover any general tax benefits available to the Company. Further, the preparation of the enclosed statement and its contents is the responsibility of the Management of the Company. We were informed that, 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 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 issue.

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

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

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

Our views expressed herein are based on the facts and assumptions indicated to us. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes. We shall not be liable 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.

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

For **R.G.N Price & Co.,**
 Chartered Accountants
 ICAI firm registration number: 002785S

Mahesh Krishnan
 Partner Membership No.: 206520
 Place: Chennai
 Date: August 29, 2016

ANNEXURE TO THE STATEMENT OF SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS UNDER THE APPLICABLE TAX LAWS IN INDIA

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

a) Special tax benefits available to the Company

There are no Special tax benefits available to the Company.

b) Special tax benefits available to the shareholders of the Company

There are no Special tax benefits available to the shareholders of the Company arising out of proposed rights issue.

Notes:

All the above benefits are as per the current tax laws and any change or amendment in the laws/regulation, which when implemented would impact the same. We have not commented upon the taxation aspect under any law for the time being in force, as applicable, of any country other than India. Each investor is advised to consult its own tax consultant for taxation in any country other than India.

SECTION IV – ABOUT THE COMPANY

HISTORY AND CORPORATE STRUCTURE

History and Background

Our Company was incorporated as ‘IP Rings Limited’ on January 30, 1991, as a public limited company under the Indian Companies Act, 1956, registered with the Registrar of Companies, Chennai, Tamil Nadu. Our Company received its certificate of commencement of business on July 5, 1991. The Corporate Identification Number of our Company is L28920TN1991PLC020232.

Summary of Business

We are an automotive components manufacturer based in India. We specialize in the production of piston rings in high-carbon, high-alloy steels and nodular iron with a variety of surface coatings that are utilized in automobile engines. We also produce a series of transmission parts and other components for automotive and related industries employing precision forging technology. Having commenced our operations in 1991, we have, over the years, expanded our business operations and manufacture products that cater to the requirements of a host of domestic and international customers.

Our products are primarily divided into two divisions; rings, which include piston rings and turbocharger rings, and orbital cold formed (“OCF”) products, which include differential gear and pinion, synchrocone, polewheel, rotorshaft, diffcase assembly and other transmission components. A significant portion of our products are manufactured in accordance with the requirements of, or sold to, automobile manufacturers. In Fiscal 2016, revenue from the sale of our rings products aggregated to Rs. 5,370.15 lakhs, while revenue from the sale of our OCF products aggregated to Rs. 6,427.51 lakhs.

Our manufacturing facilities are located in Maraimalai Nagar, Tamil Nadu, where we have continued to operate from since we commenced our manufacturing operations in 1991. Our manufacturing facilities have been designed to manufacture components utilized for both passenger vehicles and two wheelers. We endeavor to utilize advanced and automated technologies for the manufacture of our products.

Our gross sales for Fiscal 2016 were Rs. 13,168.84 lakhs and we recorded a profit of Rs. 9.47 lakhs in Fiscal 2016. As at March 31, 2016, we had standalone total assets of Rs. 15,598.94 lakhs and consolidated total liabilities of Rs. 15,598.94 lakhs.

Corporate Structure of our Company

Our Company does not have any subsidiary.

Main Objects of our Company

The main objects of our Company as contained in its Memorandum of Association are:

- “ 1. To carry on the business of manufacture, fabricate, assemble, repair, and deal in automobile and internal combustion engine parts including Piston Rings, Pistons, Pistons pins, Cylinder liners, circlips, gears, transmission axles, universal joints, springs, spring leaves, head lamps, sealed beams, engine and engine parts, component parts, spare parts, accessories and fittings of all kinds for motor cars, motor lorries, omni buses, coaches, tram cars, locomotives, marine engines, railway carriages, trucks, tractors, tillers, cycles, bi-cycles, tri-cycles and other vehicles, aeroplanes, sea planes, air ships, and other air crafts, plants and machinery, machine parts and accessories, tools, implements and accessories of every kind.
2. To carry on the business of manufacture, develop, design, improve, hire, repair, buy, sell and deal in light, medium and Heavy Engineering and Automobile goods and Equipments including Sheet Metal Works, automobiles, aeroplanes, tram cars, tractors, tillers, cycles, tri-cycles, bicycles and other vehicles.
3. To carry on the business of Importers and Exporters of Automobile and other Engineering Goods and Merchandise.

4. *To carry on the Business of Fabricators and Manufacturers, Foundries of all types of Metals Alloy Metals, including aluminium, Iron, Steel, Brass, Copper, Bronze, Lead and Zinc, Filters, Tool Makers, Iron Steel Converters, Wire Drawers, Pipe and Tube Makers, Annealers, Packing Case Makers, Dealers in Steel Frames, Formers, Engineering Consultants, Enamellers Electro Platters, Welders, and Erectors of Steel Work and Industrial Equipments, Pattern Makers, Refiners and Manufacturers of handlings and conveying implements and other machinery & Chromium Platters.*
5. *To run Structural Workshops for fabricating roof trusses, cranes, trolleys, bridges, tanks, liners, pipes and annealing, hardening, tempering of steel and metals.”*

Major Events of our Company

Year	Event
1991	Incorporation of our Company
1992	Listing of the Equity Shares of our Company on the BSE and MSE*
1995	Our Company entered into a Share Subscription and Business Collaboration Agreement with Nippon Piston Ring Co. Limited and India Pistons Limited
2004	Recognition granted to the in-house R&D centre of our Company at D 11/12 Industrial Estate, Maraimalai Nagar, Tamil Nadu by the Department of Scientific and Industrial Research

**delisted w.e.f January 8, 2015*

OUR MANAGEMENT

Board of Directors

In accordance with the Articles and subject to the provisions of the Companies Act and the Listing Regulations, we currently have 8 (eight) Directors on our Board, comprising of 1 (one) executive Director, 3 (three) non-executive non-independent Directors and 4 (four) independent Directors.

The Board of Directors of our Company comprises of the following members:

#	Name, Age, Address, Occupation, DIN and Nationality	Designation and Term	Other Directorships
1.	<p>Mr. A. Venkataramani</p> <p>Age: 48</p> <p>Address: 12, Boat Club Road, Chennai – 600028, Tamil Nadu, India</p> <p>Occupation: Industrialist</p> <p>DIN: 00277816</p> <p>Nationality: British</p>	<p>Designation: Managing Director</p> <p>Term: 3 (three) years with effect from November 1, 2013. Further he has been reappointed with effect from November 1, 2016 vide Shareholders resolution dated July 28, 2016.</p>	<p>i. IP Pins & Liners Limited;</p> <p>ii. George Oakes Limited;</p> <p>iii. India Pistons Limited;</p> <p>iv. Automotive Component Manufacturers Association of India; and</p> <p>v. Edutech NTTF India Private Limited.</p>
2.	<p>Mr. N. Venkataramani</p> <p>Age: 77</p> <p>Address: Lakshmi, No.12, Boat Club Road, Chennai – 600028, Tamil Nadu, India</p> <p>Occupation: Industrialist</p> <p>DIN: 00001639</p> <p>Nationality: Indian</p>	<p>Designation: Non-Executive Director and Chairman of the Board</p> <p>Term: Liable to retire by rotation</p>	<p>i. India Pistons Limited;</p> <p>ii. Amalgamations Repco Limited;</p> <p>iii. George Oakes Limited;</p> <p>iv. Bimetal Bearings Limited;</p> <p>v. Amalgamations Valeo Clutch Private Limited;</p> <p>vi. Stanes Amalgamated Estates Limited;</p> <p>vii. Adyar Property Holding Company Private Limited;</p> <p>viii. Sundaram Finance Limited;</p> <p>ix. Simpson & Company Limited;</p> <p>x. Amalgamations Private Limited;</p> <p>xi. ABI-Showatech (India) Limited; and</p> <p>xii. Nettur Technical Training Foundation</p>

#	Name, Age, Address, Occupation, DIN and Nationality	Designation and Term	Other Directorships
3.	<p>Dr. R. Mahadevan</p> <p>Age: 73</p> <p>Address: 1-B, Sujatha Apartments, 103, 4th Street, Abhirampuram, Chennai – 600028, Tamil Nadu, India</p> <p>Occupation: Retired</p> <p>DIN: 00001690</p> <p>Nationality: Indian</p>	<p>Designation: Non- Executive and Non-Independent Director</p> <p>Term: Liable to retire by rotation</p>	<p>i. IP Pins & Liners Limited;</p> <p>ii. India Pistons Limited;</p> <p>iii. Amco Batteries Limited;</p> <p>iv. Amalgamations Valeo Clutch Private Limited;</p> <p>v. IPL Green Power Limited; and</p> <p>vi. Simpson & Company Limited</p>
4.	<p>Mr. Yoshio Onodera</p> <p>Age: 52</p> <p>Address: 1-841-1-604, Kushibiki-Cho, Omiya-Ku, Saitama Shi, Japan- 184116</p> <p>Occupation: Professional</p> <p>DIN: 07509662</p> <p>Nationality: Japanese</p>	<p>Designation: Non-Executive and Non-Independent Director (Nominee)</p> <p>Term: Liable to retire by rotation</p>	<p><i>Nil</i></p>
5.	<p>Mr. P. M. Venkatasubramanian</p> <p>Age: 77</p> <p>Address: 1-A (New No. 3), 3rd Main Road, Vijayanagar, Velachery, Chennai – 600042, Tamil Nadu, India</p> <p>Occupation: Retired</p> <p>DIN: 00124505</p> <p>Nationality: Indian</p>	<p>Designation: Independent Director</p> <p>Term: 5 (five) years with effect from April 1, 2014</p>	<p>i. Royal Sundaram General Insurance Co. Limited;</p> <p>ii. Bimetal Bearings Limited;</p> <p>iii. Indbank Merchant Banking Services Limited;</p> <p>iv. T Stanes and Company Limited; and</p> <p>v. Simpson and Company Limited.</p>
6.	<p>Dr. R. Natarajan</p> <p>Age: 76</p> <p>Address: 52/1, 13th Cross Road, Malleswaram, Bangalore – 560003, India</p> <p>Occupation: Retired</p> <p>DIN: 00001638</p> <p>Nationality: Indian</p>	<p>Designation: Independent Director</p> <p>Term: 5 (five) years with effect from April 1, 2014</p>	<p><i>Nil</i></p>

#	Name, Age, Address, Occupation, DIN and Nationality	Designation and Term	Other Directorships
7.	Dr. Sandhya Shekhar Age: 54 Address: T-28B, Seventh Avenue, Besant Nagar, Chennai, Tamil Nadu – 600090, India Occupation: Professional DIN: 06986369 Nationality: Indian	Designation: Independent Director Term: 5 (five) years with effect from September 30, 2014	i. Bimetal Bearings Limited.
8.	Mr. J. Shivakumar Age: 78 Address: 9423, Spruce Tree Circle, Bethesda, Maryland, United States of America. Occupation: Retired DIN: 07155490 Nationality: Indian	Designation: Independent Director Term: 2 (two) years with effect from October 30, 2015	i. India Pistons Limited.

Brief Biographies of the Directors

Mr. A. Venkataramani, aged 48 years, is the Managing Director of our Company. He holds a Master's degree in business administration. He has experience in production, new projects installation and corporate management.

Mr. N. Venkataramani, aged 77 years is a non-executive Director of our Company and the chairman of the Board. He also holds a degree of Master of Science in production technology. He has experience in management and engineering.

Dr. R. Mahadevan, aged 73 years is a non-executive and non-independent Director of our Company. He holds a degree of Bachelor of Technology in mechanical engineering and degree of Master of Technology in mechanical engineering. He also holds a degree of Doctor of Philosophy. He has experience in management and engineering.

Mr. Yoshio Onodera, aged 52 years is a non-executive and non-independent Director of our Company. He was appointed as a nominee of Nippon Piston Ring Co. Limited, pursuant to a Share Subscription and Business Collaboration Agreement dated December 18, 1995, amongst our Company, Nippon Piston Ring Co. Limited and India Pistons Limited. He is a graduate of the special course (automotive department). He has experience in engineering.

Mr. P. M. Venkatasubramanian, aged 77 years is a non-executive and independent Director of our Company. He holds a Bachelor's degree in Commerce (Hons.). He has experience in management and in the insurance sector.

Dr. Sandhya Shekhar, aged 54 years is a non-executive and independent Director of our Company. She also holds a post graduate Diploma in Management in transportation studies and a degree of Doctor of Philosophy. She has experience in the area of knowledge and innovation strategy.

Dr. R. Natarajan, aged 76 years is a non-executive and independent Director of our Company. He holds a degree of Master of Applied Sciences in mechanical engineering. He also holds a degree of Doctor of Philosophy in Mechanical Engineering. He has experience in management.

Mr. J. Shivakumar, aged 78 years, is a non-executive and independent Director of our Company. He holds a degree of Master of Science in Physics. He also holds a degree of Master in public administration. He has experience in management and public administration.

Other Confirmations

1. None of our Directors are currently, or have been in the past five years, on the board of directors of a listed company whose shares have been or were suspended from being traded on the BSE or the National Stock Exchange of India Limited.
2. None of our Directors are currently or have been on the board of directors of a public listed company whose shares have been or were delisted from being traded on any stock exchange.
3. Except Mr. N. Venkataramani, who is the father of Mr. A. Venkataramani, none of the Directors are related to each other, as per the provisions of the Companies Act, 2013.
4. Except Mr. Yoshio Onodera, who was appointed as a Director pursuant to a Share Subscription and Business Collaboration Agreement dated December 18, 1995, amongst our Company, Nippon Piston Ring Co. Limited and India Pistons Limited, none of our Directors or members of our senior management have been appointed pursuant to any arrangement or understanding with our major shareholders, customers, suppliers or others.
5. None of our Directors have entered into any service contracts with our Company for providing benefits upon termination of employment. For details of the remuneration of our Managing Director please refer to section titled "*Material Developments*" on page 112.
6. None of our Directors are or have been categorized 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.

SECTION V – FINANCIAL INFORMATION

FINANCIAL STATEMENTS

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R.G.N. PRICE & CO.
CHARTERED ACCOUNTANTS

Phone : 28413633 & 28583494
Telefax : 28544569
E-Mail : price@vsnl.com
Offices at : Mumbai, Bangalore, New Delhi,
Cochin, Quilon & Calicut
Ref. :

Simpson's Buildings,
Post Box No.335
861, Anna Salai,
Chennai - 600 002.

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF IP RINGS LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **IP Rings Limited** which comprise the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.



Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

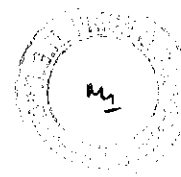
An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud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

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

Opinion

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

- i) State of affairs of the Company as at 31st March, 2016,
- ii) its profits and
- iii) its cash flows for the year ended on that date.



Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in Annexure A a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by Section 143 (3) of the Act, we report that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

(b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

(c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

(d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

(e) On the basis of the written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

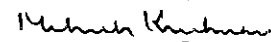
(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements. Refer Note 20 of the financial statements.

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses

iii. There were no amounts which were required to be transferred to the Investor Education and protection Fund by the Company.

For R. G. N. PRICE & CO.
Chartered Accountants



Mahesh Krishnan
Partner
M. No. 206520
FR No. 002785S

IP Rings Limited

Annexure A referred to in paragraph 1 under “Report on other legal and Regulatory Requirements” section of our report of even date to the members of IP Rings Limited.

(i) (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The Company has a policy of physically verifying its fixed assets once in two years which in our opinion is reasonable having regard to the size of the Company and its business. Since the fixed assets were verified in the FY 2014-15, the next verification is due, as per the plan, in the FY 2016-17. Hence, fixed assets were not physically verified by the management during the current year.

(c) We have verified the title deeds of immovable properties held by the Company and the immovable properties are held in the name of the Company. Refer Note 20 to the notes on Accounts.

(ii) Physical verification of inventory has been conducted at reasonable intervals by the Management. The discrepancies noticed on physical verification were not material as compared to book records and have been properly dealt with in the books of accounts.

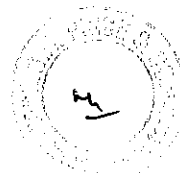
(iii) The Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.

(iv) The provisions of Section 185 and 186 of the Act are not applicable, since the Company has not granted any loans to Directors nor has granted any loan or guarantee or security to any company, body corporate or to any person. The investment made by the Company is in compliance with Section 185 and 186 of the Act.

(v) The Company has not accepted any deposits and the provisions of Section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under are not applicable to the Company.

(vi) We have broadly reviewed the cost records maintained by the Company pursuant to The Companies (Cost Records and Audit) Rules, 2014 prescribed by the Central Government under section 148 (1) of Companies Act, 2013 and are of the opinion that prima facie the prescribed cost records have been maintained. We have however, not made the detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) (a) The Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues to the appropriate authorities.



There are no arrears of outstanding undisputed statutory dues as on the last day of the financial year for a period of more than six months from the date they became payable.

(b) There are no dues of income tax or sales tax or service tax or duty of customs or duty of excise or value added tax those have not been deposited on account of dispute except:

Applicable Statute	Assessment Year	Amount involved Rs.(in Lakhs)	Forum where dispute is pending
Income Tax Act,1961	1999-2000	38.00	High Court of Madras
Income Tax Act,1961	2000-2001	11.36	High Court of Madras
Income Tax Act,1961	2001-2002	4.75	High Court of Madras
Income Tax Act,1961	2002-2003	6.61	High Court of Madras
Income Tax Act,1961	2003-2004	6.05	High Court of Madras
Income Tax Act,1961	2004-2005	41.98	High Court of Madras
Income Tax Act,1961	2005-2006	3.73	High Court of Madras
Income Tax Act,1961	2006-2007	5.03	CIT, Appeals
Income Tax Act,1961	2008-2009	18.32	High Court of Madras
Income Tax Act,1961	2009-2010	32.81	ITAT, Chennai
Income Tax Act, 1961	2010-11	116.18	CIT, Appeals
Income Tax Act, 1961	2011-12	128.84	CIT, Appeals
	Total	413.66	

(viii) The Company has not defaulted in repayment of loans or borrowing to any financial institutions, banks or Government. The Company has not issued any debentures.

(ix) Term loans were applied for the purposes for which such loans were obtained. The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) during the year.

(x) During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India and according to the information and explanation given to us, we have neither observed any instance of fraud by the

Company or any fraud on the Company by its officers or employees of the Company nor have we been informed of such case by the Management, during the year.

(xi) Managerial remuneration has been paid in accordance with the requisite approval mandated by the provisions of Section 197 read with Schedule V to the Companies Act, 2013.

(xii) The Company is not a Nidhi company and Nidhi Rules, 2014 are not applicable to the Company.

(xiii) In our opinion and as per the information and explanations given to us, transactions with the related parties are in compliance with Section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable Accounting Standards.

(xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

(xv) According to the information and explanation provided to us and based on our examination of records, the Company has not entered into any non-cash transactions with directors or persons connected with him and hence Clause 3(xv) is not applicable.

(xvi) The Company is not required to get registered under Section 45-IA of the Reserve Bank of India Act, 1934 and hence clause (xvi) is not applicable.

For R. G. N. PRICE & CO.
Chartered Accountants



Mahesh Krishnan
Partner
M. No. 206520
FR No. 002785S

Annexure-B referred to in Clause (f) of Paragraph of Report on Other Legal and Regulatory Requirements of our report of even date on the Accounts of the Company, for the year ended 31st March 2016.

We have audited the internal financial controls over financial reporting of **IP Rings Limited** ('the Company') as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

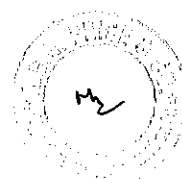
Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting and the Standards of Auditing, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.



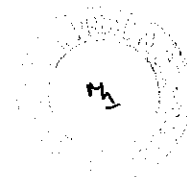
Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

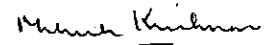
Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal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



Opinion

According to the information and explanations given to us and based on our audit, have, in all material respects, an adequate internal financial control over financial reporting and such internal financial control over financial reporting were operating effectively as at March 31, 2016 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

For R. G. N. PRICE & CO.
Chartered Accountants



Mahesh Krishnan
Partner
M. No. 206520
FR No. 002785S

IP Rings Ltd

PART-I BALANCE SHEET AS AT 31st March 2016

Note No.

March 31, 2016
Rs.

March 31, 2015
Rs.

I. EQUITY AND LIABILITIES

1. Shareholders' funds

(a) Share capital	<u>1</u>	70,421,470	70,421,470
(b) Reserves and surplus	<u>2</u>	335,539,744	334,592,661

2. Non-current liabilities

(a) Long-term borrowings	<u>3</u>	141,388,769	208,413,665
(b) Deferred tax liabilities (Net)	<u>4</u>	8,039,940	7,775,782
(c) Long-term provisions	<u>6</u>	5,924,170	5,413,274

3. Current liabilities

(a) Short-term borrowings	<u>3</u>	621,931,125	338,197,906
(b) Trade payables	<u>5</u>	163,807,394	133,961,125
(c) Other current liabilities	<u>5</u>	210,880,494	188,087,710
(d) Short-term provisions	<u>6</u>	1,961,151	714,034

TOTAL

1,559,894,257 1,287,577,627

II. ASSETS

Non-current assets

(a) Fixed assets	<u>7</u>		
Tangible assets		793,315,316	670,419,935
Intangible assets		8,148,051	14,190,235
Capital work-in-progress		8,707,198	253,997
Intangible assets under development		6,061,537	2,320,276
(b) Non-current investments	<u>8</u>	970,830	441,830
(c) Long-term loans and advances	<u>12</u>	28,880,466	23,018,180

Current assets

(a) Inventories	<u>9</u>	270,594,230	249,888,907
(b) Trade receivables	<u>10</u>	344,025,088	243,520,654
(c) Cash and cash equivalents	<u>11</u>	15,873,995	12,536,423
(d) Short-term loans and advances	<u>12</u>	83,317,546	70,987,190

TOTAL

1,559,894,257 1,287,577,627

Significant Accounting Policies

19

Notes on Accounts

20

The Notes 1 to 12 and 19 & 20 form
an integral part of the Balance Sheet

This is the Balance Sheet referred to
in our Report of even date

S. Pragas
Company Secretary

P. Van...
Chief Financial Officer

A. V. Venkatesh
Managing Director

QV(x)

J. Shivan
N. Venkatesh
Directors

For R. G. N. PRICE & CO.
Chartered Accountants

Mahesh Krishnan
Partner
M. No. 206520
FR No. 002785S

27.05.2016
Chennai

IP Rings Ltd

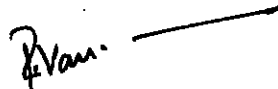
PART II – STATEMENT OF PROFIT AND LOSS

Particulars	Note No.	For the year	For the year
		ended Mar 31, 2016	ended Mar 31, 2015
		Rs.	Rs.
I. Sales	<u>13</u>	1,316,883,893	1,126,153,770
Less Excise Duty		135,194,246	113,274,001
Net Sales		1,181,689,647	1,012,879,769
II. Other income	<u>14</u>	5,230,062	4,919,057
III. Total Revenue (I + II)		1,186,919,709	1,017,798,826
IV. Expenses:			
Cost of materials consumed	<u>15</u>	403,495,157	333,917,283
Employee benefits expense	<u>16</u>	183,963,914	172,024,317
Finance costs	<u>17</u>	85,235,206	77,464,265
Depreciation and amortization expense		69,320,266	67,112,426
Other expenses	<u>18</u>	443,693,925	378,809,506
Total expenses		1,185,708,468	1,029,327,797
V. Profit before tax (III- IV)		1,211,241	(11,528,971)
VI. Tax expense:			
(1) Current tax Payable			-
(2) MAT Payable		230,802	-
(3) MAT credit Entitlement		(230,802)	-
(4) Deferred tax		264,158	(6,674,374)
VII Profit (Loss) for the period from continuing operations (V-VI)		947,083	(4,854,597)
VIII Earnings per equity share:			
(1) Basic & Diluted		0.13	(0.69)
Nominal Value Per Equity Share (in Rs.)		10.00	10.00
See accompanying notes to the financial statements			
Significant Accounting Policies	<u>19</u>		
Notes on Accounts	<u>20</u>		

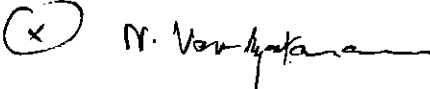

The Notes 13 to 18 and 19 & 20 form an integral part of the Statement of Profit & Loss

This is the Statement of Profit & Loss referred to in our Report of even date

S. Pragas
Company Secretary


Chief Financial Officer

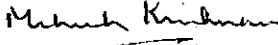

Managing Director

(x) 


Directors

27.05.2016
Chennai

For R. G. N. PRICE & CO.
Chartered Accountants


Mahesh Krishnan
Partner
M. No. 206520
FR No. 002785S

IP Rings Ltd- Notes to Balance Sheet

1 Share Capital

In Rs.

	As at Mar 31, 2016		As at Mar 31, 2015	
i) Authorised				
1,50,00,000 Equity Shares of Rs. 10 each	150,000,000		150,000,000	
50,00,000 Preference Shares of Rs. 10 each	50,000,000		50,000,000	
	200,000,000		200,000,000	
	In Numbers		Rs	
Issued, Subscribed & Paid - up	As at	As at	As at	As at
	Mar 31, 2016	Mar 31, 2015	Mar 31, 2016	Mar 31, 2015
Equity shares of Rs. 10 each fully paid up	7,042,147	7,042,147	70,421,470	70,421,470
Total	7,042,147	7,042,147	70,421,470	70,421,470

ii) Details of Equity shares in the company held by its holding company including shares held by subsidiaries or associates of the holding company in aggregate

Shareholder- Relationship	Mar 31, 2016		Mar 31, 2015	
	No. of Shares	%	No. of Shares	%
India Pistons Ltd.- Fellow subsidiary	2,078,862	30	2,078,862	30
Tractor & Farm Equipment Limited- Fellow Subsidiary	778,440	11	778,440	11
Simpson & Co., Ltd.-Fellow Subsidiary	405,930	6	405,930	6
Amalgamations Pvt. Ltd.- Holding Company	384,100	5	384,100	5
The United Nilgiri Tea Estates Co. Ltd.	2,000	0	2,000	0
Higginbothams Private Ltd.- Fellow Subsidiary	500	0	500	0

iii) Details of Member holding more than 5 percent shares

Shareholder	Mar 31, 2016		Mar 31, 2015	
	No. of Shares	%	No. of Shares	%
India Pistons Ltd.	2,078,862	30	2,078,862	30
Tractor & Farm Equipment Limited	778,440	11	778,440	11
Simpson & Co., Ltd.	405,930	6	405,930	6
Amalgamations Pvt. Ltd.	384,100	5	384,100	5
Nippon Piston Ring Co., Ltd.	704,200	10	704,200	10
Enam Shares & Securities Pvt Ltd	501,625	7	501,625	7

iv) Directors share holding

Name of Director	Mar 31, 2016		Mar 31, 2015	
	No. of Shares	%	No. of Shares	%
Mr N Venkataramani	24,050	0.34	24,050	0.34
Mr A Venkataramani	18,400	0.26	18,400	0.26
Dr R Mahadevan*	600	-	600	-

*negligible share holding percentage

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IP Rings Ltd- Notes to Balance Sheet

2 Reserves and Surplus

In Rs.

	As at Mar 31, 2016	As at Mar 31, 2015
a Securities Premium Reserve		
Balance as per last Balance Sheet	105,428,400	105,428,400
	105,428,400	105,428,400
b General Reserve		
Balance as per last Balance Sheet	301,526,723	301,526,723
	301,526,723	301,526,723
c Profit and Loss Account		
Balance as per last Balance Sheet	(72,362,462)	(64,329,150)
Add : Profit/ (loss) carried forward from statement of profit and loss	947,083	(4,854,597)
Less: Adjustment on account of fixed assets	-	(3,178,715)
	(71,415,379)	(72,362,462)
	335,539,744	334,592,661

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IP Rings Ltd- Notes to Balance Sheet

3 Borrowings

Long Term Borrowings

In Rs.

	As at Mar 31, 2016	As at Mar 31, 2015										
Secured Loans												
Term Loans												
- From Banks	88,889,469	120,410,436										
- From Other Parties	24,999,300	45,503,229										
Total Secured Loans	113,888,769	165,913,665										
Unsecured Loans												
Term Loans												
- From Banks	27,500,000	42,500,000										
Total Unsecured Loans	27,500,000	42,500,000										
	141,388,769	208,413,665										
<p>I Security offered</p> <p>a. The term loans are all availed for purchase of assets relating to Capital Projects and are secured by hypothecation of specific assets purchased out of the said loan.</p> <p>b. The Loans availed for purchase of Vehicles are secured by hypothecation of vehicles purchased out of the said loan.</p> <p>c. Unsecured Term Loan from KVB</p> <p>d. Loan taken from other parties for working capital secured by hypothecation of specific asset</p> <p>II Terms of Repayment</p> <table border="0"> <tr> <td>Loan Description</td> <td>Repayment Terms</td> </tr> <tr> <td>a. Buyers Credit Term loan</td> <td>yearly installment</td> </tr> <tr> <td>b. Term Loans-Banks</td> <td>quarterly installment</td> </tr> <tr> <td>c. Term Loans- other parties</td> <td>monthly installment</td> </tr> <tr> <td>d. Unsecured Term Loan from Bank</td> <td>monthly installment</td> </tr> </table>			Loan Description	Repayment Terms	a. Buyers Credit Term loan	yearly installment	b. Term Loans-Banks	quarterly installment	c. Term Loans- other parties	monthly installment	d. Unsecured Term Loan from Bank	monthly installment
Loan Description	Repayment Terms											
a. Buyers Credit Term loan	yearly installment											
b. Term Loans-Banks	quarterly installment											
c. Term Loans- other parties	monthly installment											
d. Unsecured Term Loan from Bank	monthly installment											

Short Term Borrowings

In Rs.

	As at Mar 31, 2016	As at Mar 31, 2015
Secured Loans		
Loans repayable on demand		
-From Banks	301,931,125	218,197,906
-Fellow Subsidiaries	100,000,000	
Total Secured Loans	401,931,125	218,197,906
Unsecured Loans		
-From Banks	50,000,000	
-Fellow Subsidiaries	170,000,000	120,000,000
Total Unsecured Loans	220,000,000	120,000,000
	621,931,125	338,197,906
Secured loans are secured by hypothecation of stocks and book debts present and future.		

4 Deferred Tax (Asset) / Liability

In Rs.

Deferred Tax Asset:	As at 31-Mar-16	As at 31-Mar-15
Unabsorbed depreciation & Business loss	(78,859,071)	(73,918,734)
Expenses allowable on payment	(3,020,912)	(2,051,667)
	(81,879,983)	(75,970,401)
Deferred Tax Liability:		
Fixed Assets (Depreciation / Amortization)	89,919,923	83,746,183
Net Deferred Tax Liability / (Asset)	8,039,940	7,775,782

The company has recognised deferred tax asset for Unabsorbed depreciation and business loss based on a strong future order book, cost reduction and improved profitability

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IP Rings Ltd- Notes to Balance Sheet

5 Short Term Liabilities

In Rs.

	As at Mar 31, 2016	As at Mar 31, 2015
Trade Payables		
Trade Payables	158,492,199	128,004,406
Trade Payables to Micro ,small & Medium Enterprises	3,038,762	4,011,419
Trade Payables- Due to fellow subsidiary	2,276,433	1,945,300
	163,807,394	133,961,125

	As at Mar 31, 2016	As at Mar 31, 2015
Other Liabilities		
Acceptances	7,555,662	12,726,683
Interest accrued but not due on borrowings	3,690,186	1,406,850
Unpaid dividends	896,897	1,133,538
Other payables	19,172,923	11,557,198
Bank overdraft	41,398,600	17,172,693
Statutory payments	43,695,452	25,760,147
Current Maturities of Long term Debt		
- From Banks	73,970,987	102,199,164
- From Other Parties	20,499,787	16,131,437
	210,880,494	188,087,710

6 Provisions

In Rs.

	As at Mar 31, 2016	As at Mar 31, 2015
Long Term Provisions		
Provision for Employee benefits		
Leave Salary	5,924,170	5,413,274
	5,924,170	5,413,274
	As at Mar 31, 2016	As at Mar 31, 2015
	Current	Current
Short Term Provisions		
Provision for Employee benefits		
Leave Salary	1,267,226	510,896
Gratuity	693,925	203,138
	1,961,151	714,034

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IP Rings Ltd- Notes to Balance Sheet

7 Fixed Assets

In Rs.

Particulars	GROSS BLOCK			DEPRECIATION / AMORTIZATION			NET BLOCK	
	As at 1-Apr-15	Additions/ (Disposals) during the year	As at 31-Mar-16	Upto 31-Mar-15	Depreciation for the year	Upto 31-Mar-16	As at 31-Mar-16	As at 31-Mar-15
Tangible assets								
Land - Leasehold	1,323,080		1,323,080	-	-	-	1,323,080	1,323,080
- Freehold	1,916,525		1,916,525	-	-	-	1,916,525	1,916,525
Buildings - Owned	118,897,016	6,513,487	125,410,503	37,575,341	4,128,836	41,704,177	83,706,326	81,321,675
Plant & Machinery	1,163,741,237	164,133,995	1,327,875,232	615,505,835	50,229,258	665,735,093	662,140,139	548,235,402
Electrical Installations	39,286,732	6,038,271	45,325,003	19,866,774	2,951,001	22,817,775	22,507,228	19,419,958
Furniture & Fixtures	11,315,590	1,248,787	12,564,377	9,271,416	393,805	9,665,221	2,899,156	2,044,174
Vehicles	16,993,319	2,935,929	16,915,618	7,269,472	1,829,893	9,099,365	10,468,852	9,723,847
Office Equipment	56,018,499	5,664,025	61,682,524	49,583,225	3,745,289	53,328,514	8,354,010	6,435,274
Previous Year	1,409,491,998	183,520,864	1,593,012,862	739,072,063	63,278,082	799,697,546	793,315,316	670,419,935
Intangible assets	1,337,392,241	72,099,757	1,409,491,998	673,202,177	61,576,141	739,072,063	670,419,935	664,190,064
Technical Knowhow Fee	40,376,578	-	40,376,578	29,222,285	5,000,763	34,223,048	6,153,530	11,154,293
Product Development	3,461,178	-	3,461,178	3,460,675	503	3,461,178	-	503
Product Development - Internally Generated	10,468,543	-	10,468,543	7,433,104	1,040,918	8,474,022	1,994,521	3,035,439
Previous Year	54,306,299	-	54,306,299	40,116,064	6,042,184	46,158,248	8,148,051	14,190,235
Total Tangible and Intangible	1,463,798,297	183,520,864	1,647,319,161	779,188,127	69,320,266	845,855,794	801,463,367	684,610,170
Capital Work - in - Progress							8,707,198	253,997
Intangible assets under development							6,061,537	2,320,276
							816,232,102	687,184,443

IP Rings Ltd- Notes to Balance Sheet

8 Investments

In Rs.

	As at Mar 31, 2016	As at Mar 31, 2015
Investments		
(a) Quoted at Cost		
(i) other non current investments 5500 equity shares of Rs.2 each fully paid in Corporation Bank	88,000	88,000
(b) Unquoted		
Non Trade - other non current investments		
88283 equity shares of Rs 10 each fully paid in Windage Power Co Private Limited	882,830	353,830
	970,830	441,830

Note

Market Value of the quoted investments is Rs.2.14 lakhs and last year was 2.89 lakhs

9 Inventories

In Rs.

	As at Mar 31, 2016	As at Mar 31, 2015
Inventories		
a) Raw materials	82,187,337	86,725,005
Raw Material - Intransit	4,665,139	2,171,583
	86,852,476	88,896,588
(b) Work-in-progress	85,472,454	61,416,800
(c) Finished goods	43,316,487	47,114,900
(d) Stores and spares	42,809,796	40,203,120
(e) Loose tools	12,143,017	12,257,499
	270,594,230	249,888,907
Mode of valuation	Valuation	
Type of Inventory		
Raw Materials	At Cost on Weighted Average Basis	
Work-in-Progress	At Lower of the Cost and Net	
Finished Goods	Realisable Value	
	At Lower of the Cost and Net	
	Realisable Value and includes Excise	
	Duty.	
Stores and Spares	At Cost on Weighted Average Basis.	
General Purpose Tooling	At Cost on Weighted Average Basis.	
Special Purpose Tooling	Amortised over a period of 3 years	
Goods - in Transit	At Cost	
Goods under Bond	At Cost including Customs Duty	
Value of Closing Inventories includes Excise Duty with regard to the following items of	Rs in Lakhs	Rs in Lakhs
Finished Goods at Factory	24.28	30.01
Finished Goods at Depots	11.30	13.03
The inclusion of Excise duty in closing inventories does not have any impact on the Profit for the Year		

IP Rings Ltd- Notes to Balance Sheet

10 Trade receivables

In Rs.

	As at Mar 31, 2016	As at Mar 31, 2015
Unsecured considered good;		
-Receivables outstanding for more than six months	45,142,700	23,051,680
-Receivables outstanding for Less than six months	298,882,388	220,468,974
	344,025,088	243,520,654

11 Cash and cash equivalents

In Rs.

	As at Mar 31, 2016	As at Mar 31, 2015
Cash on hand	49,262	72,118
Bank Balances		
(a)Balances with banks:		
-in current accounts	14,927,836	11,330,767
-in dividend accounts	896,897	1,133,538
	15,873,995	12,536,423

12 Loans and advances

Short term Loans & Advances

In Rs.

	As at Mar 31, 2016	As at Mar 31, 2015
Unsecured, considered good		
(a)Security Deposits		
-Lease Rent Deposits	2,460,000	2,211,000
-Other Deposits	7,194,599	4,931,383
(b)Other loans and advances		
-Prepaid expenses	6,986,213	5,167,214
-Service tax	1,787,380	912,765
-Central Excise	20,400,377	11,434,609
-Advance tax and tax deducted at source (net)	30,689,813	29,905,313
-Other advances recoverable in cash or in kind or for value to be received	13,799,164	16,424,906
	83,317,546	70,987,190
Doubtful		
(a)Other loans and advances	1,681,000	1,681,000
Less:		
Provison for Doubtful Advances	1,681,000	1,681,000
	83,317,546	70,987,190

Long term Loans & Advances

In Rs.

	As at Mar 31, 2016	As at Mar 31, 2015
Unsecured, considered good		
(a)Capital Advances	28,193,674	22,562,190
(b)Other loans and advances		
-MAT credit receivable	686,792	455,990
	28,880,466	23,018,180

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IP Rings Ltd- Notes to Statement of Profit & Loss Account

13 Revenue from Operations

In Rs.

Particulars	For the year ended Mar 31, 2016	For the year ended Mar 31, 2015
Rings Sales	537,015,644	578,596,319
OCF Sales	642,751,200	391,230,963
Piston Pin Sales	1,409,678	8,876,730
Sale of Scrap	7,657,039	10,469,630
Revenue from sub contract	43,772,461	48,662,264
Tooling	81,165,371	84,300,133
Others	3,112,500	4,017,731
Less: Excise Duty	135,194,246	113,274,001
	1,181,689,647	1,012,879,769

14 Other Income

In Rs.

Particulars	For the year ended Mar 31, 2016	For the year ended Mar 31, 2015
Interest income	14,595	36,210
Dividend income	-	2,475
Liabilities no longer required	2,055,646	3,808,566
Other non-operating income	3,159,821	1,071,806
	5,230,062	4,919,057

IP Rings Ltd- Notes to Statement of Profit & Loss Account

15 Cost of Material Consumed

Particulars	For the year ended Mar 31, 2016	For the year ended Mar 31, 2015
Opening Stock	86,725,005	87,904,479
Add: Purchases	415,194,836	379,846,765
Less: Closing Stock	82,187,337	86,725,005
	419,732,504	381,026,239
(Increase) / Decrease in Work-in-Progress	(24,055,654)	(22,453,734)
(Increase) / Decrease in Finished Goods	3,798,413	(23,903,414)
Exchange (Gain)/Loss	4,019,894	(751,808)
Total	403,495,157	333,917,283

16 Employee benefit expenses

Particulars	For the year ended Mar 31, 2016	For the year ended Mar 31, 2015
Salaries and wages	148,127,937	136,088,934
Contribution to fund	11,395,134	8,969,214
Staff welfare expenses	24,440,843	23,430,389
Others (Reimbursement of Expenses for seconded Employees)	-	3,535,780
Total	183,963,914	172,024,317

17 Finance cost

Particulars	For the year ended Mar 31, 2016	For the year ended Mar 31, 2015
Interest expenses	81,394,354	73,663,393
Other borrowing costs	3,840,852	3,800,872
Total	85,235,206	77,464,265

IP Rings Ltd- Notes to Profit & Loss Account

18 Other expenses

Particulars	For the year ended Mar 31, 2016	For the year ended Mar 31, 2015
Sub - Contracting Expenses	108,248,600	76,681,536
Power and Fuel	57,160,310	52,264,400
Stores Consumed	126,534,478	107,631,953
Rent	4,418,954	3,477,050
Rates and Taxes	3,172,466	3,246,487
Insurance	5,389,371	3,197,700
Travelling and Conveyance	18,508,462	17,789,884
Packing and Forwarding	16,068,432	12,143,732
Advertisement	482,723	573,547
Royalty	11,944,988	13,200,017
Service Fee	-	20,507,742
Consultation Fee	11,895,334	12,483,094
Directors' Sitting Fees	610,500	660,500
Payment to Auditors		
Statutory Audit Fee	485,000	435,000
Tax audit fees	112,500	90,000
Certification Fees(including taxation matters)	615,000	756,400
Reimbursement of Expenses	2,550	2,945
Repairs and Maintenance		
Buildings	2,849,414	4,055,011
Machinery & Electrical Installations	17,128,956	14,377,847
Vehicles	3,401,426	2,690,753
Operating Expenses - Computer System	7,054,489	4,135,215
Bad Debts written off	4,128,853	-
Loss on Sale of Assets	71,087	266,997
Research and Development	2,453,338	2,847,774
Miscellaneous Expenses	40,956,694	25,293,922
	443,693,925	378,809,506

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SCHEDULES TO BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

19. SIGNIFICANT ACCOUNTING POLICIES

1. **Basis of Accounting**

The Financial Statements of the company have been prepared in accordance with the Generally Accepted Accounting Principles in India ("Indian GAAP") including the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014. The Financial Statements have been prepared on Accrual basis under the Historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

2. **Use of Estimates**

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known / materialised.

3. **Revenue Recognition**

Revenue is recognized as and when risks and rewards are passed on to the buyer. Service income is recognized as and when the services are performed. Interest income is accounted on accrual basis. Dividend income is recognized when the right to receive the same is established and where no significant uncertainty as to measurability or collectability exists.

4. **Fixed Assets**

- (a) Fixed Assets including Assets for Research and Development other than Land are accounted at Cost Less Depreciation and impairment loss, if any.
- (b) Assets acquired under Hire Purchase Agreements / Financial Lease Agreements are capitalised to the extent of their Principal Value, while Hire charges / Finance charges on Lease are charged to revenue in the years in which they are payable.
- (c) Depreciation is provided on Straight Line Method in accordance with the Schedule II of the Companies Act, 2013 as amended from time to time. In respect of certain machines extended useful life of 30 years is adopted for claiming depreciation under Sch.II to Companies Act, 2013 based on technical justification obtained by the Company.
- (d) Application Software, Die and Core and New Product Development are amortised over a period of 3 years. Technical know-how fee is amortised over a period of 5 years.
- (e) Borrowing Costs, if any are capitalised as part of qualifying fixed assets when it is probable that they will result in future economic benefits. Other borrowing costs are expensed.

5. **Investments**

Investments which are readily realisable 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.

Non-current investments are carried individually at cost less provision for diminution in value of such investments which is other than temporary in nature. Current investments are carried individually, at the lower of cost and fair value. Cost of investments includes acquisition charges such as brokerage, fees and duties.

6. **Trade Receivable**

Trade Receivable amount is exclusive of the value of Bills Discounted, the liability for which is disclosed under "Contingent Liabilities."

SCHEDULES TO BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

19. SIGNIFICANT ACCOUNTING POLICIES (Contd...)

7. Excise Duty

Excise Duty on goods manufactured is accounted only at the time of removal of goods from the factory except in respect of year end inventory of finished goods, excise duty is included as part of inventory.

8. Foreign Currency Transactions

(a) All foreign currency transactions are recorded at the rates prevailing on the date of the transaction. At the year-end, all foreign currency assets and liabilities are restated at the closing exchange rates. Foreign currency assets and liabilities covered by forward contracts are stated at contracted rates. Premium or discount on forward exchange contracts taken against committed transactions are amortized and recognized in the profit and loss account over the period of contract.

(b) In the case of Current Assets/Liabilities the difference (Gain or Loss) between the actual payment and the amount recognised in the books is accounted as Exchange Gain or Loss. Where the transaction is not settled within the year, profit/loss arising on the restatement at the year-end rates is recognised as exchange gain or loss in the profit and loss account

(c) In case of Depreciable Capital assets having long term foreign currency monetary arrangement the Company opts to add or deduct the exchange differences to the cost of the depreciable capital assets and depreciate it over the balance life of the asset. In case of other long term foreign currency monetary items the company opts to accumulate the exchange differences in a "foreign currency monetary translation difference account" which are amortised over the balance period of such long term asset or liability not beyond 31st March 2020, by recognition as income or expense in each of such periods.

9. Employee Benefits

1. Defined Contribution Plan

The Company's Provident Fund Scheme, Superannuation Scheme and ESI plans are Defined Contribution Plans and the Company's contribution paid/payable is recognised as expense in the Profit and Loss Account during the period in which the employees render the related service.

2. Defined Benefit Plan / Other long term employee benefits

(a) The Company's Gratuity and Long-Term compensated absences are Defined Benefit Plans / other long term employee benefits respectively. The Company's liability towards Gratuity are determined using the Projected Unit Credit Method which recognises each period of service as giving rise to additional unit of Employee Benefit Entitlement. The Gratuity scheme is operated through Group Gratuity Scheme of LIC.

(b) The Gratuity liabilities are provided based on Actuarial Valuation certified by LIC. Actuarial gains and losses are charged to Profit and Loss account.

(c) Long term compensated absences are provided for based on independent Actuarial valuation. Actuarial gains and losses are charged to Profit and Loss account.

3. Short term employee benefits are recognised as an expense at the undiscounted amount in the year in which the employee render the services/vesting period of the benefit.

10. Impairment of Assets

The carrying values of assets at each Balance sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use.

SCHEDULES TO BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

19. SIGNIFICANT ACCOUNTING POLICIES (Contd...)

11. **Provision, Contingent Liabilities and Contingent Assets**

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognised but are disclosed in the notes. Contingent Assets are neither recognised nor disclosed in the financial statements.

12. **Product Warranty Expenses**

Product Warranty expenses are accounted based on the claims received and accepted during the year and estimates in accordance with the warranty policy of the company.

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SCHEDULES TO BALANCE SHEET AND PROFIT AND LOSS ACCOUNT (Contd.)**20. NOTES ON ACCOUNTS**

2016

2015

(Rs. In Lakhs)

1	The factory land at C-15/3 Maraimalai Nagar for expansion activities was acquired from C.M.D.A., under Lease-Cum-Sale Agreement for a total consideration of Rs.13.23 Lakhs. The title for the land will be transferred by C.M.D.A., after completion of one year of commencement of commercial production and completion of 8 years of lease period. The company has submitted the building plan to the concerned authorities for their approval. Discussions are in progress with C.M.D.A., regarding the compliance of the conditions for transfer of land to the company.		
2	Contingent liability exists in respect of		
	(a) Bills Discounted	208.98	363.02
	(b) Outstanding Letters of Credit	66.66	257.51
	(c) Bank Guarantees	1.00	101.00
	(d) Income Tax / Sales Tax matters under appeal	577.12	579.58
	(Amounts remitted against the disputed tax upto March'16 - Rs.163.50 lakhs and included in advance tax under the schedule Loans and Advances-Schedule.12)		
	(e) The Company had imported Plant and Machinery (Capital Goods) in the earlier years at concessional rate of duty under the Export Promotion Capital goods Scheme. The Export Obligation to be met in this regard by the Company / Group Company, as per the Scheme before 2014-15 amounts to Rs. 2712.91 Lakhs. The Company / Group Company has met obligation to the extent of Rs. 1767.76 Lakhs by March 2014. Liability at the beginning of the year 2014-15 stood at Rs. 945.15 Lakhs. The Company had time limit upto August 2014. The EPCG Regulations provides for extending the time limit. The Company had already applied for extension of this time limit for meeting this obligation.		
	The Company during the year 2014-15 has met Export Obligation after maintaining average exports to the tune of Rs. 235.19 Lakhs. During 2015-16, the Company has fully met the outstanding Export Obligation of Rs. 709.96 Lakhs after maintaining average exports. However, as the Company is yet to get the approval for extension of time limit, these export sales has not been apportioned against the obligation. Once the Company obtains extension, the entire outstanding obligation will be set-off against these exports. However, in case of non-fulfillment of export obligation, unless the period is extended, liability to pay the proportionate duty saved along with interest will arise.		
	(f) Claims due from custom authorities	42.56	42.43
3	Estimated value of contracts on Capital Account not provided for (net of advances)	492.70	701.14
4	Figures for the previous year have been regrouped / reclassified wherever necessary to make them comparable with current year figures.		
5	Figures are rounded off to the nearest Rupee.		

SCHEDULES TO BALANCE SHEET AND PROFIT AND LOSS ACCOUNT (Contd.)

20. NOTES ON ACCOUNTS (Contd...)

		2016 Rs.		2015 Rs.	
6. Consumption of Materials					
		Rs.	%	Rs.	%
Raw Materials	Imported	116,110,437	27.75	145,926,384	38.93
	Indigeneous	302,250,359	72.25	228,896,715	61.07
		418,360,796	100.00	374,823,099	100.00
Components	Imported	251,844	4.67	326,838	6.00
	Indigeneous	5,139,758	95.33	5,124,494	94.00
		5,391,602	100.00	5,451,332	100.00
Machinery Spares	Imported	2,816,427	15.55	1,804,550	11.56
	Indigeneous	15,295,705	84.45	13,799,151	88.44
		18,112,132	100.00	15,603,701	100.00
7. Value of Imports on CIF basis					
Raw Materials		104,640,808		117,327,003	
Machinery Spares		2,212,204		1,148,138	
Capital Goods		96,962,573		-	
Stores		4,121,439		6,669,929	
8. Earnings in Foreign Currency (on Receipt Basis)					
Exports		103,942,332		18,021,207	
Contribution received towards New Product Developm		1,173,164		2,578,314	
9. Expenditure in Foreign Currency (on Payment Basis)					
Royalty		10,916,346		11,682,365	
Travel		4,124,653		3,555,194	
Professional Fee/ Technical Services		2,952,100		2,674,809	
Capital expenditure / advance		80,292,300		24,522,596	
Others		287,134		213,298	
10. Remuneration to Managing Director		6,963,713		7,104,103	

The approval for the year 2013-14 for an amount of Rs.88,20,047/- is awaited from Central Government

SCHEDULES TO BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

20. NOTES ON ACCOUNTS (Contd...)

11. **Employee Benefits under Accounting Standard – 15 (Revised)**

Defined Contribution Plan

Contribution to Defined Contribution Plan, are charged off for the year as under

Employer's Contribution to Provident Fund – Rs.78,91,704

Employer's Contribution to Superannuation Fund – Rs.13,90,190

Employer's Contribution to Employees State Insurance – Rs.11,03,276

Defined Benefit Plan

Gratuity

The Company operates gratuity plan through Life Insurance Corporation of India. Every employee is entitled to the benefit equivalent to fifteen days salary last drawn for each completed year of service depending on the date of joining, subject to a maximum of Rs.10,00,000/-, except in the case of Managing Director where there is no maximum limit. The benefit vests after five years of continuous service. The present value of obligation is determined based on actuarial valuation.

Leave Salary Encashment

Eligible employees can carry forward and encash leave subject to provisions of rules and agreements on superannuation or death or permanent disablement. But however, in the case of Managing Director it is reckoned basis of his service contract. The present value of obligation is determined based on actuarial valuation.

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.

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	2015-16	In Rupees	2014-15	In Rupees
	Gratuity (Funded)	Leave Encashment (Unfunded)	Gratuity (Funded)	Leave Encashment (Unfunded)
a. Reconciliation of Opening and closing balances of Defined Benefit Obligation				
Defined Benefit Obligation at the beginning of the year	17,312,936	5,924,170	15,874,430	4,884,914
Current Service Cost	1,421,457	157,053	1,502,996	141,615
Interest Cost	1,385,035	473,934	1,269,954	439,642
Actuarial (gain)/loss	835,463	636,239	(913,452)	457,999
Benefits paid	(841,534)		(420,992)	
Defined Benefit obligation at year end	20,113,357	7,191,396	17,312,936	5,924,170
b. Reconciliation of Opening and closing balances of fair value of plan assets				
Fair value of plan assets at beginning of the year	17,109,798		15,769,725	
Expected return on plan assets	1,528,715		1,399,481	
Actuarial gain/(loss)	-		-	
Employer contribution	1,622,453		361,584	
Benefits paid	(841,534)		(420,992)	
Fair value of plan assets at year end	19,419,432		17,109,798	
Actual return on plan assets	1,528,715		1,399,481	
c. Reconciliation of fair value of plan assets and obligations				
Fair value of plan assets as at 31 st March	19,419,432		17,109,798	
Present value of obligation as at 31 st March	20,113,357	7,191,396	17,312,936	5,924,170
Amount recognised in Balance Sheet	693,925	7,191,396	203,138	5,924,170
d. Expenses recognised during the year				
Current Service Cost	1,421,457	157,053	1,320,324	141,615
Interest Cost	1,385,035	473,934	1,269,954	439,642
Expected return on plan assets	(1,528,715)		(1,399,481)	
Net Actuarial (gain) / loss	835,463	636,239	(913,452)	457,999
Net Cost	2,113,240	1,267,226	277,345	1,039,256
e. Actuarial assumptions Mortality Table (L.I.C.)	1994-96	1994-96	1994-96	1994-96
Discount rate (per annum)	8.00%	9.00%	8.00%	9.00%
Expected rate of return on plan assets (per annum)	8.00%	--	8.00%	--
Rate of escalation in salary (per annum)	5.00%	5.00%	5.00%	5.00%

SCHEDULES TO BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

20. NOTES ON ACCOUNTS (Contd...)

12. Segment Reporting under Accounting Standard – 17

The Company operates in a single primary business segment namely, manufacture of Auto Component – Piston Rings, Differential Gears, Pole Wheel and other Transmission Components.

The company has considered geographical segment as the secondary segment , based on the location of the customers

				In Rupees
Description	Year	Domestic	Export	Total
Revenue	2015-2016	1,18,11,34,654	135,749,239	1,31,68,83,893
	2014-2015	1,097,120,592	29,033,178	1,126,153,770
Assets	2015-2016	152,42,72,746	35,621,511	155,98,94,257
	2014-2015	127,89,16,166	8,661,461	128,75,77,627

The company's operating facilities are located in India.

13. Related Party Disclosures under Accounting Standard - 18

Names of Related Parties and description of relationship:

Holding Company	Amalgamations Private Ltd.,
Subsidiaries	NIL
Fellow Subsidiaries	Simpson & Company Ltd, Addison & Company Ltd, Amco Batteries Ltd, George Oakes Ltd, India Pistons Ltd, IP Pins & Liners Ltd, Shardlow India Ltd, Simpson & General Finance Company Ltd, Sri Rama Vilas Service Ltd, Tractors & Farm Equipment Ltd, TAFE International Traktor Ve Tarim Ekipmani Sanayi Ve Ticaret Ltd, Sirketi TAFE Access Ltd, Southern Tree Farms Ltd, TAFE USA Inc, T.Stanes & Company Ltd, Stanes Motors (South India) Ltd, Stanes Agencies Ltd, Wheel & Precision Forgings India Ltd, Associated Printers (Madras) Pvt Ltd, Associated Publishers (Madras) Pvt Ltd, Higginbothams Pvt Ltd, The Madras Advertising Company Pvt Ltd, Speed-A-Way Pvt Ltd, Bimetal Bearings Ltd, Amalgamations Repco Ltd, Stanes Amalgamated Estates Ltd, Stanes Motor Parts Ltd., Wallace Cartwright & Company Ltd, London, W.J.Groom & Company Ltd, London, L.M.Van Moppes Diamond Tools India Pvt Ltd. TAL Precision Parts Ltd. TAFE Reach Ltd, TAFE Motors & Tractors Limited, Alpump Limited. IPL Engine Components Pvt Ltd., IPL Green Power Ltd., Tafe Tractors Changshu Company Limited, China
Associates	NIL
Key Management Personnel	Mr.A.Venkataramani , Mr.R.Venkataraman, Mrs. S.Priyamvatha
Relatives of Key Management Personnel	Mr.N.Venkataramani, Mrs.Sita Venkataramani, Mr.Gautam Venkataramani

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Name of the party	Year	Sale of goods (Gross)	Rendering of services – Income	Purchase of goods	Purchase of Capital items	Technical fee paid	Receiving of services – Expense	Management contracts including for deputation of employees – Expense	Loan taken	Outstanding loan(Cr)	Interest Paid	Amounts Outstanding Dr / (Cr)
Bimetal Bearings Ltd	2015-16	700,726	84,837	-	-	-	-	-	-	-	-	342,918
	2014-15	687,031	304,693	-	-	-	-	-	-	-	-	602,247
India Pistons Limited	2015-16	204,442,913	46,160,218	69,005,337	300,000	-	4,128,396	-	-	50,000,000	4,512,329	121,057,797
	2014-15	208,913,552	47,930,627	98,251,690	480,564	-	27,594,163	3,535,780	12,000,000	50,000,000	5,257,233	48,849,071
IPL Engine Components Pvt Ltd	2015-16	448,230	-	-	-	-	-	-	-	-	-	448,230
	2014-15	-	-	-	-	-	-	-	-	-	-	-
Simpsons & Co Limited	2015-16	21,258,381	-	-	-	-	149,672	-	150,000,000	220,000,000	10,206,029	368,306
	2014-15	18,068,603	1,006,745	-	-	-	77,739	-	-	70,000,000	7,000,000	739,445
Tractors & Farm Equipments Ltd.,	2015-16	19,020	-	-	-	-	-	-	-	-	-	19,020
	2014-15	-	-	-	-	-	-	-	-	-	-	-
IP Pins & Liners Ltd	2015-16	-	1,964,801	3,128,144	-	-	-	-	-	-	-	2,259,828
	2014-15	-	1,649,640	5,316,145	825,846	-	-	-	-	-	-	4,298,717
Sri Ram Vilas Service Ltd	2015-16	-	-	-	-	-	6,294,761	-	-	-	-	(1,552,561)
	2014-15	-	-	-	-	-	4,509,896	-	-	-	-	(1,578,042)
Addison & Co. Ltd	2015-16	-	-	820,910	-	-	-	-	-	-	-	(444,632)
	2014-15	-	-	990,082	-	-	-	-	-	-	-	(224,751)
Amalgamations Pvt Ltd	2015-16	-	-	-	-	-	534,862	-	-	-	-	(238,269)
	2014-15	-	-	-	-	-	467,064	-	-	-	-	(224,748)
Associated Printers (M) Pvt Ltd	2015-16	-	-	-	-	-	143,982	-	-	-	-	-
	2014-15	-	-	-	-	-	146,262	-	-	-	-	-
Speed A Way Pvt Ltd	2015-16	-	-	840,271	-	-	-	-	-	-	-	(252,711)
	2014-15	-	-	496,594	-	-	-	-	-	-	-	(127,306)
The Madras Advertising Co Ltd	2015-16	-	-	-	-	-	1,420,921	-	-	-	-	(899)
	2014-15	-	-	-	-	-	187,743	-	-	-	-	(26,529)
LM Van Moppes Diamond Tools India Pvt Ltd	2015-16	-	-	52,065	-	-	-	-	-	-	-	(14,302)
	2014-15	-	-	14,382	-	-	-	-	-	-	-	-
Shardlow India Ltd	2015-16	-	-	12,627	-	-	-	-	-	-	-	-
	2014-15	-	-	-	-	-	-	-	-	-	-	-
A. Venkatramani	2015-16	-	-	-	-	-	6,963,713	-	-	-	-	(3,967)
	2014-15	-	-	-	-	-	7,104,103	-	-	-	-	(24,338)
R. Venkatraman	2015-16	-	-	-	-	-	1,795,217	-	-	-	-	-
	2014-15	-	-	-	-	-	1,605,527	-	-	-	-	-
S. Priyamvatha	2015-16	-	-	-	-	-	1,314,935	-	-	-	-	-
	2014-15	-	-	-	-	-	1,164,723	-	-	-	-	-

SCHEDULES TO BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

20. NOTES ON ACCOUNTS (Contd...)

14. Earnings Per Share under Accounting Standard – 20

Description	2016 Rs.	2015 Rs.
Profit after Taxation as Per Profit & Loss Account	9,47,083	(48,54,597)
Number of Equity Shares Outstanding	70,42,147	70,42,147
Basic and Diluted Earnings Per Share	0.13	(0.69)
Nominal Value Per Equity Share	10.00	10.00

15. Research and Development Expenditure

Particulars	2015-2016 Rs.	2014-2015 Rs.
Capital		
Tangible Assets	92,463	69,500
(A)	92,463	69,500
Revenue		
-Salaries, wages and bonus	19,91,608	22,43,757
-Materials, consumables and spares	93,470	1,09,850
-Other Expenditure	3,68,260	4,94,167
(B)	24,53,338	28,47,774
Total (A + B)	25,45,801	29,17,274

This disclosure is being made pursuant to the requirement of the guidelines published by the Department of Scientific and Industrial Research (Ministry of Science & Technology) with regard to the approval of Research and Development expenditure U/s.35 (2AB) of the Income Tax Act, 1961.

16. Due to Micro and Small Enterprises

The company has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act). The disclosures pursuant to the said MSMED Act are as follows:

	2016 (Rs.in lakhs)
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end.	30.39
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end.	16.97
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	608.53

The above information regarding Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information available with the company.

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st March 2016

	2016 Rs.	2015 Rs.
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax and Extraordinary Items	1,211,241	(11,528,971)
<u>ADJUSTMENTS FOR</u>		
Depreciation	69,320,266	67,112,426
Interest received	(14,595)	(36,210)
Dividend Received	-	(2,475)
Interest and Finance charges	85,235,206	77,464,265
Loss on Sale of Fixed Asset	71,087	266,997
Profit on Sale of Fixed Asset	(181,056)	-
Total Adjustments	154,430,908	144,805,003
Operating Profit Before Working Capital Changes	155,642,149	133,276,032
<u>ADJUSTMENTS FOR</u>		
Trade and Other Receivables	(112,050,290)	(50,195,959)
Inventories	(20,705,323)	(47,328,816)
Trade Payables	76,210,196	26,505,545
Total Adjustments	(56,545,417)	(71,019,230)
Cash Generated from Operations	99,096,732	62,256,802
Interest Paid	(82,951,870)	(77,823,961)
Direct Taxes Paid	(1,015,302)	(8,698,310)
CASH FLOW BEFORE EXTRAORDINARY ITEMS	15,129,560	(24,265,469)
Extraordinary Items	-	-
NET CASH FROM OPERATING ACTIVITIES (TOTAL A)	15,129,560	(24,265,469)

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st March 2016

	2016 Rs.	2015 Rs.
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(204,360,440)	(55,437,573)
Sale of Fixed Assets	471,000	142,857
Purchase of Investment	(529,000)	-
Interest Received	14,595	36,210
Dividend Received	-	2,475
NET CASH USED IN INVESTMENT ACTIVITIES (TOTAL B)	<u>(204,403,845)</u>	<u>(55,256,031)</u>
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Secured Loans	318,291,966	238,222,787
Proceeds from Unsecured Loan	100,000,000	50,000,000
Repayment of Secured Loan	(210,443,468)	(162,947,510)
Repayment of Unsecured Loans	(15,000,000)	(40,500,000)
Dividend Paid	(236,641)	(268,008)
NET CASH USED IN FINANCING ACTIVITIES (TOTAL C)	<u>192,611,857</u>	<u>84,507,269</u>
D. NET INCREASE / (DECREASE) IN CASH OR CASH EQUIVALENTS (A+B+C)	3,337,572	4,985,769
E. Cash and Cash Equivalents (Opening Balance)	12,536,423	7,550,654
F. Cash and Cash Equivalents (Closing Balance) (D+E)	15,873,995	12,536,423

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st March 2016

	2016 Rs.	2015 Rs.
CASH AND CASH EQUIVALENTS		
Cash and bank balances as per Balance Sheet - (Note below)	15,873,995	12,536,423
Cash and Cash Equivalents as per Cash Flow Statement	<u>15,873,995</u>	<u>12,536,423</u>
Note : Includes Balance in Unpaid Dividend Account	896,897	1,133,538

This is the Cash Flow referred to
in our Report of even date

S. P. ...
Company
Secretary

R. Van ...
Chief Financial
Officer

A. Venkatesh ...
Managing
Director

(X) N. Venkatesh ...
J. Shree ...

27.05.2016
Chennai

Directors

For R. G. N. PRICE & CO.
Chartered Accountants

Mahesh Krishnan
Mahesh Krishnan
Partner
M. No. 206520
FR No. 002785S

R.G.N.PRICE & CO.
CHARTERED ACCOUNTANTS

Phone : 28413633 & 28583494
Telefax : 28544569
E-mail : price@vsnl.co.in
Offices at : Mumbai, Ernakulam, Quilon, Calicut
Bangalore and New Delhi
Ref. :

Simpson's Buildings
No.861, Anna Salai
CHENNAI – 600 002.

7th December 2016

Review Report to the Board of Directors of IP Rings Limited.

1. We have reviewed the unaudited financial results of IP Rings Limited (the "Company") for the quarter and six months ended September 30, 2016 which are included in the accompanying Statement of Unaudited Results for the half year ended September 30, 2016. The Statement is the responsibility of the Company's management and has been approved by the Board of Directors. Further, the Management is also responsible to ensure that the accounting policies used in preparation of this Statement are consistent with those used in the preparation of the Company's opening unaudited Balance Sheet as at April 1, 2015 prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (Ind AS) prescribed under Section 133 of the Companies Act, 2013 and other recognized accounting practices and policies. Our responsibility is to issue a report on the Statement based on our review.

2. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement.

3. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the Statement has not been prepared in all material respects in accordance with Ind AS and other recognized accounting practices and policies, and has not disclosed the information required to be disclosed in terms of Regulation 33 of the Listing Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement



5. We draw attention to the following matters:

- a. Note 2 to the Statement which states that the Company has adopted Ind AS for the financial year commencing from April 1, 2016, and accordingly, the Statement has been prepared by the Company's Management in compliance with IND AS.
- b. We have not reviewed, and accordingly do not express any conclusion on the comparative figures including the reconciliation to the Total Comprehensive Income for the quarter ended on September 30, 2015. As set out in Note 5 to the Statement, these figures have been furnished by the Management

Our conclusion is not qualified in respect of these matters.

For R. G. N. PRICE & CO.
Chartered Accountants



Mahesh Krishnan
Partner
M. No. 206520
FR No. 002785S

IP RINGS LIMITED
UNAUDITED FINANCIAL RESULTS FOR THE
HALF YEAR ENDED 30th SEP 2016

Part I						(Rs. in Lakhs)	
PARTICULARS	Quarter Ended			Half Year Ended		Year Ended	
	30.09.2016	30.06.2016	30.09.2015	30.09.2016	30.09.2015	31.03.2016	
	Unaudited	Unaudited	Not subjected to review/audit	Unaudited	Not subjected to review/audit	Not subjected to review/audit	
1	Total Income from operations	4,662.12	4,210.36	3,020.97	8,872.48	6,035.62	13,168.84
2	Expenses						
	a. Cost of Materials Consumed	1,878.73	1,334.78	989.89	3,213.51	1,876.78	4,237.52
	b. Changes in inventories of finished goods, work in progress and stock in trade	(278.37)	(70.50)	(48.11)	(348.87)	69.79	(202.57)
	c. Employee Benefits Expense	570.77	516.80	425.53	1,087.57	854.19	1,824.93
	d. Depreciation and Amortisation Expense	204.55	197.81	168.63	402.36	333.90	695.37
	e. Excise Duty	434.75	405.54	324.62	840.29	627.54	1,351.94
	f. Subcontracting Expenses	511.94	419.35	210.10	931.29	422.11	1,082.49
	g. Power & Fuel	195.28	168.89	133.52	364.17	286.65	571.60
	h. Stores Consumed	490.40	374.29	296.83	864.69	547.27	1,265.34
	i. Other expenses	557.99	498.15	357.43	1,056.14	728.06	1,516.22
	j. Total expenses	4,566.04	3,845.11	2,858.44	8,411.15	5,746.29	12,342.84
3	Profit/ (Loss) from Operations before Other Income, Finance Cost & Exceptional Items (1-2)	96.08	365.25	162.53	461.33	289.33	826.00
4	Other Income	32.21	15.20	2.12	47.41	11.27	52.30
5	Profit/ (Loss) from ordinary activities before Finance cost & Exceptional Items (3+4)	128.29	380.45	164.65	508.74	300.60	878.30
6	Finance Cost	262.72	229.91	204.86	492.63	398.70	852.35
7	Profit/ (Loss) from ordinary activities after Finance Cost but before Exceptional Items (5-6)	(134.43)	150.54	(40.21)	16.11	(98.10)	25.95
8	Exceptional Items						
9	Profit / (Loss) from Ordinary Activities before tax (7+8)	(134.43)	150.54	(40.21)	16.11	(98.10)	25.95
10	Tax Expense	5.76	51.59	4.71	57.35	3.25	3.31
11	Net Profit / (Loss) from Ordinary Activities after tax (9-10)	(140.19)	98.95	(44.92)	(41.24)	(101.35)	22.64
12	Other comprehensive income, net of income tax	(0.08)	0.11	(0.37)	0.03	(0.46)	(22.65)
13	Total comprehensive income for the period (11+12)	(140.27)	99.06	(45.29)	(41.21)	(101.81)	(0.01)
14	Paid-up Equity Share Capital Face value of Rs 10/- Per Share	704.21	704.21	704.21	704.21	704.21	704.21
15	Reserves excluding Revaluation Reserves as per balance sheet of previous accounting year						3,316.65
16 (i)	Earnings Per Share (EPS) (before extraordinary items) of Rs 10/- each (Not annualised)						
	a) Basic	(1.99)	1.41	(0.64)	(0.59)	(1.44)	0.32
	b) Diluted	(1.99)	1.41	(0.64)	(0.59)	(1.44)	0.32
16 (ii)	Earnings Per Share (EPS) (after extraordinary items) of Rs 10/- each (Not annualised)						
	a) Basic	(1.99)	1.41	(0.64)	(0.59)	(1.44)	0.32
	b) Diluted	(1.99)	1.41	(0.64)	(0.59)	(1.44)	0.32
PART II Select Information for the half year ended 30th Sep 2016							
A	PARTICULARS OF SHARE HOLDING						
1	Public shareholding						
	- Number of shares	3,392,315	3,392,315	3,392,315	3,392,315	3,392,315	3,392,315
	- Percentage of shareholding	48.17	48.17	48.17	48.17	48.17	48.17
2	Promoter and Promoter Group Shareholding						
	a) Pledged/Encumbered						
	- Number of shares	-	-	-	-	-	-
	- Percentage of shares(as a % of the total shareholding of promoter and promoter group)	-	-	-	-	-	-
	- Percentage of shares(as a % of the total share capital of the company)	-	-	-	-	-	-
	b) Non-Encumbered						
	- Number of shares	3,649,832	3,649,832	3,649,832	3,649,832	3,649,832	3,649,832
	- Percentage of shares(as a % of the total shareholding of promoter and promoter group)	100.00	100.00	100.00	100.00	100.00	100.00
	- Percentage of shares(as a % of the total share capital of the company)	51.83	51.83	51.83	51.83	51.83	51.83

Particulars	Qtr ended 30th Sep 2016		
B INVESTOR COMPLAINTS			
Pending at the beginning of the quarter	-		
Received during the quarter	-		
Disposed of during the quarter	-		
Remaining unresolved at the end of the quarter	-		

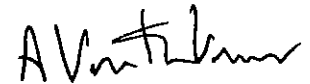
Notes

- The above results were reviewed by the Audit Committee and approved by the Board of Directors at their Meeting held on December 7, 2016 and a limited review of the same has been carried out by the statutory auditor of the company.
- The statement has been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (Ind AS) prescribed under section 133 of the Companies Act, 2013 and other recognised accounting practices and policies to the extent applicable. Beginning April 1, 2016 the Company for the first time adopted Ind AS with a transition date of April 1, 2015.
- The business activities reflected in the above financial results comprise of manufacturing and sale of automotive components. Accordingly, there is no other reportable segment as per Ind AS 108 (Operating Segments).
- The results furnished herein above are in accordance with SEBI's Circular CIR/CFD/CMD/15/2015 dated 30th November 2015 read with its circular dated 5th July 2016
- The Ind AS compliant corresponding figures in the previous period have not been subject to review / audit. However, the Company's management has exercised necessary due diligence to ensure that such financial results provide a true and fair view of its affairs.
- The previous period figures have been regrouped wherever necessary to conform to current period.
- The reconciliation of net profit under Indian GAAP and Ind AS are as follows

Description	Qtr Sep'15
	Rs.lkhs
Profit / (loss) as per previous GAAP	(44.38)
Adjustment of Actuarial gain or loss - CCI	-
Hedge accounting	-
Depreciation	(0.54)
Adjusted Profit / (loss) as per Ind AS	(44.92)

Rs.lkhs	Half year Sep'15	Yr ended Mar'16
	Rs.lkhs	Rs.lkhs
(100.28)		9.47
-		14.71
-		1.30
(1.07)		(2.84)
(101.35)		22.64

Place : Chennai
Date : 07.12.2016


A. Venkataramani
Managing Director

September 30, 2016 March 31, 2016
Rs. Rs.

ASSETS

Non-current assets

a. Property, Plant and Equipment	829,961,644	796,037,216
b. Capital work-in-progress	20,607,137	8,707,198
c. Other Intangible assets	5,433,971	8,148,051
d. Intangible assets under development	6,747,239	6,061,537
e. Financial assets - Investments	285,100	1,097,605
f. Non-current tax assets (net)	30,209,813	30,689,813
g. Other non-current assets	28,410,837	28,193,674
Sub-total	<u>921,655,741</u>	<u>878,935,094</u>

Current assets

a. Inventories	320,099,495	265,255,135
b. Financial assets		
(i) Trade receivables	425,981,106	344,025,088
(ii) Cash and cash equivalents	66,016,463	14,977,098
(iii) Bank balances other than (ii) above	896,897	896,897
(iv) Other financial assets	10,025,693	9,654,599
c. Other current assets	43,267,628	42,987,597
Sub-total	<u>866,287,282</u>	<u>677,796,414</u>

TOTAL ASSETS

1,787,943,023 1,556,731,508

EQUITY AND LIABILITIES

Equity

a. Equity Share capital	70,421,470	70,421,470
b. Other equity	327,543,159	331,664,618
Sub-total	<u>397,964,629</u>	<u>402,086,088</u>

Non-current liabilities

a. Financial liabilities - Borrowings	238,687,420	141,388,769
b. Provisions	7,191,396	5,924,170
c. Deferred tax liabilities (Net)	10,896,927	8,161,861
Sub-total	<u>256,775,743</u>	<u>155,474,800</u>

Current liabilities

a. Financial liabilities		
(i) Borrowings	675,177,631	622,521,581
(ii) Trade payables	238,479,018	171,363,056
(iii) Other financial liabilities	184,132,164	159,629,380
b. Other current liabilities	20,546,612	43,695,452
c. Provisions	14,867,226	1,961,151
Sub-total	<u>1,133,202,651</u>	<u>999,170,620</u>

TOTAL EQUITY AND LIABILITIES

1,787,943,023 1,556,731,508

ACCOUNTING RATIOS AND CAPITALISATION STATEMENT

A. Accounting Ratios:

On a standalone Basis

The following table presents the accounting and other ratios from our audited financial statements as at and for the Fiscal 2016 and Fiscal 2015:

Particulars	Year Ended March 31, 2016	Year Ended March 31, 2015
Earnings Per Share		
(a) Basic Earnings Per Share (after extraordinary items) (Rs.)	0.13	(0.69)
(b) Diluted Earnings Per Share (after extraordinary items) (Rs.)	0.13	(0.69)
Return on Net Worth (after extraordinary items and excluding revaluation reserves)	0.23%	-1.20%
Net Asset Value/Book Value per Equity Share each (after extraordinary items and excluding revaluation reserves) (Rs.)	57.65	57.51

The following table presents the accounting and other ratios from our Ind-AS Limited Review Financial Statements as on and for the six-month period ended September 30, 2016:

Particulars	As on September 30, 2016
Earnings Per Share	
(a) Basic Earnings Per Share (after extraordinary items) (Rs.)	(0.59)
(b) Diluted Earnings Per Share (after extraordinary items) (Rs.)	(0.59)
Return on Net Worth (after extraordinary items and excluding revaluation reserves)	(1.04%)
Net Asset Value/Book Value per Equity Share each (after extraordinary items and excluding revaluation reserves) (Rs.)	56.51

The ratios have been computed as under:

Basic Earnings Per Share	Net Profit After Tax/Number of Equity Shares
Return on Net Worth (%)	Net Profit after tax/Shareholder's Funds
Net Asset Value Per Share	Shareholder's Funds/Number of Equity Shares (outstanding at the end of the period)

B. Capitalisation Statement:

The statement on capitalization is as set out below:

Statement of Capitalization as on September 30, 2016 of the Company

(Amount Rs. in Lakhs unless stated otherwise)

Particulars	Pre Issue (as on September 30, 2016)	Post Issue*
Borrowings		
Short- term	6,751.78	6,751.78
Long- term (including current maturities) (A)	3,558.92	3,558.92
Total Borrowings (B)	10,310.70	10,310.70
Shareholder's fund		
Share capital	704.21	1,267.58
Reserve and surplus	3,275.43	7,712.06
Total Shareholder's fund (C)	3,979.64	8,979.64

Long- term borrowings / equity ratio {(A)/(C)}	0.89	0.40
Total borrowings / equity ratio {(B)/(C)}	2.59	1.15

**Assuming full subscription and Allotment of the Rights Issue Equity Shares in the Issue, without deducting Issue expenses*

STOCK MARKET DATA FOR EQUITY SHARES

The Equity Shares of our Company were listed on the BSE and MSE in 1992. However, pursuant to the voluntary delisting of the MSE the Equity Shares of our Company were delisted from the MSE with effect from January 8, 2015. Currently our Equity Shares are listed on the BSE. The stock market data has been given below for BSE.

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

The following table sets forth the high, low and average market prices of the Equity Shares recorded on BSE during the preceding three years and the number of the Equity Shares traded on the days of the high and low prices were recorded:

BSE							
Financial Year	High (Rs.)	Date of high	Volume on date of High (No. of Equity Shares)	Low (Rs.)	Date of low	Volume on date of Low (No. of Equity Shares)	Average price for the year (Rs.)
2014	41.85	March 13, 2014	206	29.00	October 23, 2013	443	34.12
2015	149.50	January 27, 2015	131855	37.65	April 29, 2014	650	72.05
2016	129.00	January 11, 2016	22912	72.50	September 8, 2015	2440	92.75

Source: www.bseindia.com

The following table sets forth the monthly high and low prices and trading volumes on BSE for the six months preceding the date of filing of this Letter of Offer:

BSE							
Month year	High (Rs.)	Date of high	Volume on date of High (No. of Equity Shares)	Low (Rs.)	Date of low	Volume on date of Low (No. of Equity Shares)	Average price for the month (Rs.)
December 2016	238.00	November 30, 2016	2006	175.00	December 26, 2016	4915	200.17
November 2016	238.00	November 30, 2016	11732	165.10	November 16, 2016	9952	194.74
October 2016	222.00	October 3, 2016	7940	193.20	October 21, 2016	1437	203.83
September 2016	228.00	September 19, 2016	21853	166.00	September 29, 2016	17171	193.85
August 2016	188.00	August 30, 2016	3515	139.00	August 2, 2016	3513	161.84
July 2016	147.80	July 15, 2016	35157	124.65	July 1, 2016	1311	140.08

Source: www.bseindia.com

Week end prices of Equity Shares along with the highest and lowest closing prices on the BSE for the last four weeks preceding the date of filing of this Letter of Offer is as stated below:

BSE					
For the week ended on	Closing Price (Rs.)	High (Rs.)	Date of High	Low (Rs.)	Date of Low
January 6, 2017	243.50	254.50	January 6, 2017	190.00	January 2, 2017
December 30, 2016	183.45	189.75	December 27, 2016	175.00	December 26, 2016
December 23, 2016	186.90	200.00	December 19, 2016	176.95	December 23, 2016

BSE					
For the week ended on	Closing Price (Rs.)	High (Rs.)	Date of High	Low (Rs.)	Date of Low
December 16, 2016	194.60	205.90	December 12, 2016	194.60	December 16, 2016

Source: www.bseindia.com

The closing market price of the Equity Shares of our Company as on one day prior to the date of this Letter of Offer was Rs. 233.45 on the BSE.

The Board of Directors of our Company has approved the Issue at their meeting held on May 5, 2016. The high and low prices of our Company's shares as quoted on the BSE on May 6, 2016, the day on which the trading happened immediately following the date of the Board Meeting were Rs. 130 and Rs. 124 respectively. The market capitalization at abovementioned high price was Rs. 9154.79 lakhs and at low price was Rs. 8732.26 lakhs respectively as on May 6, 2016.

MATERIAL DEVELOPMENTS

Except as disclosed herein below, there are no material developments since March 31, 2016, which significantly affect the operations, performance, prospects or financial condition of our Company.

1. The Shareholders approved the following matters, by way of a special resolution, at their Annual General Meeting held on July 28, 2016:

- (a) the reclassification of the authorized share capital of the Company, from Rs. 2,000 lakhs comprising of 1,50,00,000 Equity Shares of Rs. 10 each aggregating to Rs. 1,500 lakhs and 50,00,000 Preference Shares of Rs. 10 each aggregating to Rs. 500 lakhs to Rs. 2,000 lakhs comprising of 2,00,00,000 Equity Shares of Rs. 10 each.
- (b) the reappointment, payment of managerial remuneration, performance allowance and perquisites, to Mr. A Venkataramani, Managing Director, for the period November 1, 2016 to October 31, 2019, in accordance with the Companies Act, 2013, with the liberty to the Board of Directors to alter and vary the terms and conditions of the said remuneration as it may deem fit, as detailed below:

Salary	Basic Salary of Rs. 3 lakhs per month with increments as may be decided by the Board
Special Allowance	Rs. 1 lakh per month
Performance Allowance	Up to an amount of Rs. 18 lakhs per annum, as may be decided by the Board on the recommendation of the Nomination and Remuneration Committee
Perquisites	Housing, Medical Reimbursement, Leave Travel Assistance, Club Membership, Personal Accident Insurance, Entertainment Expenses, Contribution towards Provident Fund, Gratuity, Contribution towards Superannuation Fund, etc.

2. Pursuant to a meeting of the Board on September 7, 2016, our Company had for the first time adopted Ind-AS, and declared its financial information for the three-month period ended June 30, 2016. Subsequently, pursuant to a meeting of the Board on December 7, 2016, our Company has declared its financial information for the six-month period ended September 30, 2016. The Ind-AS Limited Review Financial Statements have been prepared in accordance with Ind-AS with a transition date of April 1, 2015, in accordance with the requirements of the Listing Regulations and SEBI's circular no. CIF/CFD/CMD/15/2015 dated November 30, 2015, read together with SEBI's circular no. CIF/CFD/FAC/62/2016 dated July 5, 2016, and other statutory and/or regulatory requirements.

WORKING RESULTS

In accordance with Circular No.F.2/5/SE/76 dated February 5, 1977 issued by the Ministry of Finance, Government of India, as amended by Ministry of Finance, Government of India through its circular dated March 8, 1977 and in accordance with sub-item (B) of item X of Part E of Schedule VIII of the ICDR Regulations, the information relating to the working results of our Company for the period from April 1, 2016 to November 30, 2016 are set out in the table below:

Particulars	Amount
Sales / Turnover	12,553.82
Other Income	58.06
Estimated Gross Profit / (Loss) (excluding Depreciation and Taxes)	383.62
Provision for Depreciation	543.36
Provision for Taxation	14.67
Estimated Net Profit / (Loss)	(174.42)

(Rs. in Lakhs)

**Certified by the Statutory Auditors vide their certificate dated January 12, 2017*

Material changes and commitments, if any, affecting the financial position of our Company:

Except as disclosed in the section titled “*Material Developments*” on page 112 of this LOF, there are no material changes and commitments, if any affecting the financial position of our Company.

SECTION VI – LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATIONS AND OTHER DEFAULTS

Except as described below, there are no outstanding litigations including, suits, criminal or civil prosecutions and taxation related proceedings against our Company that would have a material adverse effect on our business. Further, there are no defaults, non-payment of statutory dues including, institutional/bank dues and dues payable to holders of any debentures, bonds and fixed deposits that would have a material adverse effect on our business other than unclaimed liabilities against us as of the date of the Letter of Offer.

Further, except as disclosed below, we are not aware of any litigation involving moral turpitude, material violations of statutory regulations and or proceedings relating to economic offences which have arisen in the last ten years.

Further, except as disclosed below, our Company are not subject to:

(a) any other outstanding litigations which do not impact our future revenues which have monetary value of more than 1% of our net-worth, for the last completed financial year; or

(b) any other outstanding litigations which impact our future revenues, which have monetary value of more than 1% of our revenue, for the last completed financial year.

Direct Tax Proceedings against our Company:

1. Pursuant to an order dated November 11, 2006, by the Assistant CIT, Chennai, u/s. 143 of the IT Act, an amount of Rs. 50.28 lakhs was demanded from our Company in relation to alleged additional income assessed with respect to AY 2004-2005. Our Company preferred an appeal against the aforesaid order. The CIT (Appeals), Chennai, vide its order dated June 14, 2010, partly allowed the Company's appeal. Our Company has made a part payment to the extent of Rs. 8.29 lakhs in relation to the aforesaid matter. Further, our Company has filed an appeal before the Madras High Court. Based on the foregoing, the aggregate outstanding amount involved in the aforesaid proceeding is approximately Rs. 41.98 lakhs. The matter is currently pending.
2. Pursuant to an order dated March 27, 2014, by the Deputy CIT, Chennai, u/s. 143 of the IT Act, an amount of Rs. 143.68 lakhs was demanded from our Company in relation to alleged additional income assessed with respect to AY 2010-2011. Our Company has preferred an application before the Assistant CIT, Chennai, for stay of demand against the aforesaid order, and has made a part payment to the extent of Rs. 27.50 lakhs in relation thereto. Subsequently, the Company preferred an appeal against the order of the Assistant CIT before the CIT (Appeals). By way of an order dated June 30, 2016, the CIT (Appeals) has partly allowed the aforesaid appeal. Based on the foregoing, the aggregate outstanding amount involved in the aforesaid proceeding is approximately Rs. 116.18 lakhs. The matter is currently pending.
3. Pursuant to an order dated March 26, 2014, by the Deputy CIT, Chennai, u/s. 143 of the IT Act, an amount of Rs. 156.34 lakhs was demanded from our Company in relation to alleged additional income assessed with respect to AY 2011-2012. Our Company has preferred an application before the Assistant CIT, Chennai, for stay of demand against the aforesaid order, and has made a part payment to the extent of Rs. 27.50 lakhs in relation thereto. Subsequently, the Company preferred an appeal against the order of the Assistant CIT before the CIT (Appeals). By way of an order dated June 30, 2016, the CIT (Appeals) has partly allowed the aforesaid appeal. Based on the foregoing, the aggregate outstanding amount involved in the aforesaid proceeding is approximately Rs. 128.84 lakhs. The matter is currently pending.

GOVERNMENT AND OTHER STATUTORY APPROVALS

We have obtained the necessary consents, licenses, permissions and approvals from various governmental and regulatory authorities that are required for carrying on our present business. Some of the approvals and licenses that we require for our present business operations may expire in the ordinary course of business, and we will apply for their renewal from time to time.

Stated below are the details of the approvals applied for as on the date of this letter of Offer, but not yet received:

1. Our Company has applied for renewal of the consent with respect to existing discharge of sewage and trade effluents under Section 25 of the Water (Prevention and Control of Pollution) Act, 1974, as amended, given by the Tamil Nadu Pollution Control Board; and
2. Our Company has filed a patent application with respect to manufacture of pole wheels (No.: 3149/CHE/2007)

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

The Issue has been authorized by the resolution passed by our Board at its meeting held on May 5, 2016.

The Board of Directors in their meeting held on January 4, 2017 have determined the Issue Price as Rs. 88.75 per Equity Share and the Rights Entitlement as 4 Rights Equity Share(s) for every 5 Equity Share(s) held on the Record Date. The Issue Price has been arrived at in consultation with the Lead Manager.

Our Company has received 'in-principle' approval from the BSE for listing of the Rights Equity Shares to be allotted in the Issue pursuant to their letter dated October 18, 2016.

RBI Approval for Renunciation

Our Company applied to the RBI for seeking approval for renunciation of the Rights Entitlement by (a) an Equity Shareholder resident in India, in favour of any person resident outside India (other than OCBs); (b) an Equity Shareholder resident outside India (other than OCBs), in favour of any person resident in India; and (c) an Equity Shareholder resident outside India (other than OCBs), in favour of any other person resident outside India (other than OCBs).

Our Company has received the approval from RBI vide letter dated January 4, 2017, whereby the RBI has conveyed its approval of rights entitlements renounced by, and to, persons/entities outside India/ resident in India subject to adherence of Regulation 6 of the FEMA 20/2000-RB dated May 3, 2000, as amended.

Applications not complying with conditions of the approval/ not accompanied by such approvals are liable to be rejected.

Prohibition by SEBI or RBI

Our Company, the Promoter and Promoter Group, the Directors, the persons in control of our Company or the persons in control of our Promoter and Promoter Group have not been prohibited from accessing or operating in the capital markets, or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI.

None of our Promoter and Promoter Group, the Directors, persons in control of our Company or the persons in control of our Promoter and Promoter Group was or also is a promoter, director or person in control of any other company which has been restrained, prohibited or debarred from accessing or operating in the capital markets, or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI.

None of the Directors of the Company are associated with the capital market in any manner. SEBI has not initiated action against any entity with which the Directors are associated.

Further, none of the Company, the Directors, the Promoter and Promoter Group, the relatives of the Promoter and Promoter Group and the Group Companies have been categorized 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.

Eligibility for the Issue

Our Company is a listed company and has been incorporated under the Companies Act, 1956. Presently, the Equity Shares of the Company are listed on the BSE. Our Company is eligible to offer the Rights Equity Shares pursuant to the Issue in terms of Chapter IV of the ICDR Regulations.

Our Company has complied with the requirements of Part E of Schedule VIII of the ICDR Regulations, to the applicable extent, in terms of the disclosures made in this Letter of Offer.

Further, our Company confirms that it is in compliance with the following:

- (a) Our Company has been filing periodic reports, statements and information in compliance with the Equity Listing Agreement and the Listing Regulations, as applicable, for the last three years immediately preceding the date of filing the Draft Letter of Offer with the SEBI;
- (b) the reports, statements and information referred to in sub-clause (a) above are available on the website of the BSE, which is a recognised stock exchange with nationwide trading terminals; and
- (c) our Company has an investor grievance-handling mechanism which includes meeting of the Stakeholders' Relationship Committee at frequent intervals, appropriate delegation of power by the Board as regards share transfer and clearly laid down systems and procedures for timely and satisfactory redressal of investor grievances.

Disclaimer Clause of SEBI

AS REQUIRED, A COPY OF THE DRAFT LETTER OF OFFER HAS BEEN SUBMITTED TO SEBI. IT IS TO BE DISTINCTLY UNDERSTOOD THAT THE SUBMISSION OF THE DRAFT LETTER OF OFFER TO SEBI SHOULD NOT, IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE, OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT LETTER OF OFFER. THE LEAD MANAGER, AXIS CAPITAL LIMITED HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE DRAFT LETTER OF OFFER ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE DRAFT LETTER OF OFFER, THE LEAD MANAGER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE THE LEAD MANAGER, AXIS CAPITAL LIMITED, HAS FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED AUGUST 30, 2016, WHICH READS AS FOLLOWS:

- 1. WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS, ETC. AND OTHER MATERIAL IN CONNECTION WITH THE FINALISATION OF THE DRAFT LETTER OF OFFER PERTAINING TO THE SAID ISSUE;**
- 2. ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE COMPANY, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, AND INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY THE COMPANY, WE CONFIRM THAT:**
 - (a) THE DRAFT LETTER OF OFFER FILED WITH THE SEBI IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE ISSUE;**
 - (b) ALL THE LEGAL REQUIREMENTS RELATING TO THE ISSUE AS ALSO THE REGULATIONS GUIDELINES, INSTRUCTIONS, ETC. FRAMED/ISSUED BY THE SEBI, THE CENTRAL GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND**
 - (c) THE DISCLOSURES MADE IN THE DRAFT LETTER OF OFFER ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED ISSUE AND SUCH DISCLOSURES ARE IN**

ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, 1956, 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 AND OTHER APPLICABLE LEGAL REQUIREMENTS.

3. WE CONFIRM THAT BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE DRAFT LETTER OF OFFER ARE REGISTERED WITH THE SEBI AND THAT TILL DATE SUCH REGISTRATION IS VALID.
4. WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFIL THEIR UNDERWRITING COMMITMENTS - NOT APPLICABLE.
5. WE CERTIFY THAT WRITTEN CONSENT FROM PROMOTERS HAS BEEN OBTAINED FOR INCLUSION OF THEIR SPECIFIED SECURITIES AS PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN AND THE SPECIFIED SECURITIES PROPOSED TO FORM PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN SHALL NOT BE DISPOSED / SOLD / TRANSFERRED BY THE PROMOTERS DURING THE PERIOD STARTING FROM THE DATE OF FILING THE DRAFT LETTER OF OFFER WITH THE SEBI TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE DRAFT LETTER OF OFFER - NOT APPLICABLE.
6. WE CERTIFY THAT REGULATION 33 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, WHICH RELATES TO SPECIFIED SECURITIES INELIGIBLE FOR COMPUTATION OF PROMOTERS CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION HAVE BEEN MADE IN THE DRAFT LETTER OF OFFER - NOT APPLICABLE.
7. WE UNDERTAKE THAT SUB-REGULATION (4) OF REGULATION 32 AND CLAUSE (C) AND (D) OF SUB-REGULATION (2) OF REGULATION 8 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 SHALL BE COMPLIED WITH. WE CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE ISSUE. WE UNDERTAKE THAT AUDITORS' CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO THE SEBI. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE COMPANY ALONG WITH THE PROCEEDS OF THE PUBLIC ISSUE - NOT APPLICABLE.
8. WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE COMPANY FOR WHICH THE FUNDS ARE BEING RAISED IN THE PRESENT ISSUE FALL WITHIN THE 'MAIN OBJECTS' LISTED IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OR OTHER CHARTER OF THE COMPANY AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED OUT UNTIL NOW ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION.
9. WE CONFIRM THAT NECESSARY ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE MONEYS RECEIVED PURSUANT TO THE ISSUE ARE KEPT IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SUB-SECTION (3) OF SECTION 40 OF THE COMPANIES ACT, 2013 AND THAT SUCH MONEYS SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM THE STOCK EXCHANGE MENTIONED IN THE LETTER OF OFFER. WE FURTHER CONFIRM THAT THE

AGREEMENT ENTERED INTO BETWEEN THE BANKERS TO THE ISSUE AND THE COMPANY SPECIFICALLY CONTAINS THIS CONDITION. – NOT APPLICABLE FOR A RIGHTS ISSUE, TRANSFER OF MONIES RECEIVED PURSUANT TO THE ISSUE SHALL BE RELEASED TO THE COMPANY AFTER FINALIZATION OF THE BASIS OF ALLOTMENT IN COMPLIANCE WITH REGULATION 56 OF THE ICDR REGULATIONS.

10. WE CERTIFY THAT A DISCLOSURE HAS BEEN MADE IN THE DRAFT LETTER OF OFFER THAT THE INVESTORS SHALL BE GIVEN AN OPTION TO GET THE SHARES IN DEMAT OR PHYSICAL MODE.
11. WE CERTIFY THAT ALL THE APPLICABLE DISCLOSURES MANDATED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 HAVE BEEN MADE IN ADDITION TO DISCLOSURES WHICH, IN OUR VIEW, ARE FAIR AND ADEQUATE TO ENABLE THE INVESTOR TO MAKE A WELL INFORMED DECISION.
12. WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE DRAFT LETTER OF OFFER:
 - (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 SEBI FROM TIME TO TIME.
13. WE UNDERTAKE TO COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENT IN TERMS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 WHILE MAKING THE ISSUE.
14. WE ENCLOSE A NOTE EXPLAINING HOW THE PROCESS OF DUE DILIGENCE HAS BEEN EXERCISED BY US IN VIEW OF THE NATURE OF CURRENT BUSINESS BACKGROUND OF THE COMPANY, SITUATION AT WHICH THE PROPOSED BUSINESS STANDS, THE RISK FACTORS, PROMOTERS EXPERIENCE, ETC.
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, CONTAINING DETAILS SUCH AS THE REGULATION NUMBER, ITS TEXT, THE STATUS OF COMPLIANCE, PAGE NUMBER OF THE DRAFT LETTER OF OFFER WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY.
16. WE ENCLOSE STATEMENT ON 'PRICE INFORMATION OF PAST ISSUES HANDLED BY MERCHANT BANKERS (WHO ARE RESPONSIBLE FOR PRICING THIS ISSUE)', AS PER FORMAT SPECIFIED BY THE SEBI THROUGH CIRCULAR –NOT APPLICABLE, BEING A RIGHTS ISSUE.
17. WE CERTIFY THAT PROFITS FROM RELATED PARTY TRANSACTIONS HAVE ARISEN FROM LEGITIMATE BUSINESS TRANSACTIONS - COMPLIED WITH TO THE EXTENT OF THE RELATED PARTY TRANSACTIONS REPORTED, IN ACCORDANCE WITH ACCOUNTING STANDARD 18, IN THE FINANCIAL STATEMENTS OF THE COMPANY INCLUDED IN THE DRAFT LETTER OF OFFER AND AS CERTIFIED BY

**THE STATUTORY AUDITORS, R.G.N. PRICE & CO., CHARTERED ACCOUNTANTS
[FIRM REGISTRATION NO. 002785S] BY WAY OF ITS CERTIFICATE DATED AUGUST
30, 2016.**

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 - NOT APPLICABLE.**

THE FILING OF THIS LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE OUR COMPANY FROM ANY LIABILITIES UNDER SECTION 34 OR SECTION 38 OF THE COMPANIES ACT, 2013 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY OR OTHER CLEARANCE AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED ISSUE. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP, AT ANY POINT OF TIME, WITH THE LEAD MANAGER ANY IRREGULARITIES OR LAPSES IN THIS LETTER OF OFFER.

Caution

Disclaimer Statement from our Company and the Lead Manager:

Our Company and the Lead Manager, namely Axis Capital Limited, accept no responsibility for statements made otherwise than in this Letter of Offer or in the advertisement or any other material issued by or at the instance of our Company and that anyone placing reliance on any other source of information would be doing so at his own risk.

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

We and the Lead Manager shall make all information available to the Eligible Equity Shareholders and no selective or additional information would be available for a section of the Eligible Equity Shareholders in any manner whatsoever including at presentations, in research or sales reports etc. after filing of this Letter of Offer with the SEBI.

No dealer, salesperson or other person is authorized to give any information or to represent anything not contained in this Letter of Offer. You must not rely on any unauthorized information or representations. This Letter of Offer is an offer to sell only the Rights Equity Shares and rights to purchase the Rights Equity Shares offered hereby, but only under circumstances and in jurisdictions where it is lawful to do so. The information contained in this Letter of Offer is current only as of its date.

Applicants will be required to confirm and will be deemed to have represented to our Company and the Lead Manager and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Rights Equity Shares and that they shall not issue, sell, pledge or transfer their Rights Entitlement or Rights Equity Shares to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire the Rights Equity Shares. Our Company, the Lead Manager 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 any Rights Equity Shares.

The Lead Manager and its affiliates may engage in transactions with, and perform services for, our Company and our group entities or affiliates in the ordinary course of business and have engaged, or may in the future engage, in transactions with our Company and our group entities or affiliates, for which they have received, and may in the future receive, compensation.

Disclaimer with respect to jurisdiction

This Letter of Offer has been prepared under the provisions of Indian Laws and the applicable rules and regulations thereunder. Any disputes arising out of this Issue will be subject to the jurisdiction of the appropriate court(s) in Chennai, India only.

Selling Restrictions

The distribution of this Letter of Offer and the issue of our Rights Equity Shares on a rights basis to persons in certain jurisdictions outside India may be restricted by legal requirements prevailing in those jurisdictions. Persons into whose possession this Letter of Offer may come are required to inform themselves about and observe such restrictions. Our Company is making this Issue of Rights Equity Shares to its Eligible Equity Shareholders and will dispatch the Letter of Offer and Composite Application Form (“CAF”) to the shareholders who have an Indian address.

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

Neither the delivery of this Letter of Offer nor any sale hereunder, shall under any circumstances create any implication that there has been no change in our Company’s affairs from the date hereof or that the information contained herein is correct as at any time subsequent to this date.

Designated Stock Exchange

The Designated Stock Exchange for the purposes of this Issue will be the BSE.

Disclaimer Clause of the BSE

BSE Limited ("**the Exchange**") has given vide its letter dated October 18, 2016, permission to this Company to use the Exchange's name in this Letter of Offer as one of the stock exchanges on which this Company's securities are proposed to be listed. The Exchange has scrutinized this letter of offer for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Company. The Exchange does not in any manner:

- i. Warrant, certify or endorse the correctness or completeness of any of the contents of this letter of offer; or
- ii. Warrant that this Company's securities will be listed or will continue to be listed on the Exchange; or
- iii. Take any responsibility for the financial or other soundness of this Company, its promoters, its management or any scheme or project of this Company;

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

Filing with SEBI

The Draft Letter of Offer was filed with the Corporation Finance Department of the SEBI, located at Chennai, India for its observations. Pursuant to the observations received from SEBI, this Letter of Offer is being filed with the Designated Stock Exchange as per the provisions of the Companies Act.

Impersonation

As a matter of abundant caution, attention of the Investors is specifically drawn to the provisions of sub-Section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

“Any person who makes in a fictitious name an application to a company for acquiring, or subscribing for, any shares therein, or otherwise induces a company to allot, or register any transfer of shares therein to him, or any other person in a fictitious name, shall be punishable with imprisonment for a term which may extend to five years”

Issue Related Expenses

The total expenses of the Issue are estimated to be approximately Rs. 191.5 lakhs. The expenses of the Issue include, among others, fees of the Lead Manager, fees of the Registrar to the Issue, fees of the other advisors, Banker(s) to the Issue, printing and stationery expenses, advertising, travelling and marketing expenses and other expenses.

The estimated Issue expenses are as under:

Particulars	Estimated Expenses (Rs. in Lakhs)	% of Estimated Issue size	% of Estimated Issue expenses
Fees to Intermediaries (Lead Manager, legal counsel, Registrar to the Issue, Bankers to the Issue)	121.50	2%	63%
Advertising, traveling and marketing expenses	30.00	1%	16%
Printing, postage and stationery expenses	10.00	0%	5%
Miscellaneous and other expenses	30.00	1%	16%
Total estimated Issue expenses	191.50	4%	100%

Listing on the Stock Exchange

The existing Equity Shares of our Company are listed on the BSE. We have made an application to the BSE for obtaining ‘in-principle’ approval in respect of the Rights Issue Equity Shares, and have received the same from the BSE by way of its letter dated October 18, 2016. We will apply to the BSE for listing and trading approvals in respect of the Rights Issue Equity Shares.

If the permission to deal in and for an official quotation of the securities is not granted by the BSE, we shall forthwith repay, without interest, all monies received from applicants in pursuance of the Letter of Offer.

We will issue and dispatch Allotment advice/ share certificates/demat credit and/or letters of regret along with refund order or credit the Allotted Rights Equity Shares to the respective beneficiary accounts, if any, within a period of 15 (fifteen) days from the Issue Closing Date.

If such money is not repaid becomes liable to repay it, i.e., the date of refusal of an application for such a permission from a Stock Exchange, or on expiry of 15 (fifteen) days from the Issue Closing Date in case no permission is granted, whichever is earlier, then our Company and every Director who is an officer in default shall, on and from such expiry of eight days, be liable to repay the money, with interest as per applicable law.

Important

- This Issue is made to only Eligible Equity Shareholders as per the list to be furnished by the Depositories in respect of the Equity Shares held in the electronic form and as appearing in the register of members of our Company in respect of Equity Shares held in the physical form, at the close of business hours on the Record Date i.e. January 17, 2017, after giving effect to the valid share transfers lodged with our Company up to the Record Date.
- Your attention is drawn to the section titled “Risk Factors” on page 11 of this LOF.
- Please ensure that you have received the CAF with the Abridged Letter of Offer.
- Please read the Letter of Offer, the Abridged Letter of Offer, the CAF, and the instructions contained therein carefully before filling in the CAF. The instructions contained in the CAF are each an integral

part of the Letter of Offer and must be carefully followed. An application is liable to be rejected for any non-compliance of the provisions contained in the Letter of Offer, the Abridged Letter of Offer or the CAF.

- All enquiries in connection with the Letter of Offer, the Abridged Letter of Offer or the CAF should be addressed to the Registrar to the Issue, quoting the registered folio number/ DP and Client ID number and the CAF numbers as mentioned in the CAF.
- All information shall be made available to the Investors by the Lead Manager and the Issuer, and no selective or additional information would be available by them for any section of the Investors in any manner whatsoever including at road shows, presentations, in research or sales reports.
- The Lead Manager and our Company shall update the Letter of Offer and keep the public informed of any material changes until the listing and trading commences.

Consents

Consents in writing of the Directors, the Statutory Auditors, the Lead Manager, the Legal Counsel to the Issue, the Legal Advisor to the Company, the Registrar to the Issue and the Banker(s) to the Issue to act in their respective capacities have been obtained and such consents have not been withdrawn up to the date of this Letter of Offer.

R.G.N. Price & Co., Chartered Accountants, our Statutory Auditors, have given their written consent for the inclusion of their report appearing in this Letter of Offer and such consent and report have not been withdrawn up to the date of this Letter of Offer.

Issue Schedule

Issue Opening Date:	January 23, 2017
Last date for receiving requests for SAFs:	January 30, 2017
Issue Closing Date:	February 6, 2017

The Board may however decide to extend the Issue period as it may determine from time to time but not exceeding 30 (thirty) days from the Issue Opening Date.

Investor Grievances and Redressal System

Our Company has adequate arrangements for the redressal of investor complaints. Redressal norm for response time for all correspondence including shareholders complaints is within 15 (fifteen) days. Additionally, we have been registered with the SEBI Complaints Redress System, (“SCORES”), as required by the SEBI Circular no. CIR/ OIAE/ 2/ 2011 dated June 3, 2011. Letters are filed category wise after being attended to. A well-arranged correspondence system has been developed for letters of a routine nature.

Our Company has a Stakeholders’ Relationship Committee which meets as and when required, to deal with and monitor redressal of complaints from shareholders. BTS Consultancy Services Private Limited is our Registrar and Share Transfer Agent. All investor grievances received by us have been handled by the Registrar and Share Transfer Agent in consultation with the Compliance Officer.

Investor Grievances arising out of the Issue

Any investor grievances arising out of the Issue will be handled by the Registrar to the Issue. The agreement between the Company and the Registrar provides for a period for which records shall be retained by the Registrar in order to enable the Registrar to redress grievances of Investors.

All grievances relating to the Issue may be addressed to the Registrar to the Issue or the SCSB in case of ASBA Applicants giving full details such as Folio No. / Demat Account No., name and address, contact telephone/ cell numbers, email id of the first Applicant, number of Rights Equity Shares applied for, CAF serial number, amount paid on application and the name of the bank/ SCSB and the branch where the CAF was deposited, along with a photocopy of the acknowledgement slip. In case of renunciation, the same details of the Renouncee should be furnished.

The Company is registered with the SEBI Complaints Redress System ("SCORES") as required by the SEBI Circular no. CIR/ OIAE/ 2/ 2011 dated June 3, 2011. Consequently, investor grievances are tracked online by the Company.

The average time taken by the Registrar to the Issue for attending to routine grievances will be within 30 (thirty) days from the date of receipt. In case of non-routine grievances where verification at other agencies is involved, it would be the endeavour of the Registrar to the Issue to attend to them as expeditiously as possible. We undertake to resolve the investor grievances in a time bound manner.

Investors may contact the Registrar to the Issue at:

Registrar to the Issue

Link Intime Private Limited

C 13 Pannalal Silkmills Compound,
L B S Marg,
Bhandup (West),
Mumbai - 400078
Mahashtra

Contact Person: Dinesh Yadav

Tele: +91 22 6171 5400

Fax: +91 22 2596 0329

Email: iprl.rights@linkintime.co.in

Website: www.linkintime.co.in

Investor Grievance ID: iprl.rights@linkintime.co.in

SEBI Registration No.: INR000004058

Investors may contact the Compliance Officer and/or Registrar to the Issue in case of any pre-Issue/ post-Issue related problems such as non-receipt of Allotment advice/share certificates/demat credit/refund orders etc.

Company Secretary and Compliance Officer

Mrs. S Priyamvatha

D 11/12, Industrial Estate,
Maraimalai Nagar – 603 209,
Tamil Nadu, India

Tel: 044-27452853

Fax: 044-27452560

Email: ps@iprings.com

Status of outstanding investor complaints

As on the date of this LOF, there were no outstanding investor complaints.

Changes in statutory auditors during the last three years

There has been no change in the statutory auditors of the Company during last three years.

Minimum Subscription

If our Company does not receive the minimum subscription of 90% of the Issue, or the subscription level falls below 90%, after the Issue Closing Date on account of cheques being returned unpaid or withdrawal of applications, our Company shall refund the entire subscription amount received within 15 (fifteen) days from the Issue Closing Date. In the event that there is a delay of making refunds beyond such period as prescribed by applicable laws, our Company shall pay interest for the delayed period at rates prescribed under applicable laws. The above is subject to the terms mentioned under the section titled '*Terms of the Issue - Basis of Allotment*' on page 148 of this LOF.

SECTION VII – OFFERING INFORMATION

TERMS OF THE ISSUE

This Section applies to all Investors. ASBA Investors should note that the ASBA process involves procedures that may be different from that applicable to other Investors and should carefully read the provisions applicable to such Applications, in the Letter of Offer, the Abridged Letter of Offer and the CAF, before submitting an Application Form. The Company and the Lead Manager are not liable for any amendments, modifications or changes in applicable law which may occur after the date of the Letter of Offer.

OVERVIEW

The Equity Shares proposed to be issued on a rights basis, are subject to the terms and conditions contained in the Draft Letter of Offer, this Letter of Offer, the Abridged Letter of Offer, the CAF enclosed with the Letter of Offer, the SAF, the Memorandum and Articles of Association of our Company, the provisions of the Companies Act, FEMA, the ICDR Regulations, the Listing Regulations, any other regulations, guidelines, notifications and regulations for issue of capital and for listing of securities issued by the SEBI, the RBI, the Government of India and/or other statutory and regulatory authorities and bodies from time to time, and the terms and conditions as stipulated in the Allotment advice or letters of Allotment or share certificate and rules as may be applicable and introduced from time to time.

The Rights Entitlement on the Equity Shares, the ownership of which is currently under dispute under and including any court proceedings and / or currently under transmission or are held in a demat suspense account pursuant to the Regulation 39 of the Listing Regulation and for which our Company has withheld the dividend, shall be held in abeyance and the CAFs in relation to these Rights Entitlement shall not be dispatched pending resolution of the dispute / completion of the transmission or pending the release of Equity Shares from demat suspense account. On submission of such documents / records confirming the legal and beneficial ownership of the Equity Shares with regard to these cases, to the satisfaction of the Issuer, the Issuer shall make available the Rights Entitlement on such Equity Shares to the identified Eligible Equity Shareholder. The identified Eligible Equity Shareholder shall be entitled to subscribe to the Rights Equity Shares with respect to these Rights Entitlement at the Issue Price of Rs. 88.75 per Rights Equity Share as adjusted for any bonus shares, consolidation or spilt of shares (as may be applicable) in accordance with the provisions of the Companies Act, 2013 and all other applicable laws.

Renounees

All rights and obligations of the Eligible Equity Shareholders in relation to Applications and refunds pertaining to the Issue shall apply to Renounee(s) as well.

The ASBA Facility

Please note that, in terms of SEBI circular CIR/CFD/DIL/1/2011 dated April 29, 2011, QIBs, Non-Institutional Investors (including all companies and bodies corporate) and other investors whose application amount exceeds Rs. 200,000 can participate in the Issue only through the ASBA process, subject to them complying with the requirements of SEBI circular dated December 30, 2009. Further, all QIBs and Non-Institutional Investors are mandatorily required to use the ASBA facility, even if application amount does not exceed Rs. 200,000. The Investors who are (i) not QIBs; (ii) not Non-Institutional Investors; or (iii) investors whose application amount is not more than Rs. 200,000, can participate in the Issue either through the ASBA process or the non ASBA process.

Accordingly, an eligible ASBA Investor is an Investor who:

- holds the Equity Shares in dematerialised form as on the Record Date and has applied towards
- his/her Rights Entitlements or additional Rights Equity Shares in the Issue in dematerialised form;
- has not renounced his/her Rights Entitlements in full or in part;
- is not a Renounee; and
- applies through a bank account maintained with one of the SCSBs.

Please note that subject to SCSBs complying with the requirements of SEBI Circular No. CIR/CFD/DIL/13/2012 dated September 25, 2012 within the periods stipulated therein, ASBA Applications may be submitted at all branches of the SCSBs.

Notwithstanding anything contained hereinabove, all Renounees (including Renounees who are Individuals) shall apply in the Issue only through the non-ASBA process.

Retail Individual Investors may optionally apply through the ASBA process, provided that they are eligible ASBA Investors.

Further, in terms of the SEBI circular no. CIR/CFD/DIL/1/2013 dated January 2, 2013, it is clarified that for making applications by banks on own account using ASBA facility, SCSBs should have a separate account in their own name with any other SEBI registered SCSB(s). Such account shall be used solely for the purpose of making application in public issues/ rights issues and clear demarcated funds should be available in such account for ASBA applications. SCSBs applying in the Issue using the ASBA facility shall be responsible for ensuring that they have a separate account in their own name with any other SCSB having clear demarcated funds for applying in the Issue and that such separate account shall be used as the ASBA Account for the application, for ensuring compliance with the applicable regulations.

Authority for the Issue

The Issue has been authorised by a resolution of our Board passed at its meetings held on May 5, 2016 pursuant to Section 62(1)(a) of the Companies Act, 2013.

Basis for the Issue

The Rights Equity Shares are being offered for subscription for cash to those existing Eligible Equity Shareholders of our Company whose names appear, (i) as beneficial owners as per the list to be furnished by the Depositories in respect of the Equity Shares held in the electronic form, and (ii) on the register of members of our Company in respect of Equity Shares held in the physical form at the close of business hours on the Record Date, i.e., January 17, 2017, fixed in consultation with the Stock Exchange. The basis of allotment for the Rights Equity Shares shall be fixed in consultation with the Stock Exchange.

Ranking of Rights Equity Shares

The Rights Equity Shares being issued shall be subject to the provisions of the Memorandum of Association and Articles of Association. The Rights Equity Shares shall rank *pari passu*, in all respects including dividend, with our existing Equity Shares.

Mode of Payment of Dividend

In the event of declaration of dividend, the Company shall pay dividend to the shareholders of the Company as per the provisions of the Companies Act and the provisions of the Articles of Association.

PRINCIPAL TERMS AND CONDITIONS OF THE ISSUE

Face Value

Each Rights Equity Share shall have the face value of Rs. 10 each.

Issue Price

Each Equity Share is being offered at a price of Rs. 88.75 (including a premium of Rs. 78.75 per Equity Share).

Terms of payment

Investors shall have to make full payment of Rs. 88.75 per Rights Equity Share at the time of making an application.

The payment towards Equity Shares offered will be applied as under:

- (a) Rs. 10 per Rights Equity Share towards Equity Share Capital; and
- (b) Rs. 78.75 per Rights Equity Share towards securities premium account of our Company.

A separate cheque/demand draft/pay order must accompany each application form.

All payments should be made by cheque/demand draft/pay order drawn on any bank, (including a cooperative bank), which is situated at and is a member or a sub-member of the bankers clearing house located at the center where the CAF is accepted. Outstation cheques /money orders/postal orders will not be accepted and CAFs accompanied by such cheque/money orders/postal orders are liable to be rejected. The Registrar to the Issue will not accept any payments against applications, if such payments are made in cash.

Pursuant to the RBI Circular DBOD No. FSC BC 42/24.47.00/2003-04 dated November 5, 2003, the Stockinvest scheme has been withdrawn and accordingly, payment through Stockinvest will not be accepted in the Issue.

Where an applicant has applied for additional Rights Equity Shares and is allotted lesser number of Rights Equity Shares than applied for, the excess Application Money paid shall be refunded. The monies would be refunded within 15 (fifteen) days from the Issue Closing Date. In the event that there is a delay of making refunds beyond such period as prescribed by applicable laws, our Company shall pay interest for the delayed period at rates prescribed under applicable laws.

Rights Entitlement

As your name appears as a beneficial owner in respect of the Equity Shares held in the electronic form or appears in the register of members as an Eligible Equity Shareholder of our Company in respect of the Equity Shares held in physical form as on the Record Date, i.e., January 17, 2017, you are entitled to the number of Rights Equity Shares as set out in Part A of the CAFs.

Our Company is making this Issue on a rights basis to the Eligible Equity Shareholders of our Company and will dispatch the Letter of Offer/ Abridged Letter of Offer and CAFs only to Eligible Equity Shareholders who have a registered address in India. The distribution of this Letter of Offer/Abridged Letter of Offer and the issue of securities on a rights basis to persons in certain jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. Any person who acquires Rights Entitlements or the Rights Equity Shares will be deemed to have declared, warranted and agreed, by accepting the delivery of the Letter of Offer/Abridged Letter of Offer/CAF that such person is not and that at the time of subscribing for the Rights Equity Shares or the Rights Entitlements, will not be, in any restricted jurisdiction.

Rights Entitlement Ratio

The Rights Equity Shares are being offered on a rights basis to Eligible Equity Shareholders in the ratio of 4 Rights Equity Shares for every 5 Equity Shares held on the Record Date.

As your name appears as a beneficial owner in respect of Equity Shares held in the electronic form or appears in the register of members as an equity shareholder of our Company as on the Record Date, you are entitled to the number of Rights Equity Shares as set out in Part A of the CAF enclosed with the Letter of Offer.

An Eligible Equity Shareholder who has neither received the original CAF nor is in a position to obtain the duplicate CAF may make an Application to subscribe to the Issue on plain paper. For further details, see the section titled “*Terms of the Issue – Application on Plain Paper*”.

Fractional Entitlements

For Rights Equity Shares being offered under this Issue, if the shareholding of any of the Eligible Equity Shareholders is less than 5 Equity Shares, the fractional entitlement of such Eligible Equity Shareholders shall be ignored. Eligible Equity Shareholders whose fractional Rights Entitlements are being ignored would be given preference in allotment of one additional Rights Equity Share each if they apply for additional Rights Equity Shares. For example, if an Eligible Equity Shareholder holds 6 Equity Shares, he will be entitled to 4 Rights

Equity Shares. He will also be given a preference for allotment of one additional Rights Equity Share if he has applied for the same. It is clarified that the additional Rights Equity Shares, required in connection with the aforementioned allotments would be adjusted from the unsubscribed portion of the Issue, if any.

Also, those Equity Shareholders holding less than 5 Equity Shares and therefore entitled to 'Zero' Equity Shares under this Issue shall be despatched a CAF with 'Zero' entitlement. Such Equity Shareholders are entitled to apply for additional Rights Equity Shares and would be given preference in the allotment of one additional Rights Equity Share if, such Equity Shareholders have applied for the additional Equity Shares. However, they cannot renounce the same to third parties. CAFs with zero entitlement shall be non-negotiable/ non – renounceable.

Listing and trading of the Rights Equity Shares proposed to be issued

Our Company's existing Equity Shares are currently traded on the BSE (scrip code 523638) under the ISIN INE558A01019. The fully paid up Rights Equity Shares proposed to be issued on a rights basis shall be listed and admitted for trading on the Stock Exchange under the existing ISIN for fully paid Equity Shares of our Company. All steps for completion of necessary formalities for listing and commencement of trading in the Equity Shares will be taken within seven working days from finalization of the basis of allotment. The Company has made applications to the Stock Exchange seeking 'in-principle' approval for the listing of the Rights Equity Shares pursuant to the Issue in accordance of the Listing Regulations and has received such approval from the BSE pursuant to letter no. DCS/RIGHT/ND/FIP/1367/2016-17 dated October 18, 2016. Our Company will apply to the BSE Limited for final approval for the listing and trading of the Rights Equity Shares. No assurance can be given regarding the active or sustained trading in the Rights Equity Shares or the price at which the Rights Equity Shares offered under the Issue will trade after the listing thereof.

Rights of the Equity Shareholder

Subject to applicable laws, Equity Shareholders shall have the following rights:

- Right to receive dividend, if declared;
- Right to attend general meetings and exercise voting powers, unless prohibited by law;
- Right to vote either in person or by proxy;
- Right to receive offers for rights equity shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation;
- Right of free transferability of shares; and
- Such other rights, as may be available to a shareholder of a listed public company under the Companies Act and the Memorandum and Articles of Association.

GENERAL TERMS OF THE ISSUE

Market Lot

The Equity Shares are tradable only in dematerialised form. The market lot for the Equity Shares in dematerialised mode is one Equity Share.

Joint-Holders

Where two or more persons are registered as the holders of any Equity Shares they shall be deemed to hold the same as joint holders with the benefit of survivorship subject to the provisions contained in the Articles of Association of our Company. In case of joint holders, the CAF would be required to be signed by all the joint holders to be considered as valid for allotment of Rights Equity Shares.

In case such Eligible Equity Shareholders who are joint holders wish to renounce their Rights Entitlement, all such Eligible Equity Shareholders who are joint holders would be required to sign Part B of the CAF. In absence of signatures of all joint holders, the CAF would be liable for rejection.

Nomination

In terms of Section 72 of the Companies Act, 2013 nomination facility is available for Rights Equity Shares. An Eligible Equity Shareholder can nominate any person by filling the relevant details in the CAF in the space provided for this purpose. In case of Eligible Equity Shareholders who are individuals, a sole Eligible Equity Shareholder or the first named Eligible Equity Shareholder, along with other joint Eligible Equity Shareholders, if any, may nominate any person(s) who, in the event of the death of the sole holder or all the joint-holders, as the case may be, shall become entitled to the Rights Equity Shares. A person, being a nominee, becoming entitled to the Rights Equity Shares by reason of the death of the original Eligible Equity Shareholder(s), shall be entitled to the same advantages to which he would be entitled if he were the registered holder of the Rights Equity Shares. Where the nominee is a minor, the Eligible Equity Shareholder(s) may also make a nomination to appoint, in the prescribed manner, any person to become entitled to the Rights Equity Shares, in the event of death of the said holder(s), during the minority of the nominee. A nomination shall stand rescinded upon the sale of the Rights Equity Shares by the person nominating. A transferee will be entitled to make a fresh nomination in the manner prescribed. When the Rights Equity Shares are held by two or more persons, the nominee shall become entitled to receive the Rights Equity Shares only on the demise of all the holders. Fresh nominations can be made only in the prescribed form available on request at the Registered Office of our Company or such other person at such addresses as may be notified by our Company. An Eligible Equity Shareholder can make the nomination by filling in the relevant portion of the CAF.

In terms of Section 72 of the Companies Act, 2013 any person who becomes a nominee by virtue of the provisions of Section 72 of the Companies Act, 2013 shall upon the production of such evidence as may be required by the Board, elect either:

- to register himself or herself as the holder of the Equity Shares; or
- to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of 90 (Ninety) 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.

Only one nomination would be applicable for one folio. Hence, in case the Eligible Equity Shareholder(s) has already registered the nomination with our Company, no further nomination needs to be made for Rights Equity Shares that may be allotted in this Issue under the same folio.

In case the Allotment of Equity Shares is in dematerialised form, there is no need to make a separate nomination for the Equity Shares to be allotted in the Issue. Nominations registered with respective Depository Participant of the applicant would prevail. If the applicant requires changing the nomination, they are requested to inform their respective Depository Participant.

Subscription by our Promoter and Promoter Group

Our Promoter and Promoter Group have confirmed that they intend to, either through themselves or through other members of the Promoter and Promoter Group, subscribe to the full extent of their Rights Entitlement, in compliance with Regulation 10(4) of Takeover Regulations. Our Promoter and Promoter Group have also confirmed that they intend to (i) subscribe to additional Rights Equity Shares, and (ii) subscribe for unsubscribed portion in the Issue, if any.

Such subscription to additional Rights Equity Shares and the unsubscribed portion, if any, shall be in accordance with Regulation 10(4) of Takeover Regulations, subject to their shareholding not exceeding 75% of the post-Issue Equity Share capital of the Company. Such subscription for Rights Equity Shares over and above their Rights Entitlement, if allotted, may result in an increase in their percentage shareholding. Any such acquisition of additional Rights Equity Shares of the Company shall not result in a change of control of the management of the Company in accordance with provisions of the Takeover Regulations and shall be exempt in terms of Regulation 10(4)(a) and 10(4)(b) of the Takeover Regulations.

Minimum Subscription

If our Company does not receive the minimum subscription of 90% of the Issue, our Company shall refund the entire subscription amount within the time prescribed by applicable laws. In the event that there is a delay of making refunds beyond such period as prescribed by applicable laws, our Company shall pay interest for the delayed period at rates prescribed under applicable laws.

Notices

All notices to the Eligible Equity Shareholders required to be given by our Company shall be published in one (1) English national daily newspaper with wide circulation, one (1) Hindi national daily newspaper with wide circulation and one (1) regional language newspaper with wide circulation at the place where our Registered Office is situated and/ or will be sent by ordinary post or registered post or speed post to the registered address of the Eligible Equity Shareholders in India as updated with the Depositories/ registered with the Registrar and Transfer Agent from time to time or the Indian address provided by the Eligible Equity Shareholders from time to time.

Offer to Non Resident Eligible Equity Shareholders/Investors

As per Regulation 6 of Notification No. FEMA 20/2000-RB dated May 3, 2000, the RBI has given general permission to Indian companies to issue rights equity shares to non-resident shareholders including additional securities. Applications received from NRIs and non-residents for allotment of Rights Equity Shares shall be inter alia, subject to the conditions imposed from time to time by the RBI under the FEMA in the matter of refund of Application Money, allotment of Rights Equity Shares and issue of letter of allotment. **The Abridged Letter of Offer and CAF shall be dispatched to non-resident Eligible Equity Shareholders at their Indian address only.** If an NR or NRI Investors has specific approval from RBI, in connection with his shareholding, he should enclose a copy of such approval with the Application Form. The Board may at its absolute discretion, agree to such terms and conditions as may be stipulated by RBI while approving the allotment of Rights Equity Shares. The Rights Equity Shares purchased by non-residents shall be subject to the same conditions including restrictions in regard to the repatriation as are applicable to the original shares against which Rights Equity Shares are issued on rights basis.

CAFs will be made available for eligible NRIs at our Registered Office and with the Registrar to the Issue.

In case of change of status of holders i.e. from Resident to Non-Resident, a new demat account must be opened.

DETAILS OF SEPARATE COLLECTING CENTRES FOR NON-RESIDENT APPLICATIONS SHALL BE PRINTED ON THE CAF

By virtue of Circular No. 14 dated September 16, 2003 issued by the RBI, OCBs have been derecognized as an eligible class of investors and the RBI has subsequently issued the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCBs)) Regulations, 2003. Accordingly, OCBs shall not be eligible to subscribe to the Equity Shares. The RBI has however clarified in its circular, A.P. (DIR Series) Circular No. 44, dated December 8, 2003 that OCBs which are incorporated and are not under the adverse notice of the RBI are permitted to undertake fresh investments as incorporated Non-Resident entities.

Arrangements for disposal of odd lots

The market lot for our Company's Equity Shares is one.

PROCEDURE FOR APPLICATION

How to Apply

The CAF will be printed in black ink for all Eligible Equity Shareholders. The CAF along with the Abridged Letter of Offer shall be dispatched through registered post or speed post at least three days before the Issue Opening Date. In case the original CAFs are not received by the Investor or is misplaced by the Investor, the Investor may request the Registrars to the Issue, for issue of a duplicate CAF, by furnishing the registered folio number, DP ID Number, Client ID Number and their full name and address. In case the signature of the Eligible

Equity Shareholder(s) does not match with the specimen registered with our Company, the application is liable to be rejected.

Neither the Company nor the Lead Manager nor the Registrar to the Issue shall be responsible for delay in the receipt of the CAF/duplicate CAF attributable to postal delays or if the CAF/duplicate CAF are misplaced in the transit. The request for a duplicate CAF should reach the Registrar to the Issue within seven days from the Issue Opening Date. Eligible Equity Shareholder(s) should note that those who are making the Application in such duplicate CAF should not utilize the original CAF for any purpose, including renunciation, even if the original CAF is received or found subsequently. If any Investor violates any of these requirements, they shall face the risk of rejection of both Applications.

Please note that, in terms of SEBI circular CIR/CFD/DIL/1/2011 dated April 29, 2011, QIBs, Non-Institutional Investors (including all companies and bodies corporate) and other investors whose application amount exceeds Rs. 200,000 can participate in the Issue only through the ASBA process, subject to them complying with the requirements of SEBI circular dated December 30, 2009. Further, all QIBs and Non-Institutional Investors are mandatorily required to use the ASBA facility, even if application amount does not exceed Rs. 200,000. The Investors who are (i) not QIBs; (ii) not Non-Institutional Investors; or (iii) investors whose application amount is not more than Rs. 200,000, can participate in the Issue either through the ASBA process or the non ASBA process.

Accordingly, an eligible ASBA Investor is an Investor who:

- holds the Equity Shares in dematerialised form as on the Record Date and has applied towards
- his/her Rights Entitlements or additional Rights Equity Shares in the Issue in dematerialised form;
- has not renounced his/her Rights Entitlements in full or in part;
- is not a Renouncee; and
- applies through a bank account maintained with one of the SCSBs.

Notwithstanding anything contained hereinabove, all Renouncees (including Renouncees who are Individuals) shall apply in the Issue only through the non-ASBA process.

Retail Individual Investors may optionally apply through the ASBA process, provided that they are eligible ASBA Investors.

The CAF consists of four parts:

- Part A: Form for accepting the Rights Equity Shares offered as a part of this Issue, in full or in part, and for applying for additional Rights Equity Shares;
- Part B: Form for renunciation of Rights Equity Shares;
- Part C: Form for application of Rights Equity Shares by Renouncee(s); and
- Part D: Form for request for SAFs.

Please note that neither the Company nor the Registrar to the Issue, shall be responsible for any delay in the receipt of the CAF/duplicate CAF which is attributable to postal delays or if the CAF/duplicate CAF are misplaced in transit.

Options available to the Eligible Equity Shareholders

The CAFs will clearly indicate the number of Rights Equity Shares that the Eligible Equity Shareholder is entitled to. If the Eligible Equity Shareholder applies for an investment in Equity Shares, then he can:

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

Additional Rights Equity Shares

You are eligible to apply for additional Rights Equity Shares over and above your Rights Entitlement, provided that you are eligible to apply under applicable law and have applied for all the Rights Equity Shares offered without renouncing them in whole or in part in favour of any other person(s). Renouncee(s), applying for all Rights Equity Shares renounced in their favour, can also apply for additional Rights Equity Shares in the Issue. Applications for additional Rights Equity Shares shall be considered and allotment shall be made at the sole discretion of the Board, subject to applicable sectoral caps, and in consultation if necessary with the Designated Stock Exchange and in the manner prescribed under the section titled “*Terms of the Issue – Basis of Allotment*” on page 148 of this LOF. If you desire to apply for additional Rights Equity Shares, please indicate your requirement in the place provided for additional Rights Equity Shares in Part A of the CAF. Where the number of additional Rights Equity Shares applied for exceeds the number available for Allotment, the Allotment would be made on a fair and equitable basis in consultation with the Designated Stock Exchange.

For Rights Equity Shares being offered under this Issue, if the shareholding of any of the Eligible Equity Shareholders is less than 5 Equity Shares, the fractional entitlement of such Eligible Equity Shareholders shall be ignored. Eligible Equity Shareholders whose fractional Rights Entitlements are being ignored would be given preference in allotment of one additional Rights Equity Share each if they apply for additional Rights Equity Shares. For further details please refer to the section titled “*Terms of the Issue – Basis of Allotment*” on page 148 of this LOF.

Applications by Overseas Corporate Bodies

By virtue of the Circular No. 14 dated September 16, 2003, issued by the RBI, Overseas Corporate Bodies (“OCBs”), have been derecognized as an eligible class of investors and the RBI has subsequently issued the Foreign Exchange Management (Withdrawal of General Permission to OCBs) Regulations, 2003. Accordingly, the existing Eligible Equity Shareholders of our Company who do not wish to subscribe to the Rights Equity Shares being offered but wish to renounce the same in favour of Renouncee shall not be able to renounce the same (whether for consideration or otherwise), in favour of OCB(s).

The RBI has however clarified in its circular, A.P. (DIR Series) Circular No. 44, dated December 8, 2003, that OCBs which are incorporated and are not and were not at any time subject to any adverse notice from the RBI, are permitted to undertake fresh investments as incorporated non-resident entities in terms of Regulation 5(1) of RBI Notification No.20/2000-RB dated May 3, 2000, under the foreign direct investment scheme with the prior approval of Government of India if the investment is through the government approval route and with the prior approval of RBI if the investment is through automatic route on case by case basis. Eligible Equity Shareholders renouncing their rights in favour of such OCBs may do so provided such Renouncee obtains a prior approval from the RBI. On submission of such RBI approval to our Company at our Registered Office, the OCB shall receive the Abridged Letter of Offer and the CAF.

Renunciation by and/or in favour of Non Residents

Any renunciation (i) from a resident Indian Eligible Equity Shareholder to a Non Resident, or (ii) from a Non Resident Eligible Equity Shareholder to a resident Indian, or (iii) from a Non Resident Eligible Equity Shareholder to a Non Resident, in light of the RBI Notification No. FEMA 20/2000-RB dated May 03, 2000, would not require approval from RBI, if such renunciation is made on the floor of the exchange, provided that in case of any renunciation from a resident Indian Equity Shareholder to a Non Resident, the offer price for the Rights Equity Shares should not be less than the price at which an offer is made to the resident Eligible Equity Shareholder. Any renunciation through a private arrangement would be subject to applicable pricing requirements prescribed by the RBI and/or seeking appropriate approvals from the RBI in this regard.

However, the right of renunciation is subject to the express condition that the Board shall be entitled, in its absolute discretion, to reject the request from the renouncees for the allotment of Rights Equity Shares without assigning any reason thereof.

Our Company applied to the RBI for seeking approval for renunciation of the Rights Entitlement by (a) an Equity Shareholder resident in India, in favour of any person resident outside India (other than OCBs); (b) an Equity Shareholder resident outside India (other than OCBs), in favour of any person resident in India; and (c) an Equity Shareholder resident outside India (other than OCBs), in favour of any other person resident outside India (other than OCBs).

Our Company has received the approval from RBI vide letter dated January 4, 2017, whereby the RBI has

conveyed its approval of rights entitlements renounced by, and to, persons/entities outside India/ resident in India subject to adherence of Regulation 6 of the FEMA 20/2000-RB dated May 3, 2000, as amended.

Applications not complying with conditions of the approval/ not accompanied by such approvals are liable to be rejected.

Procedure for renunciation

To renounce all the Rights Equity Shares offered to an Eligible Equity Shareholder in favour of one Renounee

If you wish to renounce the offer indicated in Part 'A', in whole, please complete Part 'B' of the CAF. In case of joint holding, all joint holders must sign Part 'B' of the CAF. The person in whose favour renunciation has been made should complete and sign Part 'C' of the CAF. In case of joint Renounees, all joint Renounees must sign Part 'C' of the CAF.

To renounce in part/ or renounce the whole to more than one person(s)

If you wish to either accept this offer in part and renounce the balance or renounce the entire offer under this Issue in favour of two or more Renounees, the CAF must be first split into requisite number of forms. Please indicate your requirement of Split Application Forms, ("SAFs"), in the space provided for this purpose in 'Part D' of the CAF and return the entire CAF to the Registrar to the Issue so as to reach them latest by the close of business hours on the last date of receiving requests for SAFs, i.e. January 30, 2017. On receipt of the required number of SAFs from the Registrar, the procedure as mentioned in paragraph above shall have to be followed. In case the signature of the Eligible Equity Shareholder(s), who has renounced the Rights Equity Shares, does not match with the specimen registered with our Company, the application is liable to be rejected.

Renounee(s)

The person(s) in whose favour the Rights Equity Shares are renounced should fill in and sign Part 'C' of the CAF and submit the entire CAF to any of the collection branches of the Bankers to the Issue as mentioned in the reverse of the CAF on or before the Issue Closing Date along with the Application Money in full. The Renounee cannot further renounce.

Change and/or introduction of additional holders

If you wish to apply for Rights Equity Shares jointly with any other person(s), not more than three, who is/are not already a joint holder with you, it shall amount to renunciation and the procedure as stated above for renunciation shall have to be followed. Even a change in the sequence of the name of joint holders shall amount to renunciation and the procedure, as stated above, shall have to be followed. However, this right of renunciation is subject to the express condition that the Board shall be entitled in its absolute discretion to reject the request for allotment from the Renounee(s) without assigning any reason thereof. All such applications will be treated as applications from Renounees and shall have to be made through the non-ASBA process only to be considered valid for allotment. Please also see section titled "*Terms of the Issue – Basis of Allotment*" on page 148 of this LOF.

How to Apply?

Resident Eligible Equity Shareholders

Applications should be made only on the CAF enclosed with the Letter of Offer. The CAF should be complete in all respects, as explained in the instructions indicated in the CAF. An Eligible Equity Shareholder who has neither received the original CAF nor is in a position to obtain the duplicate CAF may make an Application to subscribe to the Issue on plain paper. For further details, see the section titled "*Terms of the Issue – Application on Plain Paper*". Applications will not be accepted by the Lead Manager or by the Registrar to the Issue or by our Company at any offices, except in the case of postal Applications as per instructions given in this Letter of Offer. ASBA Investors shall be required to indicate either in (i) Part A of the CAF, or (ii) a plain paper Application, as to their desire to avail of the ASBA option of payment.

Non-Resident Eligible Equity Shareholders

Non Resident Indian applicants can obtain the CAF from the Registrar to the Issue.

Instructions for Options

The summary of options available to the Eligible Equity Shareholder is presented below. You may exercise any of the following options with regard to the Rights Equity Shares offered, by using the CAF as detailed herein:

#	Option Available	Action Required
1.	Accept whole or part of your Rights Entitlement without renouncing the balance	Fill in and sign Part A (<i>all joint holders must sign</i>)
2.	Accept your Rights Entitlement in full and apply for additional Rights Equity Shares	Fill in and sign Part A including 'Block III' relating to the acceptance of Rights Entitlement and 'Block IV' relating to additional Rights Equity Shares (<i>all joint holders must sign</i>)
3.	Accept a part of your Rights Entitlement and renounce the balance to one or more Renounee(s) OR Renounce your Rights Entitlement to all the Rights Equity Shares offered to you to more than one Renounee	Fill in and sign Part D (<i>all joint holders must sign</i>) requesting for Split Application Forms. Send the CAF to the Registrar to the Issue so as to reach them on or before the last date for the receipt of requests for Split Application Forms. Splitting will be permitted only once. On receipt of the Split Application Form take action as indicated below. a) For the Rights Equity Shares you wish to accept, if any, fill in and sign Part A. b) For the Rights Equity Shares you wish to renounce, fill in and sign Part B indicating the number of Rights Equity Shares renounced and hand it over to the Renounees. c) Each of the Renounees should fill in and sign Part C for the Rights Equity Shares accepted by them.
4.	Renounce your Rights Entitlement in full to one person (Joint Renounees are considered as one)	Fill in and sign Part B (all joint holders must sign) indicating the number of Rights Equity Shares renounced and hand it over to the Renounee. The Renounee must fill in and sign Part C (All joint Renounees must sign).
5.	Introduce a joint holder or change the sequence of joint holders.	This will be treated as a renunciation. Fill in and sign Part B and the Renounees must fill in and sign Part C.

Please note that:

- Options 3 – 5 will not be available to Eligible Equity Shareholders applying through the ASBA process.
- Part 'A' of the CAF must not be used by any person(s) other than the Eligible Equity Shareholders. If used, this will render the Application invalid.
- Request for SAF should be made for a minimum of one Rights Equity Share or, in multiples thereof and one SAF for the balance Rights Equity Shares, if any.
- Request by the Eligible Equity Shareholder(s) for the SAF should reach the Registrar to the Issue on or before January 30, 2017.
- Only the Eligible Equity Shareholders, to whom the Letter of Offer and/ or Abridged Letter of Offer has been addressed to and not the Renounee(s) shall be entitled to renounce and to apply for Split Application Forms. Forms once split cannot be split again.
- Split Application Forms will be sent to the Investor(s) by post at the Applicant's risk.

- While applying for or renouncing their Rights Entitlement, joint Eligible Equity Shareholders must sign the CAF in the same order and as per specimen signatures recorded with our Company/ the Depositories.
- Eligible Equity Shareholders may not renounce in favour of persons or entities who would otherwise be prohibited from being offered or subscribing for Rights Equity Shares or Rights Entitlement under applicable securities laws.
- In the case of a renunciation, the submission of the CAF to the Banker to the Issue at the collecting branches specified on the reverse of the CAF together with Part B of the CAF duly completed shall be conclusive evidence of the right of the person applying for the Rights Equity Shares to receive allotment of such Rights Equity Shares.
- *Non-resident Eligible Equity Shareholders:* Application(s) received from Non-Resident/ NRIs, or persons of Indian origin residing abroad for allotment of Rights Equity Shares allotted as a part of this Issue shall, inter alia, be subject to conditions, as may be imposed from time to time by the RBI under FEMA in the matter of refund of Application Money, allotment of Equity Shares, subsequent issue and allotment of Equity Shares, interest, export of share certificates, etc. In case a Non-Resident or NRI Eligible Equity Shareholder has specific approval from the RBI, in connection with his shareholding, he should enclose a copy of such approval with the CAF.
- Applicants must write their CAF number at the back of the cheque/demand draft.
- The RBI has mandated that CTS 2010 standard non-compliant cheques can be presented in clearing only in reduced frequency, specifically once a week, on Mondays of every week from November 2014 onwards. This would have an impact on timelines for the issuance of final certificates, hence the CAFs accompanied with non-CTS cheques could get rejected.

Availability of duplicate CAF

In case the original CAF is not received, or is misplaced by the Eligible Equity Shareholder, the Registrar to the Issue will issue a duplicate CAF on the request of the Investor who should furnish the registered folio number/ DP and Client ID number and his/ her full name and address to the Registrar to the Issue. Please note that the request for duplicate CAF should reach the Registrar to the Issue within 7 (seven) days prior to the Issue Closing Date. Please note that those who are making the application in the duplicate form should not utilize the original CAF for any purpose including renunciation, even if it is received/ found subsequently. If the Investor violates such requirements, he/she shall face the risk of rejection of either original CAF or both the applications. Our Company or the Registrar to the Issue or the Lead Manager will not be responsible for postal delays or loss of duplicate CAF in transit, if any.

Application on Plain Paper

An Eligible Equity Shareholder who has neither received the original CAF nor is in a position to obtain the duplicate CAF may make an application to subscribe to the Issue on plain paper, along with demand draft / cheque/pay order payable at Mumbai, which should be drawn in favour of “*IP Rings Limited - Rights Issue - R*” in case of resident shareholders/Investors and shareholders/Investors applying on non-repatriable basis or “*IP Rings Limited - Rights Issue - NR*” in case of non-resident shareholders applying on repatriable basis and the Eligible Equity Shareholders should send the same by registered post / speed post directly to the Registrar to the Issue. The envelope should be superscribed “*IP Rings Limited - Rights Issue - R*” in case of resident shareholders/Investors or shareholders/Investors applying on non-repatriable basis or “*IP Rings Limited - Rights Issue - NR*” in case of non-resident shareholders/Investors applying on repatriable basis and should be postmarked in India.

The application on plain paper, duly signed by the Investors including joint holders, in the same order as per specimen recorded with our Company/Depositories, must reach the office of the Registrar to the Issue before the Issue Closing Date and should contain the following particulars:

- Name of the Company, being IP Rings Limited;
- Name and address of the Eligible Equity Shareholder including joint holders;
- Registered Folio Number/ DP and Client ID No.;

- Number of Equity Shares held as on Record Date;
- Share certificate numbers and distinctive numbers of Equity Shares, if held in physical form;
- Allotment option preferred - physical or demat form, if held in physical form;
- Number of Rights Equity Shares entitled to;
- Number of Rights Equity Shares applied for;
- Number of additional Rights Equity Shares applied for, if any;
- Total number of Rights Equity Shares applied for;
- Total amount paid at the rate of Rs. 88.75 per Rights Equity Share;
- Particulars of cheque/demand draft/pay order;
- In case of Equity Shares allotted in physical form, Savings/Current Account Number and name and address of the bank where the Eligible Equity Shareholder will be depositing the refund order. In case of Equity Shares held in dematerialized form, the Registrar shall obtain the bank account details from the information available with the Depositories;
- Except for applications on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts, PAN of the Eligible Equity Shareholder and for each Eligible Equity Shareholder in case of joint names, irrespective of the total value of the Rights Equity Shares applied for pursuant to the Issue;
- If the payment is made by a draft purchased from NRE/FCNR/NRO account, as the case may be, an account debit certificate from the bank issuing the draft confirming that the draft has been issued by debiting the NRE/FCNR/NRO account;
- Signature of the Applicant (in case of joint holders, to appear in the same sequence and order as they appear in the records of our Company/Depositories); and
- Additionally, all such Applicants are deemed to have accepted the following:

"I/ We understand that neither the Rights Entitlement nor the Rights Equity Shares have been, and will be, registered under the United States Securities Act of 1933 (the "**US Securities Act**") or any United States state securities laws, and may not be offered, sold, resold or otherwise transferred within the United States or to the territories or possessions thereof (the "**United States**") or to or for the account or benefit of a "U.S. Person" as defined in Regulation S of the US Securities Act ("**Regulation S**"). I/ we understand the Rights Equity Shares referred to in this application are being offered in India but not in the United States.

I/ we understand the offering to which this application relates is not, and under no circumstances is to be construed as, an offering of any Rights Equity Shares or Rights Entitlement for sale in the United States, or as a solicitation therein of an offer to buy any of the said Rights Equity Shares or Rights Entitlement in the United States. Accordingly, I/ we understand this application should not be forwarded to or transmitted in or to the United States at any time. I/ we understand that none of us, the Registrar, the Lead Manager or any other person acting on behalf of us will accept subscriptions from any person, or the agent of any person, who appears to be, or who, we, the Registrar, the Lead Manager or any other person acting on behalf of us have reason to believe is ineligible to participate in the Issue under the securities laws of their jurisdiction.

I/ We will not offer, sell or otherwise transfer any of the Rights Equity Shares which may be acquired by us in any jurisdiction or under any circumstances in which such offer or sale is not authorized or to any person to whom it is unlawful to make such offer, sale or invitation except under circumstances that will result in compliance with any applicable laws or regulations. We satisfy, and each account for which we are acting satisfies, all suitability standards for investors in investments of the type subscribed for herein imposed by the jurisdiction of our residence."

Please note that Eligible Equity Shareholders who are making an application otherwise than on a CAF, (i.e., on plain paper as stated above on page 135 of this LOF), shall not be entitled to renounce their rights and should not utilize the CAF for any purpose, including renunciation, even if it is received subsequently. If the Eligible Equity Shareholder does not comply with any of these requirements, he/she shall face the risk of rejection of both the applications and the Application Money received shall be refunded. However, our Company and/or any Director of our Company or the Lead Manager will, notwithstanding anything to the contrary contained herein, not be liable to pay any interest whatsoever on the Application Money so refunded.

The Eligible Equity Shareholders are requested to strictly adhere to these instructions. Failure to do so could result in the application being rejected, with our Company, the Lead Manager and the Registrar to the Issue will not having any liability to such Eligible Equity Shareholders.

Option to receive Rights Equity Shares in Dematerialized Form

ELIGIBLE EQUITY SHAREHOLDERS UNDER THE ASBA PROCESS MAY PLEASE NOTE THAT THE RIGHTS EQUITY SHARES UNDER THE ASBA PROCESS CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO THE SAME DEPOSITORY ACCOUNT IN WHICH THE EQUITY SHARES ARE HELD BY SUCH ASBA APPLICANT ON THE RECORD DATE.

Last date of Application

The last date for submission of the duly filled in CAF or the plain paper Application is February 6, 2017. Our Board or any Committee thereof will have the right to extend the said date for such period as it may determine from time to time but not exceeding 30 (thirty) days from the Issue Opening Date.

If the CAF together with the amount payable is not received by the Banker to the Issue/Registrar to the Issue on or before the close of banking hours on the aforesaid last date or such date as may be extended by the Board/Committee of Directors, the invitation to offer contained in the Letter of Offer shall be deemed to have been declined and the Board/Committee of Directors shall be at liberty to dispose off the Rights Equity Shares hereby offered, as provided under the section titled "*Terms of the Issue - Basis of Allotment*" beginning on page 148 of this LOF.

Modes of Payment

In terms of the RBI circular (No. DPSS.CO.CHD.No./133/04.07.05/2013-14) dated July 16, 2013, non-CTS cheques will be processed in three CTS centres once a week from November 1, 2014 onwards. Investors are advised to use CTS cheques or use the ASBA facility to make payment. Investors are cautioned that CAFs accompanied by non-CTS cheques are liable to be rejected due to any delay in clearing beyond 6 (six) working days from the Issue Closing Date.

Mode of payment for Resident Investors

- Investors who are applying through CAF and residing at places where the bank collection centres have been opened for collecting applications, are requested to submit their applications at the corresponding collection centre together with cheque/demand draft drawn on any bank (including a co-operative bank), for the full application amount favouring "*IP Rings Limited - Rights Issue - R*" and marked 'A/c Payee only'.
- Investors who are applying through CAF and residing at places other than places where the bank collection centres have been opened for collecting applications, are requested to send their applications together with a cheque/demand draft of full amount favouring "*IP Rings Limited - Rights Issue - R*" and marked 'A/c Payee only' payable at Mumbai directly to the Registrar to the Issue by registered post so as to reach them on or before the Issue Closing Date. Our Company or the Registrar to the Issue will not be responsible for postal delays or loss of applications in transit, if any.
- Investors who are applying on plain paper, are requested to send their applications on plain paper together with a cheque/demand draft of full amount for the Rights Equity Shares favouring "*IP Rings Limited - Rights Issue - R*" and marked 'A/c Payee only' payable at Mumbai directly to the Registrar to the Issue by registered post so as to reach them on or before the Issue Closing Date. Our Company or the Registrar to the Issue will not be responsible for postal delays or loss of applications in transit, if any.

Mode of payment for Non-Resident Investors

Application with Repatriation Benefits

Investors who are Non-Resident Eligible Equity Shareholders and are applying on a repatriation basis, are required to submit the completed CAF or application on plain paper, as the case may be, along with the payment made through any of the following ways:

- a) By Indian Rupee drafts purchased from abroad and payable at Mumbai or funds remitted from abroad (submitted along with Foreign Inward Remittance Certificate).
- b) By Local cheques/demand drafts remitted through normal banking channels or out of funds held in Non-Resident External Account (NRE) or FCNR Account maintained with banks authorized to deal in foreign currency in India, along with documentary evidence in support of remittance.
- c) FPIs must remit funds from special non-resident rupee deposit account.
- d) For Eligible Equity Shareholders / Investors, applying through CAF, the CAF is to be sent at the bank collection centre specified in the CAF along with cheques/demand drafts in favour of “*IP Rings Limited - Rights Issue - NR*” and crossed ‘A/c Payee only’ for the amount payable.
- e) For Eligible Equity Shareholders / Investors, applying on a plain paper, the applications are to be directly sent to the Registrar to the Issue by registered post along with cheques/demand drafts in favour of “*IP Rings Limited - Rights Issue - NR*” payable at Mumbai and crossed ‘A/c Payee only’ for the amount payable so as to reach them on or before the Issue Closing Date.
- f) For Eligible Equity Shareholders/ Investors applying through CAF but not residing at places where the collection centre is located, shall send the CAF to the Registrar to the Issue by registered post along with cheques/demand drafts of the full amount in favour of “*IP Rings Limited - Rights Issue - NR*” payable at Mumbai and crossed ‘A/c Payee only’ for the amount payable so as to reach them on or before the Issue Closing Date.

A separate cheque or demand draft must accompany each application form. Investors may note that where payment is made by drafts purchased from NRE/FCNR accounts as the case may be, an Account Debit Certificate from the bank issuing the draft confirming that the draft has been issued by debiting the NRE/FCNR account should be enclosed with the CAF. In the absence of the above the application shall be considered incomplete and is liable to be rejected.

In the case of NRIs who remit their Application Money from funds held in FCNR/NRE Accounts, refunds and other disbursements, if any shall be credited to such account details of which should be furnished in the appropriate columns in the CAF. In the case of NRIs who remit their Application Money through Indian Rupee Drafts from abroad, refunds and other disbursements, if any will be made in U.S Dollars at the rate of exchange prevailing at such time subject to the permission of RBI. Our Company will not be liable for any loss on account of exchange rate fluctuation for converting the Rupee amount into U.S. Dollar or for collection charges charged by the Investor’s bankers.

Our Company or the Registrar to the Issue will not be responsible for postal delays or loss of application in transit, if any.

Payments through Non Resident Ordinary Account (NRO account) will not be permitted.

Application without repatriation benefits

For non-residents Eligible Equity Shareholders/Investors applying on a non-repatriation basis, in addition to the modes specified above, payment may also be made by way of cheque drawn on Non-Resident (Ordinary) Account maintained and can be deposited at the designated collection centres opened by our Company or Rupee Draft purchased out of NRO Account maintained elsewhere in India but payable at Mumbai. In such cases, the allotment of Rights Equity Shares will be on non-repatriation basis.

For Non Resident Equity Shareholders/ Investors, applying through CAF, the CAF is to be sent at the bank collection centre specified in the CAF along with cheques/demand drafts drawn for the full amount after deducting bank and postal charges in favour of “*IP Rings Limited - Rights Issue - R*” and crossed ‘A/c Payee only’ for the amount payable.

For Non Resident Eligible Equity Shareholders/ Investors, applying on a plain paper, the applications are to be directly sent to the Registrar to the Issue by registered post along with cheques/demand drafts drawn in favour of “*IP Rings Limited - Rights Issue - R*” payable at Mumbai to be confirmed for so as to reach them on or before the Issue Closing Date.

For Non Resident Eligible Equity Shareholders/ Investors applying through CAF but not residing at places where the collection centre is located, shall send the CAF to the Registrar to the Issue by registered post along with cheques/demand drafts of an amount in favour of “*IP Rings Limited - Rights Issue - R*” payable at Mumbai for the amount payable so as to reach them on or before the Issue Closing Date.

If the payment is made by a draft purchased from an NRO account, an Account Debit Certificate from the bank issuing the draft, confirming that the draft has been issued by debiting the NRO account, should be enclosed with the CAF. In the absence of the above, the application shall be considered incomplete and is liable to be rejected.

New dematerialised accounts must be opened for Eligible Equity Shareholders who have had that change in status from resident Indian to NRI. Our Company or the Registrar to the Issue will not be responsible for postal delays or loss of application in transit, if any, on this account and applications received through mail after closure of the Issue are liable to be rejected. Applications through mails should not be sent in any other manner except as mentioned above.

The CAF along with the Application Money must not be sent to our Company or the Lead Manager. Investors are requested to strictly adhere to these instructions. Renounees who are NRIs/FPIs/Non-Resident should submit their respective applications either by hand delivery or by registered post / speed post with acknowledgement due to the Registrar to the Issue only along with the cheque/demand draft payable at Mumbai so that the same are received on or before the closure of the Issue.

General instructions for Non-ASBA Investors

1. Please read the instructions printed on the enclosed CAF carefully.
2. Applicants that are not QIBs or are not Non – Institutional Investor or those whose Application Money does not exceed Rs. 200,000 may participate in the Issue either through ASBA or the non-ASBA process. Eligible Equity Shareholders who have renounced their entitlement (in full or in part), Renounees and Applicants holding Equity Shares in physical form and/or subscribing in the Issue for Allotment in physical form may participate in the Issue only through the non ASBA process.
3. Application should be made on the printed CAF, provided by our Company or a plain paper Application and should be completed in all respects. The CAF found incomplete with regard to any of the particulars required to be given therein, and/ or which are not completed in conformity with the terms of this Letter of Offer are liable to be rejected and the money paid, if any, in respect thereof will be refunded without interest and after deduction of bank commission and other charges, if any. The CAF must be filled in English and the names of all the applicants, details of occupation, address, father’s/ husband’s name must be filled in block letters.
4. The CAF together with cheque/ demand draft should be sent to the Banker(s) to the Issue or to the Registrar to the Issue, and not to our Company, the Lead Manager. Resident applicants residing at places other than cities where the branches of the Banker(s) to the Issue have been authorised by our Company for collecting Applications, will have to make payment by crossed account payee cheques payable at Mumbai or demand drafts/ pay orders payable at Mumbai and marked “*IP Rights - Rights Issue - R.*” and send their CAFs to the Registrar to the Issue by registered post/ speed post. If any portion of the CAF is/ are detached or separated, such Application is liable to be rejected.
5. Each of the applicants should mention his/ her PAN allotted under the IT Act along with the Application for the purpose of verification of the number. Except in case of Applications on behalf of the Central or State Government and the officials appointed by the courts and by Investors residing in Sikkim, **CAFs without the PAN details will be considered incomplete and are liable to be rejected.**
6. Investors holding Equity Shares in physical form, are advised to provide information as to their savings/ current account number, the nine digit MICR number and the name of the bank, branch with whom such account is held in the CAF to enable the Registrar to the Issue to print the said details in the refund orders, if any, after the names of the payees. Applications not containing such details are liable to be rejected.
7. All payment should be made by cheques/ demand draft only. Cash payment is not acceptable. In case payment is effected in contravention of this, the Application may be deemed invalid and the Application Money will be refunded and no interest will be paid thereon.

8. Signatures should be either in English or Hindi or in any other language specified in the Eighth Schedule to the Constitution of India. Signatures other than in English or Hindi and thumb impression must be attested by a Notary Public or a Special Executive Magistrate under his/ her official seal. The Eligible Equity Shareholders must sign the CAF or the plain paper Application as per the specimen signature recorded with our Company.
9. In case of an Application under a power of attorney or by a body corporate or by a society, a certified true copy of the relevant power of attorney or relevant resolution or authority to the signatory to make the relevant investment under this Issue and to sign the Application and a certified true copy of the memorandum and articles of association and/ or bye-laws of such body corporate or society must be lodged with the Registrar to the Issue giving reference of the serial number of the CAF. In case these papers are sent to any other entity besides the Registrar to the Issue or are sent after the Issue Closing Date, then the Application is liable to be rejected.
10. In case of joint holders, all joint holders must sign the relevant part of the CAF in the same order and as per the specimen signature(s) recorded with our Company. Further, in case of joint applicants who are Renounees, the number of applicants should not exceed three. In case of joint applicants, reference, if any, will be made in the first applicant's name and all communication will be addressed to the first applicant.
11. Application(s) received from Non Residents/ NRIs, or persons of Indian origin residing abroad for Allotment of Rights Equity Shares shall, inter alia, be subject to conditions, as may be imposed from time to time by the RBI under FEMA in the matter of refund of Application Money, Allotment of Equity Shares, subsequent issue and Allotment of Equity Shares, interest, dispatch of share certificates, etc. In case a Non Resident Eligible Equity Shareholder has specific approval from the RBI, in connection with his shareholding, he should enclose a copy of such approval with the CAF.
12. All communication in connection with Application for the Rights Equity Shares, including any change in address of the Eligible Equity Shareholders should be addressed to the Registrar to the Issue prior to the Allotment Date quoting the name of the first/ sole applicant Eligible Equity Shareholder, folio numbers and CAF number. Please note that any intimation for change of address of Eligible Equity Shareholders, after the Allotment Date, should be sent to the Registrar and Share Transfer Agent, in the case of Equity Shares held in physical form and to the respective Depository Participant, in case of Equity Shares held in dematerialised form.
13. SAFs cannot be re-split.
14. Only the person or persons to whom Rights Equity Shares have been offered and not Renounee(s) shall be entitled to obtain Split Application Forms.
15. Applicants must write their CAF number at the back of the cheque/ demand draft.
16. A separate cheque/ demand draft must accompany each CAF. Outstation cheques/ demand drafts or post-dated cheques and postal/ money orders will not be accepted and Applications accompanied by such cheques/ demand drafts/ money orders or postal orders will be rejected. The Registrar will not accept payment against Application if made in cash. (For payment against Application in cash please refer point (f) above).
17. No receipt will be issued for Application Money received. The Banker(s) to the Issue/ Registrar to the Issue will acknowledge receipt of the same by stamping and returning the acknowledgment slip at the bottom of the CAF.
18. Our Company shall not allot and/ or register any Rights Equity Shares in favour of any person situated or subject to any jurisdiction where the offering in terms of this Letter of Offer could be illegal.
19. The distribution of this Letter of Offer and issue of Rights Equity Shares under the Issue and Rights Entitlements to persons in certain jurisdictions outside India may be restricted by legal requirements in those jurisdictions. Persons in the United States and such other jurisdictions are instructed to disregard the Letter of Offer and not to attempt to subscribe for the Rights Equity Shares.

Do's for non-ASBA Investors:

- a) Check if you are eligible to apply, i.e. you are an Eligible Equity Shareholder;
- b) Read all the instructions carefully and ensure that the cheque/demand draft option is selected in part A of the CAF and necessary details are filled in;
- c) In the event you hold Equity Shares in dematerialised form, ensure that the details about your DP and beneficiary account are correct and the beneficiary account is activated as the Rights Equity Shares will be allotted in the dematerialised form only;
- d) Ensure that your Indian address is available to our Company and the Registrar and Transfer Agent, in case you hold Equity Shares in physical form or the depository participant, in case you hold Equity Shares in dematerialised form;

- e) Ensure that the value of the cheque/demand draft submitted by you is equal to the (number of Rights Equity Shares applied for) X (Issue Price of Rights Equity Shares, as the case may be) before submission of the CAF;
- f) Ensure that you receive an acknowledgement from the collection centres of the collection bank for your submission of the CAF in physical form;
- g) Ensure that you mention your PAN allotted under the IT Act with the CAF, except for Applications on behalf of the Central and State Governments, residents of Sikkim and officials appointed by the courts;
- h) Ensure that the name(s) given in the CAF is exactly the same as the name(s) in which the beneficiary account is held with the DP. In case the CAF is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the CAF; and
- i) Ensure that the Demographic Details are updated, true and correct, in all respects.

Don'ts for non-ASBA Investors:

- a) Do not apply on duplicate CAF after you have submitted a CAF to a collection centre of the Banker(s) to the Issue;
- b) Do not pay the amount payable on Application in cash, by money order or by postal order;
- c) Do not submit the GIR number instead of the PAN as the Application is liable to be rejected on this ground;
- d) Do not submit an Application accompanied with Stockinvest; or
- e) Do not apply if you are not eligible to participate in the Issue under the securities laws applicable to your jurisdiction.

Please note that pursuant to the applicability of the directions issued by SEBI vide its circular bearing number CIR/CFD/DIL/1/2011 dated April 29, 2011, all Applicants that are QIBs, Non-Institutional Investors and Non Retail Individual Investors whose Application Money exceeds Rs. 2,00,000 can participate in the Issue only through the ASBA Process.

Grounds for Technical Rejections for non-ASBA Investors

Investors are advised to note that Applications are liable to be rejected on technical grounds, including the following:

- a) Amount paid does not tally with the Application Money payable;
- b) Bank account details (for refunds) are not given and the same are not available with the DP (in the case of Equity Shares held in dematerialised form) or the Registrar and Transfer Agent (in the case of Equity Shares held in physical form);
- c) Age of the first applicant not given (in case of Renounees);
- d) Except in case of Applications on behalf of the Central or State Government and the officials appointed by the courts and by Investors residing in Sikkim, PAN details not given;
- e) PAN in CAF not matching the PAN in the DP ID;
- f) In case of CAF under power of attorney or by limited companies, corporate, trust, etc., relevant documents are not submitted;
- g) If the signature of the existing shareholder does not match with the one given on the CAF and for Renounees if the signature does not match with the records available with their depositories;
- h) If the applicant desires to have Rights Equity Shares in electronic form, but the CAF does not have the applicant's depository account details;
- i) CAF is not submitted by the applicants within the time prescribed as per the CAF and this Letter of Offer;
- j) CAF not duly signed by the sole/ joint applicants;
- k) CAF by OCBs unless accompanied by specific/general approval from the RBI permitting such OCBs to invest in the Issue;
- l) CAF accompanied by Stockinvest/ outstation cheques/ post – dated cheques/ outstation money orders/ postal orders/ outstation demand drafts;
- m) CAFs that do not include the certifications set out in the CAF to the effect that, among other thing, the subscriber is not located in restricted jurisdictions and is authorized to acquire the Rights Entitlements and Rights Equity Shares under the Issue in compliance with all applicable laws and regulations;
- n) CAFs which have evidence of being executed in/dispatched from restricted jurisdictions;
- o) In case no corresponding record is available with the Depositories that matches three parameters, namely, names of the applicants (including the order of names of joint holders), the DP ID and the beneficiary's identity;

- p) CAFs by ineligible Non Residents (including on account of restriction or prohibition under applicable local laws) and where last available address in India has not been provided;
- q) Renounee Application either from R to NR, NR to R and NR to NR not accompanied by the RBI approvals (where required) are liable to be rejected
- r) Multiple CAFs, including where an applicant submits a CAF and a plain paper Application; and
- s) Duplicate Applications;
- t) In case the GIR number is submitted instead of the PAN;
- u) Applications by persons (including Renounees) not competent to contract under the Contract Act, 1872, as amended, except Application by minors having valid demat accounts as per the Demographic Details provided by the Depositories.
- v) Non-ASBA Applications made by QIBs and Non Institutional Investors who satisfy the ASBA Investor Eligibility Criteria.
- w) The Application by an Eligible Equity Shareholder whose cumulative value of Rights Equity Shares applied for is more than Rs. 200,000 and has not done so through the ASBA process.
- x) Submission of CAF to SCSBs.

Please read this Letter of Offer and the instructions contained therein and in the CAF carefully before filling in the CAF. The instructions contained in the CAF are an integral part of the Letter of Offer and must be carefully followed. The CAF is liable to be rejected for any non-compliance of the provisions contained in the Letter of Offer or the CAF.

Procedure for Application through the Applications Supported by Blocked Amount ("ASBA") Process

This section is for the information of the ASBA Investors proposing to subscribe to the Issue through the ASBA Process. The Company and the Lead Manager is not liable for any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of the Letter of Offer. Investors who are eligible to apply under the ASBA Process are advised to make their independent investigations and to ensure that the CAF is correctly filled up.

The Lead Manager, the Company, its directors, its employees, affiliates, associates and their respective directors and officers and the Registrar to the Issue shall not take any responsibility for acts, mistakes, errors, omissions and commissions etc. in relation to applications accepted by SCSBs, Applications uploaded by SCSBs, applications accepted but not uploaded by SCSBs or applications accepted and uploaded without blocking funds in the ASBA Accounts. It shall be presumed that for applications uploaded by SCSBs, the amount payable on application has been blocked in the relevant ASBA Account.

Please note that, in terms of SEBI circular CIR/CFD/DIL/1/2011 dated April 29, 2011, QIBs, Non-Institutional Investors (including all companies and bodies corporate) and other investors whose application amount exceeds Rs. 200,000 can participate in the Issue only through the ASBA process, subject to them complying with the requirements of SEBI circular dated December 30, 2009. Further, all QIBs and Non-Institutional Investors are mandatorily required to use the ASBA facility, even if application amount does not exceed Rs. 200,000.

Accordingly, an eligible ASBA Investor is an Investor who:

- holds the Equity Shares in dematerialised form as on the Record Date and has applied towards
- his/her Rights Entitlements or additional Rights Equity Shares in the Issue in dematerialised form;
- has not renounced his/her Rights Entitlements in full or in part;
- is not a Renounee; and
- applies through a bank account maintained with one of the SCSBs.

Retail Individual Investors may optionally apply through the ASBA process, provided that they are eligible ASBA Investors.

Further, in terms of the SEBI circular no. CIR/CFD/DIL/1/2013 dated January 2, 2013, it is clarified that for making applications by banks on own account using ASBA facility, SCSBs should have a separate account in their own name with any other SEBI registered SCSB(s). Such account shall be used solely for the purpose of making application in public issues/ rights issues and clear demarcated funds should be available in such account for ASBA applications. SCSBs applying in the Issue using the ASBA facility shall be responsible for ensuring that they have a separate account in their own name with any other SCSB having clear demarcated

funds for applying in the Issue and that such separate account shall be used as the ASBA Account for the application, for ensuring compliance with the applicable regulations.

The list of banks which have been notified by SEBI to act as SCSBs for the ASBA Process is provided on <http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries>. For details on Designated Branches of SCSBs collecting the CAF, please refer the above mentioned link.

CAF

The Registrar to the Issue will dispatch the CAF to all Eligible Equity Shareholders as per their Rights Entitlement on the Record Date for the Issue. Those Investors who wish to apply through the ASBA payment mechanism will have to select for this mechanism in Part A of the CAF and provide necessary details.

Investors desiring to use the ASBA Process are required to submit their applications by selecting the ASBA Option in Part A of the CAF only. Application in electronic mode will only be available with such SCSBs who provide such facility. The Investors shall submit the CAF to the Designated Branch of the SCSB for authorising such SCSB to block an amount equivalent to the amount payable on the application in the said ASBA Account.

More than one (1) ASBA Investor may apply using the same ASBA Account, provided that the SCSBs will not accept a total of more than five CAFs with respect to any single ASBA Account.

Acceptance of the Issue

You may accept the Issue and apply for the Rights Equity Shares either in full or in part, by filling Part A of the respective CAFs sent by the Registrar, selecting the ASBA process option in Part A of the CAF and submit the same to the Designated Branch of the SCSB before the close of the banking hours on or before the Issue Closing Date or such extended time as may be specified by the Board of Directors of the Company in this regard. Investors at centres not covered by the branches of the Banker to the Issue can send their CAFs together with the cheque drawn at par on a local bank at Mumbai or a demand draft payable at Mumbai to the Registrar to the Issue by registered post / speed post so as to reach the Registrar to the Issue prior to the Issue Closing Date. Please note that neither the Company nor the Lead Manager nor the Registrar to the Issue shall be responsible for delay in the receipt of the CAF attributable to postal delays or if the CAF is misplaced in transit. Such applications sent to anyone other than the Registrar to the Issue are liable to be rejected. For further details on the mode of payment, please see the headings “*Mode of Payment for Resident Equity Shareholders/ Investors*” and “*Mode of Payment for Non-Resident Equity Shareholders/ Investors*” on page 137 of this Letter of Offer.

Renunciation under the ASBA Process

ASBA Investors can neither be Renounees, nor can renounce their Rights Entitlement.

Mode of Payment

The Investor applying under the ASBA Process agrees to block the entire amount payable on application with the submission of the CAF, by authorizing the SCSB to block an amount, equivalent to the amount payable on application, in an ASBA Account.

After verifying that sufficient funds are available in the ASBA Account details of which are provided in the CAF, the SCSB shall block an amount equivalent to the amount payable on application mentioned in the CAF until it receives instructions from the Registrar to the Issue. Upon receipt of intimation from the Registrar to the Issue, the SCSBs shall transfer such amount as per the Registrar to the Issue’s instruction from the ASBA Account. This amount will be transferred in terms of the ICDR Regulations, into the separate bank account maintained by the Company for the purpose of the Issue. The balance amount remaining after the finalisation of the Basis of Allotment shall be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the Issue to the respective SCSB.

The Investor applying under the ASBA Process would be required to give instructions to the respective SCSBs to block the entire amount payable on their application at the time of the submission of the CAF.

The SCSB may reject the application at the time of acceptance of CAF if the ASBA Account, details of which have been provided by the Investor in the CAF does not have sufficient funds equivalent to the amount payable

on application mentioned in the CAF. Subsequent to the acceptance of the application by the SCSB, the Company would have a right to reject the application only on technical grounds.

Options available to the Eligible Equity Shareholders applying under the ASBA Process

The summary of options available to the Investors is presented below. You may exercise any of the following options with regard to the Rights Equity Shares, using the respective CAFs received from Registrar:

#	Option Available	Action Required
1.	Accept whole or part of your Rights Entitlement without renouncing the balance	Fill in and sign Part A (<i>all joint holders must sign</i>)
2.	Accept your Rights Entitlement in full and apply for additional Rights Equity Shares	Fill in and sign Part A including 'Block III' relating to the acceptance of Rights Entitlement and 'Block IV' relating to additional Rights Equity Shares (<i>all joint holders must sign</i>)

The Investors applying under the ASBA Process will need to select the ASBA option process in the CAF and provide required necessary details. However, in cases where this option is not selected, but the CAF is tendered to the Designated Branch of the SCSBs with the relevant details required under the ASBA process option and the SCSBs block the requisite amount, then that CAFs would be treated as if the Investor has selected to apply through the ASBA process option.

Application on Plain Paper

An Eligible Equity Shareholder who has neither received the original CAF nor is in a position to obtain the duplicate CAF and who is applying under the ASBA Process may make an application to subscribe to the Issue on plain paper. Eligible Equity Shareholders shall submit the plain paper application to the Designated Branch of the SCSB for authorising such SCSB to block an amount equivalent to the amount payable on the application in the said bank account maintained with the same SCSB. Applications on plain paper will not be accepted from any address outside India.

The envelope should be super scribed "*IP Rings Limited - Rights Issue - R*" or "*IP Rings Limited - Rights Issue - NR*" and should be postmarked in India. The application on plain paper, duly signed by the Eligible Equity Shareholders including joint holders, in the same order and as per the specimen recorded with the Company/Depositories, must reach the office of the Registrar to the Issue before the Issue Closing Date and should contain the following particulars:

- Name of the Company, being IP Rings Limited;
- Name and address of the Eligible Equity Shareholder including joint holders;
- Registered Folio Number/ DP and Client ID No.;
- Number of Equity Shares held as on Record Date;
- Number of Rights Equity Shares entitled to;
- Number of Rights Equity Shares applied for;
- Number of additional Rights Equity Shares applied for, if any;
- Total number of Rights Equity Shares applied for;
- Total amount paid at the rate of Rs. 88.75 per Rights Equity Share;
- Details of ASBA Account such as the account number, name, address and branch of the relevant SCSB;
- In case of non-resident investors, details of the NRE/FCNR/NRO account such as the account number, name, address and branch of the SCSB with which the account is maintained;
- Except for applications on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts, PAN of the Eligible Equity Shareholder and for each Eligible Equity Shareholder in case of joint names, irrespective of the total value of the Rights Equity Shares applied for pursuant to the Issue;
- Signature of the Applicant (in case of joint holders, to appear in the same sequence and order as they appear in the records of our Company/Depositories); and
- Additionally, all such Applicants are deemed to have accepted the following:

["I/ We understand that neither the Rights Entitlement nor the Rights Equity Shares have been, and will be, registered under the United States Securities Act of 1933 (the "**US Securities Act**") or any United States

state securities laws, and may not be offered, sold, resold or otherwise transferred within the United States or to the territories or possessions thereof (the "United States") or to or for the account or benefit of a "U.S. Person" as defined in Regulation S of the US Securities Act ("Regulation S"). I/ we understand the Rights Equity Shares referred to in this application are being offered in India but not in the United States.

I/ we understand the offering to which this application relates is not, and under no circumstances is to be construed as, an offering of any Rights Equity Shares or Rights Entitlement for sale in the United States, or as a solicitation therein of an offer to buy any of the said Rights Equity Shares or Rights Entitlement in the United States. Accordingly, I/ we understand this application should not be forwarded to or transmitted in or to the United States at any time. I/ we understand that none of us, the Registrar, the Lead Manager or any other person acting on behalf of us will accept subscriptions from any person, or the agent of any person, who appears to be, or who, we, the Registrar, the Lead Manager or any other person acting on behalf of us have reason to believe is ineligible to participate in the Issue under the securities laws of their jurisdiction.

I/ We will not offer, sell or otherwise transfer any of the Rights Equity Shares which may be acquired by us in any jurisdiction or under any circumstances in which such offer or sale is not authorized or to any person to whom it is unlawful to make such offer, sale or invitation except under circumstances that will result in compliance with any applicable laws or regulations. We satisfy, and each account for which we are acting satisfies, all suitability standards for investors in investments of the type subscribed for herein imposed by the jurisdiction of our residence."

Option to receive Rights Equity Shares in Dematerialized Form

ELIGIBLE EQUITY SHAREHOLDERS UNDER THE ASBA PROCESS MAY PLEASE NOTE THAT THE RIGHTS EQUITY SHARES UNDER THE ASBA PROCESS CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO THE SAME DEPOSITORY ACCOUNT IN WHICH THE EQUITY SHARES ARE HELD BY SUCH ASBA APPLICANT ON THE RECORD DATE.

General instructions for Eligible Equity Shareholders applying under the ASBA Process

1. Please read the instructions printed on the respective CAF carefully.
2. Application should be made on the printed CAF only and should be completed in all respects. The CAF found incomplete with regard to any of the particulars required to be given therein, and/or which are not completed in conformity with the terms of this Letter of Offer are liable to be rejected. The CAF / plain paper application must be filled in English.
3. The CAF / plain paper application in the ASBA Process should be only at a Designated Branch of the SCSB and whose bank account details are provided in the CAF and not to the Banker to the Issue/collecting branch of the Banker(s) to the Issue (assuming that such Collecting Bank is not a SCSB), to our Company or Registrar or Lead Manager to the Issue. The onus of due completion and submission of such ASBA applications shall solely be that of the Investor.
4. All Investors, and in the case of application in joint names, each of the joint Investors, should mention his/her PAN allotted under the Income-Tax Act, 1961, irrespective of the amount of the application. Except for applications on behalf of the Central or State Government, residents of Sikkim and the officials appointed by the courts, **CAFs / plain paper applications without PAN will be considered incomplete and are liable to be rejected. With effect from August 16, 2010, the demat accounts for Investors for which PAN details have not been verified shall be "suspended for credit" and no allotment and credit of Rights Equity Shares shall be made into the accounts of such Investors.**
5. All payments will be made by blocking the amount in the bank account maintained with the SCSB. Cash payment is not acceptable. In case payment is affected in contravention of this, the application may be deemed invalid and the Application Money will be refunded and no interest will be paid thereon.
6. Signatures should be either in English or Hindi or in any other language specified in the Eighth Schedule to the Constitution of India. Signatures other than in English or Hindi and thumb impression must be attested by a Notary Public or a Special Executive Magistrate under his/her official seal. The Eligible Equity Shareholders must sign the CAF / plain paper application as per the specimen signature recorded with our Company /or Depositories.
7. In case of joint holders, all joint holders must sign the relevant part of the CAF / plain paper application in the same order and as per the specimen signature(s) recorded with our Company. In case of joint Investors, reference, if any, will be made in the first Investor's name and all communication will be addressed to the first Investor.

8. All communication in connection with application for the Rights Equity Shares, including any change in address of the Eligible Equity Shareholders should be addressed to the Registrar to the Issue prior to the date of allotment in this Issue quoting the name of the first/sole Investor, folio numbers and CAF number.
9. Only the person or persons to whom the Rights Equity Shares have been offered and not renouncee(s) shall be eligible to participate under the ASBA process.
10. Only persons outside restricted jurisdictions and who are eligible to subscribe for Rights Entitlement and Rights Equity Shares under applicable securities laws are eligible to participate.
11. Only the Eligible Equity Shareholders holding shares in demat are eligible to participate through ASBA process.
12. Eligible Equity Shareholders who have renounced their entitlement in part/full are not entitled to apply using ASBA process.
13. In case of non – receipt of CAF, application can be made on plain paper mentioning all necessary details as mentioned under the section titled "*Terms of the Issue - Application on Plain Paper*" beginning on page 144 of this LOF.

Do's:

- a) Ensure that the ASBA Process option is selected in Part A of the CAF and necessary details are filled in.
- b) Ensure that the details about your Depository Participant and beneficiary account are correct and the beneficiary account is activated as Rights Equity Shares will be allotted in the dematerialized form only.
- c) Ensure that the CAFs are submitted with the Designated Branch of the SCSBs and details of the correct bank account have been provided in the CAF.
- d) Ensure that there are sufficient funds (equal to {number of Rights Equity Shares as the case may be applied for} X {Issue Price of Equity Shares, as the case may be}) available in the ASBA Account mentioned in the CAF before submitting the CAF to the respective Designated Branch of the SCSB.
- e) Ensure that you have authorised the SCSB for blocking funds equivalent to the total amount payable on application mentioned in the CAF, in the ASBA Account, of which details are provided in the CAF and have signed the same.
- f) Ensure that you receive an acknowledgement from the Designated Branch of the SCSB for your submission of the CAF in physical form.
- g) Except for CAFs submitted on behalf of the Central or State Government, residents of Sikkim and the officials appointed by the courts, each Applicant should mention their PAN allotted under the IT Act.
- h) Ensure that the name(s) given in the CAF is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the CAF is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the CAF.
- i) Ensure that the Demographic Details are updated, true and correct, in all respects.
- j) Ensure that the account holder in whose bank account the funds are to be blocked has signed authorising such funds to be blocked.

Don'ts:

- a) Do not apply if you are not eligible to participate in the Issue under the securities laws applicable to your jurisdiction.
- b) Do not apply on duplicate CAF after you have submitted a CAF to a Designated Branch of the SCSB.
- c) Do not pay the amount payable on application in cash, by money order, pay order, postal order, cheque or demand drafts.
- d) Do not send your physical CAFs to the Lead Manager to Issue / Registrar / Collecting Banks (assuming that such Collecting Bank is not a SCSB) / to a branch of the SCSB which is not a Designated Branch of the SCSB / Company; instead submit the same to a Designated Branch of the SCSB only.
- e) Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground.
- f) Do not apply if the ASBA account has been used for five Applicants.
- g) Do not apply through the ASBA Process if you are not an ASBA Investor.
- h) Do not instruct the SCSBs to release the funds blocked under the ASBA Process.

Grounds for Technical Rejection under ASBA process

Applications under the ASBA process are liable to be rejected on the following grounds:

- a) Application on a SAF.

- b) Application for Allotment of Rights Entitlements or additional Rights Equity Shares which are in physical form.
- c) DP ID and Client ID mentioned in CAF not matching with the DP ID and Client ID records available with the Registrar.
- d) Renounees applying under the ASBA process.
- e) Submission of an ASBA Application on plain paper to the Registrar to the Issue.
- i) Sending CAF to a Lead Manager / the Registrar to the Issue/ the Registrar and Transfer Agent/ a Collecting Bank (assuming that such Collecting Bank is not a SCSB)/ to a branch of a SCSB which is not a Designated Branch of the SCSB/ Bank.
- j) Insufficient funds are available with the SCSB for blocking the amount.
- k) Funds in the bank account with the SCSB whose details are mentioned in the CAF having been frozen pursuant to regulatory orders.
- l) Submission of more than five CAFs per ASBA Account.
- m) ASBA Account holder not signing the CAF or declaration mentioned therein.
- n) QIBs, Non-Institutional Investors and Investors applying for Rights Equity Shares in this Issue for value of more than Rs. 200,000 who hold Equity Shares in dematerialised form and is not a Renouncer or Renounee not applying through the ASBA process.
- o) Application by an Eligible Equity Shareholder whose cumulative value of Securities applied for is more than Rs. 200,000 but has applied separately through split CAFs of less than Rs. 200,000 and has not done so through the ASBA process.
- p) Multiple CAFs, including cases where an Eligible Shareholder submits CAFs along with a plain paper application.
- q) CAFs that do not include the certification set out in the CAF to the effect that the subscriber does not have a registered address (and is not otherwise located) in restricted jurisdictions and is authorized to acquire the rights and the securities in compliance with all applicable laws and regulations.
- r) Applications by persons not competent to contract under the Indian Contract Act, 1872, as amended, except applications by minors having valid demat accounts as per the Demographic Details provided by the Depositories.
- s) Submitting the GIR number instead of the PAN.
- t) Applications by Eligible Equity Shareholders ineligible to make applications through the ASBA process, made through the ASBA process.
- u) ASBA Bids by SCSBs applying through the ASBA process on own account, other than through an ASBA Account in its own name with any other SCSB.

Depository account and bank details for ASBA Investors

IT IS MANDATORY FOR ALL THE INVESTORS APPLYING UNDER THE ASBA PROCESS TO RECEIVE THEIR RIGHTS EQUITY SHARES IN DEMATERIALISED FORM AND TO THE SAME DEPOSITORY ACCOUNT IN WHICH THE EQUITY SHARES ARE HELD BY THE INVESTOR AS ON THE RECORD DATE. ALL INVESTORS APPLYING UNDER THE ASBA PROCESS SHOULD MENTION THEIR DEPOSITORY PARTICIPANT'S NAME, DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER AND BENEFICIARY ACCOUNT NUMBER IN THE CAF. INVESTORS APPLYING UNDER THE ASBA PROCESS MUST ENSURE THAT THE NAME GIVEN IN THE CAF IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD. IN CASE THE CAF IS SUBMITTED IN JOINT NAMES, IT SHOULD BE ENSURED THAT THE DEPOSITORY ACCOUNT IS ALSO HELD IN THE SAME JOINT NAMES AND ARE IN THE SAME SEQUENCE IN WHICH THEY APPEAR IN THE CAF/PLAIN PAPER APPLICATIONS, AS THE CASE MAY BE.

Investors applying under the ASBA Process should note that on the basis of name of these Investors, Depository Participant's name and identification number and beneficiary account number provided by them in the CAF/plain paper applications, as the case may be, the Registrar to the Issue will obtain from the Depository, demographic details of these Investors such as address, bank account details for printing on refund orders and occupation ("Demographic Details"). Hence, Investors applying under the ASBA Process should carefully fill in their Depository Account details in the CAF.

These Demographic Details would be used for all correspondence with such Investors including mailing of the letters intimating unblocking of bank account of the respective Investor. The Demographic Details given by the Investors in the CAF would not be used for any other purposes by the Registrar to the Issue. Hence, Investors are advised to update their Demographic Details as provided to their Depository Participants.

By signing the CAFs, the Investors applying under the ASBA Process would be deemed to have authorised the Depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

Letters intimating Allotment and unblocking or refund (if any) would be mailed at the address of the Investor applying under the ASBA Process as per the Demographic Details received from the Depositories. The Registrar to the Issue will give instructions to the SCSBs for unblocking funds in the ASBA Account to the extent Rights Equity Shares are not allotted to such Investor. Investors applying under the ASBA Process may note that delivery of letters intimating unblocking of the funds may get delayed if the same once sent to the address obtained from the Depositories are returned undelivered. In such an event, the address and other details given by the Investor in the CAF would be used only to ensure dispatch of letters intimating unblocking of the ASBA Accounts.

Note that any such delay shall be at the sole risk of the Investors applying under the ASBA Process and none of the Company, the SCSBs or the Lead Manager shall be liable to compensate the Investor applying under the ASBA Process for any losses caused due to any such delay or liable to pay any interest for such delay.

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

Transfer of Funds

The Registrar to the Issue shall instruct the relevant SCSB to unblock the funds in the relevant ASBA bank accounts for (i) transfer of requisite funds to the separate bank account maintained by our Company as per the provisions of Section 40 (3) of the Companies Act, 2013 (ii) rejected / unsuccessful ASBAs.

In case of failure or withdrawal of the Issue, on receipt of appropriate instructions from the Lead Manager through the Registrar to the Issue, the SCSBs shall unblock the bank accounts latest by the next day of receipt of such information.

Underwriting

The Issue is not underwritten.

Issue Schedule

Issue Opening Date:	January 23, 2017
Last date for receiving requests for SAFs:	January 30, 2017
Issue Closing Date:	February 6, 2017

The Board may however decide to extend the Issue period as it may determine from time to time but not exceeding 30 (thirty) days from the Issue Opening Date.

Basis of Allotment

Subject to the provisions contained in this Letter of Offer, the Abridged Letter of Offer, the CAF, the Articles of Association and the approval of the Designated Stock Exchange, our Board will proceed to allot the Rights Equity Shares in the following order of priority:

- (a) Full Allotment to those Eligible Equity Shareholders who have applied for their Rights Entitlement either in full or in part and also to the Renouncee(s), who has/ have applied for the Rights Equity Shares renounced in their favour, in full or in part. Allotment to Non-Resident Renouncees shall be subject to the permissible foreign investment limits applicable to our Company under FEMA.
- (b) For Rights Equity Shares being offered under this Issue, if the shareholding of any of the Eligible Equity Shareholders is less than 5 Equity Shares, the fractional entitlement of such Eligible Equity Shareholders

shall be ignored. Eligible Equity Shareholders whose fractional entitlements are being ignored would be considered for Allotment of one additional Rights Equity Share each if they apply for additional Rights Equity Shares(s). Allotment under this head shall be considered if there are any un-subscribed Rights Equity Shares after Allotment under (a) above. If the number of Rights Equity Shares required for Allotment under this head is more than number of Rights Equity Shares available after Allotment under (a) above, the Allotment would be made on a fair and equitable basis in consultation with the Designated Stock Exchange.

- (c) Allotment to Eligible Equity Shareholders who having applied for the Rights Equity Shares in full and have also applied for additional Rights Equity Shares. The Allotment of such additional Rights Equity Shares will be made as far as possible on an equitable basis having due regard to the number of Equity Shares held by them on the Record Date, provided there is an under-subscribed portion after making Allotment in (a) and (b) above. The Allotment of such Rights Equity Shares will be at the sole discretion of the Board/Committee of Directors of our Company in consultation with the Designated Stock Exchange, as a part of the Issue and not as a preferential Allotment.
- (d) Allotment to the Renouncees, who having applied for the Rights Equity Shares renounced in their favour have also applied for additional Rights Equity Shares, provided there is an under-subscribed portion after making full Allotment in (a), (b) and (c) above. The Allotment of such additional Rights Equity Shares will be made on a proportionate basis at the sole discretion of our Board or any committee of our Board but in consultation with the Designated Stock Exchange, as a part of the Issue and not as a preferential allotment.
- (e) Allotment to any other person as our Board may in its absolute discretion deem fit provided there is surplus available after making Allotment under (a), (b), (c), and (d) above, and if there is any unsubscribed portion, the same shall be deemed to be 'unsubscribed'

Our Promoter and Promoter Group have confirmed that they intend to, either through themselves or through other members of the Promoter and Promoter Group, subscribe to the full extent of their Rights Entitlement, in compliance with Regulation 10(4) of Takeover Regulations. Our Promoter and Promoter Group have also confirmed that they intend to (i) subscribe to additional Rights Equity Shares, and (ii) subscribe for unsubscribed portion in the Issue, if any.

Such subscription to additional Rights Equity Shares and the unsubscribed portion, if any, shall be in accordance with Regulation 10(4) of Takeover Regulations, subject to their shareholding not exceeding 75% of the post-Issue Equity Share capital of the Company. Such subscription for Rights Equity Shares over and above their Rights Entitlement, if allotted, may result in an increase in their percentage shareholding. Any such acquisition of additional Rights Equity Shares of the Company shall not result in a change of control of the management of the Company in accordance with provisions of the Takeover Regulations and shall be exempt in terms of Regulation 10(4)(a) and 10(4)(b) of the Takeover Regulations.

Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar to the Issue shall send to the Controlling Branches, a list of the ASBA Investors who have been allocated Rights Equity Shares in the Issue, along with:

- The amount to be transferred from the ASBA Account to the separate bank account opened by our Company for the Issue, for each successful ASBA;
- The date by which the funds referred to above, shall be transferred to the aforesaid bank account; and
- The details of rejected ASBA applications, if any, to enable the SCSBs to unblock the respective ASBA Accounts.

Allotment Advices/Refund Orders

The Company will issue and dispatch Allotment advice/ share certificates/ demat credit and/or letters of regret along with refund order or credit the allotted Rights Equity Shares to the respective beneficiary accounts, if any, within a period of 15 (fifteen) working days from the Issue Closing Date. In case of failure to do so, the Company shall pay interest at such rate and within such time as specified under applicable law.

Investors residing at centres where clearing houses are managed by the RBI will get refunds through National Automated Clearing House ("NACH") except where Investors have not provided the details required to send electronic refunds.

In case of those Investors who have opted to receive their Rights Entitlement in dematerialized form using electronic credit under the depository system, advice regarding their credit of the Rights Equity Shares shall be given separately. Investors to whom refunds are made through electronic transfer of funds will be sent a letter through ordinary post intimating them about the mode of credit of refund within 15 (fifteen) working days of the Issue Closing Date.

In case of those Investors who have opted to receive their Rights Entitlement in physical form and we issue letter of allotment, the corresponding share certificates will be kept ready within two months from the date of Allotment thereof or such extended time as may be approved by the Company Law Board or other applicable provisions, if any. Investors are requested to preserve such letters of allotment, which would be exchanged later for the share certificates.

The letter of allotment/ refund order would be sent by registered post/ speed post to the sole/ first Investor's registered address in India or the Indian address provided by the Eligible Equity Shareholders from time to time. Such refund orders would be payable at par at all places where the applications were originally accepted. The same would be marked 'Account Payee only' and would be drawn in favour of the sole/ first Investor. Adequate funds would be made available to the Registrar to the Issue for this purpose.

In the case of Non-resident Shareholders or Investors who remit their Application Money from funds held in NRE/FCNR Accounts, refunds and/or payment of interest or dividend and other disbursements, if any, shall be credited to such accounts, the details of which should be furnished in the CAF. Subject to the applicable laws and other approvals, in case of Non-resident Shareholders or Investors who remit their Application Money through Indian Rupee demand drafts purchased from abroad, refund and/or payment of dividend or interest and any other disbursement, shall be credited to such accounts and will be made after deducting bank charges or commission in US Dollars, at the rate of exchange prevailing at such time. The Company will not be responsible for any loss on account of exchange rate fluctuations for conversion of the Indian Rupee amount into US Dollars. The Share Certificate(s) will be sent by registered post / speed post to the address in India of the Non-resident Shareholders or Investors.

The Letter of Offer/ Abridged Letter of Offer and the CAF shall be dispatched to only such Non-resident Shareholders who have a registered address in India or have provided an Indian address.

Payment of Refund

Mode of making refunds

The payment of refund, if any, would be done through any of the following modes:

1. National Automated Clearing House ("NACH") – NACH is a consolidated system of ECS. Payment of refund would be done through NACH for Applicants having an account at one of the centres specified by the RBI, where such facility has been made available. This would be subject to availability of complete bank account details including Magnetic Ink Character Recognition (MICR) code wherever applicable from the depository. The payment of refund through NACH is mandatory for Applicants having a bank account at any of the centres where NACH facility has been made available by the RBI (subject to availability of all information for crediting the refund through NACH including the MICR code as appearing on a cheque leaf, from the depositories), except where applicant is otherwise disclosed as eligible to get refunds through NEFT or Direct Credit or RTGS.
2. National Electronic Fund Transfer ("NEFT") – Payment of refund shall be undertaken through NEFT wherever the Investors' bank has been assigned the Indian Financial System Code (IFSC), which can be linked to a MICR, allotted to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Investors have registered their nine digit MICR number and their bank account number with the Registrar to our Company or with the Depository Participant while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of refund will be made to the Investors through this method.

3. Direct Credit – Investors having bank accounts with the Bankers to the Issue shall be eligible to receive refunds through direct credit. Charges, if any, levied by the relevant bank(s) for the same would be borne by our Company.
4. RTGS – If the refund amount exceeds Rs. 200,000, the investors have the option to receive refund through RTGS. Such eligible Investors who indicate their preference to receive refund through RTGS are required to provide the IFSC code in the CAF. In the event the same is not provided, refund shall be made through NACH or any other eligible mode. Charges, if any, levied by the refund bank(s) for the same would be borne by our Company. Charges, if any, levied by the Investor's bank receiving the credit would be borne by the Investor.
5. For all other Investors the refund orders will be despatched through Speed Post/ Registered Post. Such refunds will be made by cheques, pay orders or demand drafts drawn in favour of the sole/first Investor and payable at par.
6. Credit of refunds to Investors in any other electronic manner, permissible under the banking laws, which are in force, and is permitted by SEBI from time to time.

Refund Payment to Non-Residents

Where applications are accompanied by Indian rupee drafts purchased abroad and payable at Mumbai, refunds will be made in the Indian rupees based on the U.S. dollars equivalent which ought to be refunded. Indian rupees will be converted into U.S. dollars at the rate of exchange, which is prevailing on the date of refund. The exchange rate risk on such refunds shall be borne by the concerned Applicant and the Company shall not bear any part of the risk.

Where the applications made are accompanied by NRE/FCNR/NRO cheques, refunds will be credited to NRE/FCNR/NRO accounts respectively, on which such cheques were drawn and details of which were provided in the CAF.

Printing of Bank Particulars on Refund Orders

As a matter of precaution against possible fraudulent encashment of refund orders due to loss or misplacement, the particulars of the Investor's bank account are mandatorily required to be given for printing on the refund orders. Bank account particulars, where available, will be printed on the refund orders/refund warrants which can then be deposited only in the account specified. Our Company will in no way be responsible if any loss occurs through these instruments falling into improper hands either through forgery or fraud.

Letters of Allotment/Allotment Advice/ Share Certificates/ Demat Credit

Letters of Allotment/ Allotment advice/ share certificates/demat credit or letters of regret will be dispatched to the registered address of the first named applicant or respective beneficiary accounts will be credited within 15 (fifteen) days, from the Issue Closing Date. In case our Company issues letters of Allotment/Allotment advice, the relative share certificates will be kept ready within two months from the Allotment Date thereof or such extended time as may be approved under Section 56 of the Companies Act, 2013 or other applicable provisions, if any. Allottees are requested to preserve such letters of Allotment/ Allotment advice (if any) to be exchanged later for share certificates. Dispatch of letters of Allotment/ Allotment advice (if any)/ share certificates/ demat credit to Non Resident Allottees will be subject to the any applicable approvals of the RBI. Our Company has appointed Link Intime Private Limited as the Registrar to the Issue, which has connectivity with both Depositories, and can therefore, credit the Rights Equity Shares Allotted in dematerialised form.

Option to receive Rights Equity Shares in Dematerialized Form

Investors shall be allotted the Rights Equity Shares in dematerialized (electronic) form at the option of the Investor. Our Company has signed a tripartite agreement with NSDL and BTS Consultancy Services Private Limited on May 7, 2008 which enables the Investors to hold and trade in Equity Shares in a dematerialized form, instead of holding the Equity Shares in the form of physical certificates. Our Company has also signed a tripartite agreement with CDSL and BTS Consultancy Services Private Limited on April 25, 2008, which enables the Investors to hold and trade in Equity Shares in a dematerialized form, instead of holding the Equity Shares in the form of physical certificates.

In the Issue, the Allottees who have opted for Rights Equity Shares in dematerialized form will receive their Rights Equity Shares in the form of an electronic credit to their beneficiary account as given in the CAF, after verification with a depository participant. Investor will have to give the relevant particulars for this purpose in the appropriate place in the CAF. Allotment advice, refund order (if any) would be sent directly to the Investor by the Registrar to the Issue but the Investor's depository participant will provide to him the confirmation of the credit of such Rights Equity Shares to the Investor's depository account. CAFs, which do not accurately contain this information, will be given the Rights Equity Shares in physical form. No separate CAFs for Rights Equity Shares in physical and/ or dematerialized form should be made.

INVESTORS MAY PLEASE NOTE THAT THE EQUITY SHARES OF OUR COMPANY CAN BE TRADED ON THE STOCK EXCHANGE ONLY IN DEMATERIALISED FORM.

The procedure for availing the facility for Allotment of Rights Equity Shares in the electronic form is as under:

1. Open a beneficiary account with any DP (care should be taken that the beneficiary account should carry the name of the holder in the same manner as is registered in the records of our Company. In the case of joint holding, the beneficiary account should be opened carrying the names of the holders in the same order as is registered in the records of our Company). In case of investors having various folios in our Company with different joint holders, the investors will have to open separate accounts for such holdings. **Those Eligible Equity Shareholders who have already opened such beneficiary account(s) need not adhere to this step.**
2. For Eligible Equity Shareholders already holding Equity Shares in dematerialised form as on the Record Date, the beneficial account number shall be printed on the CAF. For those who open accounts later or those who change their accounts and wish to receive their Rights Equity Shares pursuant to this Issue by way of credit to such account, the necessary details of their beneficiary account should be filled in the space provided in the CAF. It may be noted that the Allotment of Rights Equity Shares arising out of this Issue may be made in dematerialised form even if the original Equity Shares are not dematerialised. Nonetheless, it should be ensured that the depository account is in the name(s) of the Eligible Equity Shareholders and the names are in the same order as in the records of our Company.
3. Responsibility for correctness of information (including applicant's age and other details) filled in the CAF vis-à-vis such information with the applicant's DP, would rest with the Applicant. Applicants should ensure that the names of the applicants and the order in which they appear in CAF should be the same as registered with the applicant's DP.
4. If incomplete/ incorrect details are given under the heading 'Request for Shares in Electronic Form' in the CAF, If incomplete/ incorrect beneficiary account details are given in the CAF, then such shares will be credited to a demat suspense a/c which shall be opened by the Company as specified in the SEBI circular no. SEBI/CFD/DIL/LA/1/2009/24/04 dated April 24, 2009.
5. Allotment to investors opting for dematerialised form would be directly credited to the beneficiary account as given in the CAF after verification. Allotment advice or letters of Allotment, refund order (if any) would be sent directly to the applicant by the Registrar to the Issue but the applicant's DP will provide to him the confirmation of the credit of such Rights Equity Shares to the applicant's depository account.
6. Renounees will also have to provide the necessary details about their beneficiary account for Allotment in this Issue. In case these details are incomplete or incorrect, such applications by Renounees are liable to be rejected. The Company may also instead decide to allot the Rights Equity Shares in physical form to such Renounees.
7. Non-transferable allotment advice/refund orders will be directly sent to the Investors by the Registrar.
8. Dividend or other benefits with respect to the Equity Shares held in dematerialized form would be paid to those Equity Shareholders whose names appear in the list of beneficial owners given by the Depository Participant to our Company as on the date of the book closure.

Procedure for Application by Mutual Funds

In case of a Mutual Fund, a separate application can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Applications in respect of more than one scheme of the Mutual Fund will not be treated as multiple applications provided that the application clearly indicate the scheme concerned for which the application has been made. Applications made by asset management companies or custodians of a Mutual Fund shall clearly indicate the name of the concerned scheme for which application is being made.

Procedure for Application by FPIs

In terms of the 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 the Company's 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.

FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions, which may be specified by the Government from time to time. An FII who holds a valid certificate of registration from SEBI shall be deemed to be an FPI until the expiry of the block of three (3) years for which fees have been paid as per the SEBI FII Regulations. An FII or a sub-account (other than a sub-account which is a foreign corporate or a foreign individual) may participate in the Issue, until expiry of its registration as an FII or sub-account or until it obtains a certificate of registration as an FPI, whichever is earlier. If the registration of an FII or sub-account has expired or is about to expire, such FII or sub-account may, subject to payment of conversion fees as applicable under the FPI Regulations, participate in the Issue. An FII or sub-account shall not be eligible to invest as an FII after registering as an FPI under the FPI Regulations. 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.

Procedure for Applications by AIFs, FVCIs and VCFs

The VCF Regulations and the FVCI Regulations prescribe, amongst other things, the investment restrictions on VCFs and FVCIs registered with SEBI. Further, the AIF Regulations prescribe, amongst other things, the investment restrictions on AIFs.

As per the VCF Regulations and FVCI Regulations, VCFs and FVCIs are not permitted to invest in listed companies pursuant to rights issues. Accordingly, applications by VCFs or FVCIs will not be accepted in this Issue. Venture capital funds registered as category I AIFs, as defined in the AIF Regulations, are not permitted to invest in listed companies pursuant to rights issues. Accordingly, applications by venture capital funds registered as category I AIFs, as defined in the AIF Regulations, will not be accepted in this Issue. Other categories of AIFs are permitted to apply in this Issue subject to compliance with the AIF Regulations. Such AIFs having bank accounts with SCSBs that are providing ASBA in cities / centres where such AIFs are located are mandatorily required to make use of the ASBA facility. Otherwise, applications of such AIFs are liable for rejection.

Investment by NRIs

Investments by NRIs are governed by the Portfolio Investment Scheme under Regulation 5(3)(i) of the FEMA Regulations. Applications will not be accepted from NRIs in restricted jurisdictions.

Please note that pursuant to the applicability of the directions issued by SEBI vide its circular bearing number CIR/ CFD/ DIL/1/2011 dated April 29, 2011, all Applicants who are QIBs, Non-Institutional Investors or are applying in this Issue for Rights Equity Shares for an amount exceeding Rs. 200,000 shall mandatorily make use of ASBA facility.

Impersonation

As a matter of abundant caution, attention of the investors is specifically drawn to the provisions of sub-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 of not less than six months extending up to ten years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount.

Dematerialized Dealing

The Company has entered into agreements dated May 7, 2008 and April 25, 2008 with NSDL and CDSL, respectively, and its Equity Shares bear the ISIN INE558A01019.

Payment by Stockinvest

In terms of RBI Circular DBOD No. FSC BC 42/24.47.00/2003-04 dated November 5, 2003, the stockinvest scheme has been withdrawn with immediate effect. Hence, payment through stockinvest would not be accepted in this Issue.

Disposal of Application and Application Money

The Banker(s) to the Issue/ Registrar to the Issue receiving the CAF will acknowledge its receipt by stamping and returning the acknowledgment slip at the bottom of each CAF. Please note that no such acknowledgment will be issued by our Company for the Application Moneys received by us.

In case an Application is rejected in full, the whole of the Application Money received will be refunded. Wherever an Application is rejected in part, the balance of Application Money, if any, after adjusting any money due on Rights Equity Shares Allotted, will be refunded to the applicant within 15 (fifteen) days from the Issue Closing Date. In the event that there is a delay of making refunds beyond such period as prescribed under applicable laws, our Company shall pay interest for the delayed period at rates prescribed under applicable laws in this regard.

For further instruction, please read the CAF carefully.

Utilization of Issue Proceeds

Our Board declares that:

- (a) The funds received against this Issue will be transferred to a separate bank account.
- (b) Details of all moneys utilised out of this Issue shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the purpose for which such moneys has been utilised.
- (c) Details of all such un-utilised moneys out of this Issue, if any, shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the form in which such un-utilised moneys have been invested.
- (d) Our Company shall not have recourse to the Issue proceeds until the basis of allotment is approved by the designated stock exchange.

Undertakings by our Company

Our Company undertakes as follows:

- (a) The complaints received in respect of this Issue shall be attended to by our Company expeditiously and satisfactorily.
- (b) All steps for completion of the necessary formalities for listing and commencement of trading at the Stock Exchange where the Rights Equity Shares are proposed to be listed will be taken within 7 (seven) working days of finalization of Basis of Allotment.
- (c) The funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed in this Letter of Offer shall be made available to the Registrar to the Issue by our Company.

- (d) Where refunds are made through electronic transfer of funds, a suitable communication shall be dispatched to the applicants within 15 (fifteen) days of the Issue Closing Date, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund.
- (e) The letters of Allotment/ Allotment advice to the NRIs shall be dispatched within the specified time.
- (f) Adequate arrangements shall be made to collect all ASBA Applications and to consider them similar to non ASBA Applications while finalizing the Basis of Allotment.
- (g) No further issue of securities affecting equity capital of our Company shall be made till the securities issued/ offered through this Letter of Offer Issue are listed or till the Application Money are refunded on account of non-listing, under-subscription etc.
- (h) At any given time there shall be only one denomination of Equity Shares of our Company.
- (i) Our Company shall comply with such disclosure and accounting norms specified by SEBI from time to time.

Important

- Please read the Letter of Offer carefully before taking any action. The instructions contained in the accompanying CAF are an integral part of the conditions and must be carefully followed; otherwise the Application is liable to be rejected.
- It is to be specifically noted that this Issue of Rights Equity Shares is subject to the risk factors mentioned in the section titled “*Risk Factors*” on page 11.
- All enquiries in connection with this Letter of Offer or accompanying CAF and requests for Split Application Forms must be addressed (quoting the Registered Folio Number/ DP and Client ID number, the CAF number and the name of the first Eligible Equity Shareholder as mentioned on the CAF and superscribed “*IP Rings Limited - Rights Issue - R*” in case of Resident Investors or Non-Resident Investors applying on non repatriable basis or “*IP Rings Limited - Rights Issue - NR*” in case of non-resident shareholders applying on repatriable basis on the envelope) to the Registrar to the Issue at the following address:

Link Intime India Private Limited
 C-13, Pannalal Silk Mills Compound
 L.B.S Marg,
 Bhandup (West),
 Mumbai - 400 078
 Maharashtra, India
 Contact Person: Dinesh Yadav
Tel: +91 22 6171 5400
Fax: +91 22 2596 0329
Email: iprl.rights@linkintime.co.in
Website: www.linkintime.co.in
Investor Grievance ID: iprl.rights@linkintime.co.in
SEBI Registration No.: INR000004058

- This Issue will be kept open for a minimum period of 15 (fifteen) days. However, the Board will have the right to extend the Issue Period as it may determine from time to time but not exceeding 30 (thirty) days from the Issue Opening Date.

SECTION VIII – STATUTORY AND OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The contracts referred to in para (A) below (*not being contracts entered into in the ordinary course of business carried on by us*) which are or may be deemed material have been entered into by us.

The contracts together with the documents referred to in para (B) below may be inspected at the Registered Office of the Company between 11.00 a.m. to 5.00 p.m. on any working day from the date of this Letter of Offer until the Issue Closing Date.

(A) MATERIAL CONTRACTS

1. Issue Agreement dated August 29, 2016, between the Company and Lead Manager.
2. Agreement dated August 29, 2016, between the Company and Registrar to the Issue.
3. Escrow Agreement dated January 11, 2017, amongst our Company, the Lead Manager, the Registrar to the Issue and the Banker to the Issue.

(B) DOCUMENTS FOR INSPECTION

1. Certificate of Incorporation of our Company dated January 30, 1991.
2. Certificate of Commencement of Business our Company dated July 5, 1991.
3. Memorandum and Articles of Association of our Company.
4. Board resolution dated May 5, 2016, authorizing the Issue.
5. Consents of the Directors, Company Secretary and Compliance Officer, Statutory Auditor, Lead Manager, Legal Counsel to the Issue, Legal Advisor to the Company and Registrar to the Issue to include their names in this Letter of Offer to act in their respective capacities.
6. Statement of Tax Benefits dated August 29, 2016, by the Statutory Auditor.
7. The report of the Statutory Auditors dated May 27, 2016, in relation to our Audited Financial Statements.
8. The annual reports of the Company for Fiscal Years 2012, 2013, 2014, 2015 and 2016.
9. In-principle listing approval dated October 18, 2016 from the BSE.
10. Due Diligence Certificate dated August 30, 2016, by the Lead Manager.
11. Observation letter no. SRO/AT/Issues/Rights/IP/1/2016 dated November 1, 2016, received from SEBI.
12. Tripartite Agreement dated April 25, 2008, between the Company, CDSL and BTS Consultancy Services Private Limited.
13. Tripartite Agreement dated May 7, 2008, between the Company, NSDL and BTS Consultancy Services Private Limited.
14. Copy of the prospectus dated April 3, 1992 for the public issue of the Equity Shares by the Company.
15. Hypothecation cum loan agreement dated December 22, 2015 and Supplemental Agreement dated December 8, 2016 between our Company and Simpson & Company Limited.
16. Unsecured loan agreement dated December 22, 2015 and Supplemental Agreement dated December 8, 2016 between our Company and Simpson & Company Limited.

17. Unsecured loan agreement dated November 14, 2015 and Supplemental Agreement dated November 14, 2016 between our Company and India Pistons Limited.
18. Term Loan Agreement dated June 2, 2016 between our Company and Tata Capital Financial Services Limited.
19. The certificate from the Statutory Auditor dated January 12, 2017, in relation to the utilization of the borrowings that the Company proposes to repay through the Net Proceeds.
20. The RBI approval dated January 4, 2017, received from the RBI in relation to renunciation of rights entitlement by and to persons resident outside India.

Any of the contracts or documents mentioned in this Letter of Offer as 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 of the provisions contained in the Companies Act, 2013 and other relevant statutes.

DECLARATION

We certify that no statement made in this Letter of Offer contravenes any of the provisions of the Companies Act, the SEBI Act and the rules made thereunder or regulations issued thereunder, as the case maybe. We further certify that, all the legal requirements connected with the said Issue as also the regulations, guidelines, instructions, etc. issued by SEBI, Government of India and any other competent authority in this behalf have been duly complied with.

We hereby certify that all disclosures made in this Letter of Offer are true and correct.

SIGNED BY THE BOARD OF DIRECTORS OF OUR COMPANY

Mr. A. Venkataramani <i>Managing Director</i>	Mr. N. Venkataramani <i>Non - Executive Director and Chairman of the Board</i>
Dr. R. Mahadevan <i>Non - Executive and Non - Independent Director</i>	Mr. Yoshio Onodera <i>Non - Executive and Non - Independent Director</i>
P. M. Venkatasubramanian <i>Independent Director</i>	Dr. R. Natarajan <i>Independent Director</i>
Dr. Sandhya Shekhar <i>Independent Director</i>	Mr. J. Shivakumar <i>Independent Director</i>

SIGNED BY THE CHIEF FINANCIAL OFFICER
Mr. R. Venkataraman

Place: Chennai

Date: January 12, 2017