



**MAINI  
PRECISION  
PRODUCTS**  
Value delivered. Always

## MAINI PRECISION PRODUCTS LIMITED

Our Company was incorporated as "Maini Precision Products Private Limited" on March 3, 1973 at Bengaluru as a private limited company under the Companies Act, 1956. Pursuant to a special resolution passed by our Shareholders at the extraordinary general meeting held on August 26, 2015, our Company was converted into a public limited company and the name of our Company was changed to "Maini Precision Products Limited". A fresh certificate of incorporation consequent upon conversion to a public limited company was issued by the RoC on September 9, 2015. For details of change in the name and registered office of our Company, see "History and Certain Corporate Matters" on page 119.

**Registered Office:** B-165, 3<sup>rd</sup> Cross, 1<sup>st</sup> Stage, Peenya Industrial Estate, Bengaluru 560 058, Karnataka, India  
**Contact Person:** Neevrat Sharma, Company Secretary and Compliance Officer; **Tel:** +91 80 4072 4006; **Fax:** +91 80 4127 2500  
**E-mail:** compliance.officer@mainimail.com; **Website:** www.mainiprecisionproducts.com  
**Corporate Identification Number:** U27201KA1973PLC002307

### OUR PROMOTERS: DR. SUDARSHAN KUMAR MAINI, SANDEEP KUMAR MAINI, GAUTAM MAINI AND CHETAN KUMAR MAINI

**PUBLIC OFFER OF UP TO [●] EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH ("EQUITY SHARES") OF MAINI PRECISION PRODUCTS LIMITED ("COMPANY" OR "ISSUER") FOR CASH AT A PRICE OF ₹ [●] PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹ [●] PER EQUITY SHARE) AGGREGATING UP TO ₹ [●] MILLION ("OFFER") COMPRISING A FRESH ISSUE OF UP TO [●] EQUITY SHARES AGGREGATING UP TO ₹ 500 MILLION ("FRESH ISSUE") AND AN OFFER FOR SALE OF UP TO 1,000,000 EQUITY SHARES BY DR. SUDARSHAN KUMAR MAINI, UP TO 100,000 EQUITY SHARES BY REVA MAINI, UP TO 930,000 EQUITY SHARES BY SANDEEP KUMAR MAINI, UP TO 500,000 EQUITY SHARES BY GAUTAM MAINI AND UP TO 500,000 EQUITY SHARES BY CHETAN KUMAR MAINI (THE "SELLING SHAREHOLDERS") AGGREGATING UP TO ₹ [●] MILLION ("OFFER FOR SALE"). THE OFFER WOULD CONSTITUTE [●]% OF OUR POST-OFFER PAID-UP EQUITY SHARE CAPITAL.**

**THE FACE VALUE OF EQUITY SHARES IS ₹ 10 EACH. THE PRICE BAND AND THE MINIMUM BID LOT WILL BE DECIDED BY OUR COMPANY AND THE SELLING SHAREHOLDERS IN CONSULTATION WITH THE BRLMS AND WILL BE ADVERTISED IN [●] EDITIONS OF [●], [●] EDITIONS OF [●] AND [●] EDITIONS OF [●] (WHICH ARE WIDELY CIRCULATED ENGLISH, HINDI AND KANNADA NEWSPAPERS RESPECTIVELY, KANNADA BEING THE REGIONAL LANGUAGE OF KARNATAKA, WHERE OUR REGISTERED OFFICE IS LOCATED) AT LEAST FIVE WORKING DAYS PRIOR TO THE BID/OFFER OPENING DATE AND SHALL BE MADE AVAILABLE TO THE BSE LIMITED AND THE NATIONAL STOCK EXCHANGE OF INDIA LIMITED FOR THE PURPOSE OF UPLOADING ON THEIR WEBSITES.**

In case of any revision in the Price Band, the Bid/Offer Period will be extended by at least three additional Working Days after such revision in the Price Band, subject to the Bid/Offer Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/Offer Period, if applicable, will be widely disseminated by notification to BSE Limited ("BSE") and the National Stock Exchange of India Limited ("NSE"), by issuing a press release, and also by indicating the change on the website of the BRLMs and at the terminals of the Syndicate Members and by intimation to Self Certified Syndicate Banks ("SCSBs") and Non-Syndicate Registered Brokers.

In terms of Rule 19(2)(b)(i) of the Securities Contracts (Regulation) Rules, 1957, as amended ("SCRR"), this is an Offer for at least 25% of the post-Offer paid-up equity share capital of our Company. The Offer is being made through the Book Building Process, in compliance with Regulation 26(1) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended (the "SEBI ICDR Regulations"), wherein not more than 50% of the Offer shall be available for allocation on a proportionate basis to QIBs, provided that our Company and the Selling Shareholders in consultation with the BRLMs may allocate up to 60% of the QIB Category to Anchor Investors on a discretionary basis. 5% of the QIB Category (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Category shall be available for allocation on a proportionate basis to all QIB Bidders (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. Further, not less than 15% of the Offer shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Offer shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price. All potential Bidders, other than Anchor Investors, may participate in the Offer through an Application Supported by Blocked Amount ("ASBA") process providing details of their respective bank account which will be blocked by the SCSBs. QIBs (except Anchor Investors) and Non-Institutional Bidders are mandatorily required to utilise the ASBA process to participate in the Offer. Anchor Investors are not permitted to participate in the Offer through ASBA Process. For details, see "Offer Procedure" on page 211.

### RISK IN RELATION TO THE FIRST OFFER

This being the first public issue of our Company, there has been no formal market for the Equity Shares. The face value of the Equity Shares is ₹ 10 and the Floor Price is [●] times the face value and the Cap Price is [●] times the face value. The Offer Price (determined and justified by our Company and the Selling Shareholders in consultation with the BRLMs as stated under "Basis for Offer Price" on page 85) should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.

### GENERAL RISKS

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the Offer unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Offer. For taking an investment decision, investors must rely on their own examination of our Company and the Offer, including the risks involved. The Equity Shares in the Offer have not been recommended or approved by the Securities and Exchange Board of India ("SEBI"), nor does SEBI guarantee the accuracy or adequacy of the contents of this Draft Red Herring Prospectus. Specific attention of the investors is invited to "Risk Factors" on page 16.

### ISSUER'S AND SELLING SHAREHOLDERS' ABSOLUTE RESPONSIBILITY

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

### LISTING

The Equity Shares offered through the Red Herring Prospectus are proposed to be listed on the BSE and the NSE. Our Company has received an 'in-principle' approval from the BSE and the NSE for the listing of the Equity Shares pursuant to letters dated [●] and [●], respectively. For the purposes of the Offer, the Designated Stock Exchange shall be [●].

### BOOK RUNNING LEAD MANAGERS

### REGISTRAR TO THE ISSUE



**ICICI Securities Limited**  
ICICI Centre  
H.T. Parekh Marg  
Churchgate, Mumbai 400 020  
Maharashtra, India  
Tel : +91 22 2288 2460  
Fax : +91 22 2282 6580  
Email: mppl.ipo@icicisecurities.com  
Investor grievance email: customercare@icicisecurities.com  
Website: www.icicisecurities.com  
Contact Person: Anurag Byas/Amit Joshi  
SEBI Registration No.: INM000011179

**IIFL Holdings Limited**  
8th Floor, IIFL Centre  
Kamala City, Senapati Bapat Marg  
Lower Parel (West), Mumbai 400 013  
Maharashtra, India  
Tel: +91 22 4646 4600  
Fax: +91 22 2493 1073  
Email: maini.ipo@iiflcap.com  
Investor grievance email: ig.ib@iiflcap.com  
Website: www.iiflcap.com  
Contact Person: Sachin Kapoor/Kunur Bavishi  
SEBI Registration No.: INM000010940

**Link Intime India Private Limited**  
C-13, Pannalal Silk Mills Compound  
L.B.S. Marg  
Bhandup (West)  
Mumbai 400 078  
Maharashtra, India  
Tel: +91 22 6171 5400  
Fax: +91 22 2596 0329  
E-mail: mppl.ipo@linkintime.co.in  
Website: www.linkintime.co.in  
Contact Person: Shanti Gopalkrishnan  
SEBI Registration No.: INR000004058

### BID/OFFER PROGRAMME

**BID/OFFER OPENS ON**

[●]<sup>(1)</sup>

**BID/OFFER CLOSES ON**

[●]<sup>(2)</sup>

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

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

## TABLE OF CONTENTS

<b>SECTION I: GENERAL</b> .....	<b>2</b>
DEFINITIONS AND ABBREVIATIONS .....	2
PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA .....	12
FORWARD-LOOKING STATEMENTS .....	14
<b>SECTION II: RISK FACTORS</b> .....	<b>16</b>
<b>SECTION III: INTRODUCTION</b> .....	<b>38</b>
SUMMARY OF INDUSTRY .....	38
SUMMARY OF OUR BUSINESS .....	43
SUMMARY OF FINANCIAL INFORMATION .....	48
THE OFFER .....	52
GENERAL INFORMATION .....	54
CAPITAL STRUCTURE .....	62
OBJECTS OF THE OFFER .....	75
BASIS FOR OFFER PRICE .....	85
STATEMENT OF TAX BENEFITS .....	88
<b>SECTION IV: ABOUT OUR COMPANY</b> .....	<b>90</b>
INDUSTRY OVERVIEW .....	90
OUR BUSINESS .....	103
REGULATIONS AND POLICIES .....	116
HISTORY AND CERTAIN CORPORATE MATTERS .....	119
OUR MANAGEMENT .....	124
OUR PROMOTERS AND PROMOTER GROUP .....	137
OUR GROUP ENTITIES .....	141
RELATED PARTY TRANSACTIONS .....	147
DIVIDEND POLICY .....	148
<b>SECTION V: FINANCIAL INFORMATION</b> .....	<b>149</b>
FINANCIAL STATEMENTS .....	150
MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS .....	F-1
FINANCIAL INDEBTEDNESS .....	175
<b>SECTION VI: LEGAL AND OTHER INFORMATION</b> .....	<b>182</b>
OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS .....	182
GOVERNMENT AND OTHER APPROVALS .....	185
OTHER REGULATORY AND STATUTORY DISCLOSURES .....	189
<b>SECTION VII: OFFER INFORMATION</b> .....	<b>202</b>
TERMS OF THE OFFER .....	202
OFFER STRUCTURE .....	205
OFFER PROCEDURE .....	211
RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES .....	263
<b>SECTION VIII: MAIN PROVISIONS OF ARTICLES OF ASSOCIATION</b> .....	<b>264</b>
<b>SECTION IX: OTHER INFORMATION</b> .....	<b>273</b>
MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION .....	273
DECLARATION .....	275

## SECTION I: GENERAL

### DEFINITIONS AND ABBREVIATIONS

*This Draft Red Herring Prospectus uses certain definitions and abbreviations which, unless the context otherwise indicates or implies, shall have the meaning as provided below. References to any legislation, act, regulation, rules, guidelines or policies shall be to such legislation, act or regulation, as amended from time to time.*

#### General Terms

Term	Description
“our Company”, “the Company”, “the Issuer” or “MPP”	Maini Precision Products Limited, a company incorporated under the Companies Act, 1956 and having its Registered Office at B-165, 3 <sup>rd</sup> Cross, 1 <sup>st</sup> Stage, Peenya Industrial Estate, Bengaluru 560 058, Karnataka, India
“we”, “us” or “our”	Unless the context otherwise indicates or implies, refers to our Company

#### Company Related Terms

Term	Description
ABFL	Aditya Birla Finance Limited
Articles of Association/AoA	Articles of Association of our Company, as amended
Auditors/Statutory Auditors	Statutory auditors of our Company, namely, Walker Chandiook & Co LLP
Board/Board of Directors	Board of Directors of our Company or a duly constituted committee thereof
Director(s)	Director(s) of our Company
Equity Shares	Equity Shares of our Company of face value of ₹10 each
Group Entities	Companies as covered under the applicable accounting standards and also other companies as considered material by our Board  For details of our Group Entities and the policy of materiality adopted by our Board, see “Our Group Entities” on page 141
Key Management Personnel	Key management personnel of our Company in terms of Regulation 2(1)(s) of the SEBI ICDR Regulations, Section 2(51) of the Companies Act, 2013 and as disclosed in “Our Management” on page 124
Memorandum of Association/MOA	Memorandum of Association of our Company, as amended
MFT	The Maini Family Trust (formerly known as “MPP Employees Welfare Trust”)
MGAPL	Maini Global Aerospace Private Limited
MMMPL	Maini Materials Movement Private Limited
Maini Group	Group of companies managed by our Promoters
AMHL	Ambadevi Mauritius Holdings Limited
Pledged Shares	3,678,255 Equity Shares held by Dr. Sudarshan Kumar Maini, 1,044,099 Equity Shares held by Gautam Maini and 2,362,374 Equity Shares held by Sandeep Kumar Maini representing 76% of pre-Offer Equity Share capital have been pledged as security for a loan availed by MMMPL, Sandeep Kumar Maini and Gautam Maini from ABFL
Promoters	Promoters of our Company, namely, Dr. Sudarshan Kumar Maini, Sandeep Kumar Maini, Gautam Maini and Chetan Kumar Maini  For details, see “Our Promoters and Promoter Group” on page 137
Promoter Group	Persons and entities constituting the promoter group of our Company in terms of Regulation 2(1)(zb) of the SEBI ICDR Regulations
Registered Office	Registered office of our Company located at B-165, 3 <sup>rd</sup> Cross, 1 <sup>st</sup> Stage, Peenya Industrial Estate, Bengaluru 560 058, Karnataka, India
Registrar of Companies/RoC	Registrar of Companies, Bengaluru situated at “E” Wing, 2 <sup>nd</sup> Floor, Kendriya Sadana, Koramangala, Bengaluru 560 034, Karnataka, India
Restated Financial Information	The restated audited financial information of our Company which comprises of the audited balance sheet, the audited profit and loss information and the audited cash flow information as at and for the Financial Years 2015, 2014,

<b>Term</b>	<b>Description</b>
	2013, 2012 and 2011, together with the annexures and notes thereto
Shareholders	Shareholders of our Company from time to time
SMPPL	Sudarshan Maini Precision Products Private Limited

#### **Offer Related Terms**

<b>Term</b>	<b>Description</b>
Allot/Allotment/Allotted	Unless the context otherwise requires, allotment of the Equity Shares pursuant to the Fresh Issue and transfer of the Equity Shares offered by the Selling Shareholders pursuant to the Offer for Sale to the successful Bidders
Allotment Advice	Note or advice or intimation of Allotment sent to the Bidders who have been or are to be Allotted the Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchange
Allottee	A successful Bidder to whom the Equity Shares are Allotted
Anchor Investor	A Qualified Institutional Buyer, applying under the Anchor Investor Portion in accordance with the requirements specified in the SEBI ICDR Regulations
Anchor Investor Allocation Price	The price at which Equity Shares will be allocated to Anchor Investors in terms of the Red Herring Prospectus and the Prospectus which will be decided by our Company and the Selling Shareholders, in consultation with the BRLMs
Anchor Investor Bid/ Offer Period	The day, one Working Day prior to the Bid/Offer Opening Date, on which Bids by Anchor Investors shall be submitted
Anchor Investor Offer Price	Final price at which the Equity Shares will be Allotted to Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which price will be equal to or higher than the Offer Price but not higher than the Cap Price  The Anchor Investor Offer Price will be decided by our Company and the Selling Shareholders in consultation with the BRLMs
Anchor Investor Portion	Up to 60% of the QIB Category which may be allocated by our Company and the Selling Shareholders in consultation with the BRLMs, to Anchor Investors on a discretionary basis  One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price
Application Supported by Blocked Amount or ASBA	An application, whether physical or electronic, used by Bidders, other than Anchor Investors, to make a Bid authorising an SCSB to block the Bid Amount in the ASBA Account  ASBA is mandatory for QIBs (except Anchor Investors) and Non Institutional Bidders participating in the Offer
ASBA Account	An account maintained with an SCSB and specified in the Bid cum Application Form submitted by ASBA Bidders for blocking the Bid Amount mentioned in the Bid cum Application Form
ASBA Bid	A Bid made by an ASBA Bidder
ASBA Bidder	Prospective investors (other than Anchor Investors) in the Offer who intend to submit their Bid through the ASBA process
Banker(s) to the Offer/Escrow Collection Bank(s)	Banks which are clearing members and registered with SEBI as bankers to an issue and with whom the Escrow Account will be opened, in this case being [●]
Basis of Allotment	Basis on which Equity Shares will be Allotted to successful Bidders under the Offer and which is described in "Offer Procedure" on page 211
Bid	An indication to make an offer during the Bid/Offer Period by a Bidder pursuant to submission of the Bid cum Application Form, or during the Anchor Investor Bid/Offer Period by the Anchor Investors, to subscribe to or purchase the Equity Shares of our Company at a price within the Price Band, including all revisions and modifications thereto as permitted under the SEBI ICDR Regulations

<b>Term</b>	<b>Description</b>
	The term “Bidding” shall be construed accordingly
Bid Amount	The highest value of optional Bids indicated in the Bid cum Application Form and payable by the Bidder upon submission of the Bid
Bid cum Application Form	The form used by a Bidder, including an ASBA Bidder, to make a Bid and which will be considered as the application for Allotment or transfer, as the case may be, in terms of the Red Herring Prospectus and the Prospectus
Bid Lot	[●]
Bid/Offer Closing Date	<p>Except in relation to any Bids received from the Anchor Investors, the date after which the Syndicate, the Designated Branches and the Registered Brokers will not accept any Bids, which shall be notified in two national daily newspapers, one each in English and Hindi, and in one Kannada daily newspaper, each with wide circulation</p> <p>Our Company and the Selling Shareholders may, in consultation with the BRLMs, consider closing the Bid/Offer Period for QIBs one Working Day prior to the Bid/Offer Closing Date in accordance with the SEBI ICDR Regulations</p>
Bid/Offer Opening Date	Except in relation to any Bids received from the Anchor Investors, the date on which the Syndicate, the Designated Branches and the Registered Brokers shall start accepting Bids, which shall be notified in two national daily newspapers, one each in English and Hindi, and in one Kannada daily newspaper, each with wide circulation
Bid/Offer Period	Except in relation to Anchor Investors, the period between the Bid/Offer Opening Date and the Bid/Offer Closing Date, inclusive of both days, during which prospective Bidders can submit their Bids, including any revisions thereof
Bidder	Any prospective investor who makes a Bid pursuant to the terms of the Red Herring Prospectus and the Bid cum Application Form and unless otherwise stated or implied, includes an ASBA Bidder and Anchor Investor
Book Building Process	Book building process, as provided in Schedule XI of the SEBI ICDR Regulations, in terms of which the Offer is being made
Book Running Lead Managers or BRLMs	The book running lead managers to the Offer namely, ICICI Securities Limited and IIFL Holdings Limited
Broker Centres	<p>Broker centres notified by the Stock Exchanges where Bidders can submit the Bid cum Application Forms to a Registered Broker</p> <p>The details of such Broker Centres, along with the names and contact details of the Registered Broker are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com)</p>
CAN/Confirmation of Allocation Note	Notice or intimation of allocation of the Equity Shares sent to Anchor Investors, who have been allocated the Equity Shares, after the Anchor Investor Bid/Offer Period
Cap Price	The higher end of the Price Band, above which the Offer Price will not be finalised and above which no Bids will be accepted
Client ID	Client identification number maintained with one of the Depositories in relation to demat account
Cut-off Price	<p>Offer Price, finalised by our Company and the Selling Shareholders in consultation with the BRLMs</p> <p>Only Retail Individual Bidders are entitled to Bid at the Cut-off Price. QIBs and Non-Institutional Bidders are not entitled to Bid at the Cut-off Price</p>
Designated Branches	Such branches of the SCSBs which shall collect the Bid cum Application Forms used by the ASBA Bidders, a list of which is available on the website of SEBI at <a href="http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries">http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries</a> or at such other website as may be prescribed by SEBI from time to time
Designated Date	The date on which the Escrow Collection Banks transfer funds from the Escrow Accounts, and the SCSBs issue instructions for transfer of funds from the ASBA Accounts, to the Public Issue Account or the Refund Account, as

<b>Term</b>	<b>Description</b>
	appropriate, in terms of the Red Herring Prospectus following which the Board of Directors may Allot Equity Shares to successful Bidders/Applicants in the Fresh Issue and the Selling Shareholders may give delivery instructions for the transfer of the Equity Shares constituting the Offer for Sale
Designated Stock Exchange	[●]
Draft Red Herring Prospectus or DRHP	This Draft Red Herring Prospectus dated September 30, 2015, issued in accordance with the SEBI ICDR Regulations, which does not contain complete particulars of the price at which the Equity Shares will be Allotted and the size of the Offer
Eligible NRI(s)	NRI(s) from jurisdictions outside India where it is not unlawful to make an offer or invitation under the Offer and in relation to whom the Bid cum Application Form and the Red Herring Prospectus will constitute an invitation to subscribe to or to purchase the Equity Shares
Escrow Account	Account opened with the Escrow Collection Bank(s) and in whose favour the Bidders (excluding the ASBA Bidders) will issue cheques or drafts in respect of the Bid Amount when submitting a Bid
Escrow Agent	Escrow agent appointed pursuant to the Share Escrow Agreement, namely, [●]
Escrow Agreement	Agreement dated [●] entered into by our Company, the Selling Shareholders, the Registrar to the Offer, the BRLMs, the Syndicate Members, the Escrow Collection Bank(s) and the Refund Bank(s) for collection of the Bid Amounts and where applicable, refunds of the amounts collected from the Bidders (excluding the ASBA Bidders), on the terms and conditions thereof
First Bidder	Bidder whose name shall be mentioned in the Bid cum Application Form or the Revision Form and in case of joint Bids, whose name shall also appear as the first holder of the beneficiary account held in joint names
Floor Price	The lower end of the Price Band, subject to any revision thereto, at or above which the Offer Price and the Anchor Investor Offer Price will be finalised and below which no Bids will be accepted
Fresh Issue	The fresh issue of up to [●] Equity Shares aggregating up to ₹500 million by our Company
General Information Document/GID	The General Information Document for investing in public issues prepared and issued in accordance with the circular (CIR/CFD/DIL/12/2013) dated October 23, 2013 notified by SEBI, suitably modified and included in “Offer Procedure” on page 211
IIFL	IIFL Holdings Limited
I-Sec	ICICI Securities Limited
Maximum RIB Allottees	Maximum number of RIBs who can be allotted the minimum Bid Lot. This is computed by dividing the total number of Equity Shares available for Allotment to RIBs by the minimum Bid Lot
MMMPL	Maini Materials Movement Private Limited
Mutual Fund Portion	5% of the QIB Portion (excluding the Anchor Investor Portion), or [●] Equity Shares which shall be available for allocation to Mutual Funds only
Mutual Funds	Mutual funds registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
Net Proceeds	Proceeds of the Fresh Issue less our Company’s share of the Offer expenses  For further information about use of the Offer Proceeds and the Offer expenses, see “Objects of the Offer” on page 75
Non-Institutional Bidders	All Bidders that are not QIBs or Retail Individual Bidders and who have Bid for Equity Shares for an amount more than ₹200,000 (but not including NRIs other than Eligible NRIs)
Non-Institutional Portion	The portion of the Offer being not less than 15% of the Offer consisting of [●] Equity Shares which shall be available for allocation on a proportionate basis to Non-Institutional Bidders, subject to valid Bids being received at or above the Offer Price
Non-Resident	A person resident outside India, as defined under FEMA and includes a non resident Indian, FIIs and FPIs
Offer	The public issue of up to [●] Equity Shares of face value of ₹10 each for cash

Term	Description
	at a price of ₹[●] each, comprising of the Fresh Issue and the Offer for Sale
Offer Agreement	The agreement dated September 28, 2015 between our Company, the Selling Shareholders and the BRLMs, pursuant to which certain arrangements are agreed to in relation to the Offer
Offer for Sale	The offer for sale of up to 1,000,000 equity shares by Dr. Sudarshan Kumar Maini, up to 100,000 Equity Shares by Reva Maini, up to 930,000 Equity Shares by Sandeep Kumar Maini, up to 500,000 Equity Shares by Gautam Maini and up to 500,000 Equity Shares by Chetan Kumar Maini at the Offer Price aggregating up to ₹[●] million
Offer Price	The final price at which Equity Shares will be Allotted  The Offer Price will be decided by our Company and the Selling Shareholders in consultation with the BRLMs on the Pricing Date
Offer Proceeds	The proceeds of the Offer that is available to our Company and the Selling Shareholders
Price Band	Price band of a minimum price of ₹[●] per Equity Share (Floor Price) and the maximum price of ₹[●] per Equity Share (Cap Price) including revisions thereof  The Price Band and the minimum Bid Lot size for the Offer will be decided by our Company and the Selling Shareholders in consultation with the BRLMs and will be advertised, at least five Working Days prior to the Bid/Offer Opening Date, in [●] edition of the English national newspaper [●], [●] edition of the Hindi national newspaper [●], and [●] edition of the Kannada newspaper [●], each with wide circulation
Pricing Date	The date on which our Company and the Selling Shareholders in consultation with the BRLMs, will finalise the Offer Price
Prospectus	The Prospectus to be filed with the RoC after the Pricing Date in accordance with Section 26 of the Companies Act, 2013, and the SEBI ICDR Regulations containing, <i>inter alia</i> , the Offer Price that is determined at the end of the Book Building Process, the size of the Offer and certain other information
Public Issue Account	Account opened with the Bankers to the Offer under Section 40(3) of the Companies Act, 2013 to receive monies from the Escrow Account(s) and ASBA Accounts on the Designated Date
QIB Category/QIB Portion	The portion of the Offer (including the Anchor Investor Portion) being not more than 50% of the Offer consisting of [●] Equity Shares which shall be Allotted to QIBs (including Anchor Investors)
Qualified Institutional Buyers/QIBs	Qualified institutional buyers as defined under Regulation 2(1)(zd) of the SEBI ICDR Regulations
Red Herring Prospectus or RHP	The Red Herring Prospectus to be issued in accordance with Section 32 of the Companies Act, 2013 and the provisions of the SEBI ICDR Regulations, which will not have complete particulars of the price at which the Equity Shares will be offered and the size of the Offer including any addenda or corrigenda thereto
Refund Account(s)	The account opened with the Refund Bank(s), from which refunds, if any, of the whole or part of the Bid Amount (excluding refund to ASBA Bidders) shall be made
Refund Bank(s)	[●]
Refunds through electronic transfer of funds	Refunds through NECS, direct credit, RTGS or NEFT, as applicable
Registered Brokers	Stock brokers registered with the stock exchanges having nationwide terminals, other than the Members of the Syndicate and eligible to procure Bids in terms of Circular No. CIR/CFD/14/2012 dated October 4, 2012 issued by SEBI
Registrar to the Offer/Registrar	Link Intime India Private Limited
Retail Individual Bidder(s)/Retail Individual Investor(s)/RII(s)	Individual Bidders submitting Bids, who have Bid for the Equity Shares for an amount not more than ₹200,000 in any of the bidding options in the Offer (including HUFs applying through their Karta and Eligible NRIs and does not

<b>Term</b>	<b>Description</b>
	include NRIs other than Eligible NRIs)
Retail Portion	The portion of the Offer being not less than 35% of the Offer consisting of [●] Equity Shares which shall be available for allocation to Retail Individual Bidders) in accordance with the SEBI ICDR Regulations
Revision Form	Form used by the Bidders, including ASBA Bidders, to modify the quantity of the Equity Shares or the Bid Amount in any of their Bid cum Application Forms or any previous Revision Form(s)  QIB Bidders and Non-Institutional Bidders are not allowed to lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage
Self Certified Syndicate Bank(s) or SCSB(s)	The banks registered with SEBI, offering services in relation to ASBA, a list of which is available on the website of SEBI at <a href="http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries">http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries</a> and updated from time to time
Selling Shareholders	Dr. Sudarshan Kumar Maini, Reva Maini, Sandeep Kumar Maini, Gautam Maini and Chetan Kumar Maini
Share Escrow Agreement	Agreement dated [●] entered into by the Selling Shareholders, our Company and the Escrow Agent in connection with the transfer of Equity Shares under the Offer for Sale by such Selling Shareholders and credit of such Equity Shares to the demat account of the Allottees
Specified Locations	Bidding centres where the Syndicate shall accept Bid cum Application Forms from ASBA Bidders, a list of which is available on the website of SEBI ( <a href="http://www.sebi.gov.in">www.sebi.gov.in</a> ) and updated from time to time
Syndicate Agreement	Agreement to be entered into among the BRLMs, the Syndicate Members, our Company and the Selling Shareholders in relation to the collection of Bids in the Offer (other than Bids directly submitted to the SCSBs under the ASBA process and Bids submitted to Registered Brokers at the Broker Centres)
Syndicate Members	Intermediaries registered with SEBI who are permitted to carry out activities as an underwriter, namely, [●]
Syndicate or Members of the Syndicate	The BRLMs and the Syndicate Members
TRS or Transaction Registration Slip	The slip or document issued by the Syndicate, or the SCSB (only on demand), as the case may be, to the Bidder as proof of registration of the Bid
Underwriters	[●]
Underwriting Agreement	The agreement among the Underwriters, our Company and the Selling Shareholders to be entered into on or after the Pricing Date
Working Day	Any day, other than second and fourth Saturdays of the month and Sundays, or a public holiday on which commercial banks in Mumbai are open for business, provided however, with reference to (a) announcement of Price Band; and (b) Bid/Offer Period, "Working Days" shall mean all days, excluding Saturdays, Sundays and public holidays, which are working days for commercial banks in India. For the purpose of the time period between the Bid/Offer Closing Date and listing of the Equity Shares on the Stock Exchanges, "Working Days" shall mean all days excluding Sundays and bank holidays in Mumbai in accordance with the SEBI circular no. CIR/CFD/DIL/3/2010 dated April 22, 2010

#### Technical/Industry Related Terms/Abbreviations

<b>Term</b>	<b>Description</b>
ACMA	Automotive Component Manufacturers Association of India
AMT	Automated Manual Transmission
ASNT	American Society for Non-destructive Testing
CAGR	Compound Annual Growth Rate
CNC	Computer Numerical Control
CNC-MSA	Computer Numerical Control-Multispindle Automatic
CNG	Compressed Natural Gas



<b>Term</b>	<b>Description</b>
CSR	Corporate Social Responsibility
DFRC	Duty Free Replenishment Certificate
DHI	Department of Heavy Industry, Ministry of Heavy Industries and Public Enterprises, Government of India
EBITDA	Earnings before interest, tax, depreciation and amortization
ERP (SAP)	Enterprise Resource Planning software developed by SAP SE.
FKCCI	Federation of Karnataka Chamber of Commerce & Industry – Services provided & Membership benefit.
FTK	Freight-Tonne-Kilometer
GDI	Gasoline Direct Injection
HMCs	Horizontal Machining Centres
LCCs	Low-cost carriers
M&HCV	Medium and Heavy Commercial Vehicles
MRO	Maintenance, Repair and Overhaul
MSA	Multispindle Automat
NADCAP	National Aerospace and Defense Contractors Accreditation
NAFTA	North Atlantic Free Trade Agreement
NATRIP	National Automotive Testing and R&D Infrastructure Project
NIMZ	National Investment Manufacturing Zone
NMEM	National Mission for Electric Mobility
OEMs	Original Equipment Manufacturers
PLM	Product Lifecycle Management
PV	Passenger Vehicle
R&D	Research & Development
SPM	Special Purpose Machine
Tier I Customers	The customers who provide machined parts and products directly to the OEMs
TMCs	Term Mill Centers
VMCs	Vertical Machining Centers

#### **Conventional and General Terms or Abbreviations**

<b>Term</b>	<b>Description</b>
₹/Rs./Rupees/INR	Indian Rupees
AGM	Annual General Meeting
AIF	Alternative Investment Fund as defined in and registered with SEBI under the Securities and Exchange Board of India (Alternative Investments Funds) Regulations, 2012
Air Act	Air (Prevention and Control of Pollution) Act, 1981
AS/Accounting Standards	Accounting Standards issued by the Institute of Chartered Accountants of India
ASEAN	Association of Southeast Asian Nations
Bn/bn	Billion
BSE	BSE Limited
CAGR	Compounded Annual Growth Rate
Category I Foreign Portfolio Investors	FPIs who are registered as “Category I foreign portfolio investors” under the SEBI FPI Regulations
Category II Foreign Portfolio Investors	FPIs who are registered as “Category II foreign portfolio investors” under the SEBI FPI Regulations
Category III Foreign Portfolio Investors	FPIs who are registered as “Category III foreign portfolio investors” under the SEBI FPI Regulations
CCI	Competition Commission of India
CDSL	Central Depository Services (India) Limited
CENVAT	Central Value Added Tax
CESTAT	Customs, Excise and Service Tax Appellate Tribunal
CIN	Corporate Identity Number
CIT	Commissioner of Income Tax
Civil Code	The Code of Civil Procedure, 1908
Companies Act	Companies Act, 1956 and Companies Act, 2013, as applicable

<b>Term</b>	<b>Description</b>
Companies Act, 1956	Companies Act, 1956 (without reference to the provisions thereof that have ceased to have effect upon notification of the sections of the Companies Act, 2013) along with the relevant rules made thereunder
Companies Act, 2013	Companies Act, 2013, to the extent in force pursuant to the notification of the Notified Sections, along with the relevant rules made thereunder
Competition Act	The Competition Act, 2002
Customs Act	The Customs Act, 1962
Depositories	NSDL and CDSL
Depositories Act	The Depositories Act, 1996
DIN	Director Identification Number
DP ID	Depository Participant's Identification
DP/Depository Participant	A depository participant as defined under the Depositories Act
DTC	Direct Taxes Code
EBITDA	Earnings before interest, tax, depreciation and amortization
EBIT	Earnings before interest and tax
EGM	Extraordinary General Meeting
EPA	Environment Protection Act, 1986
EPS	Earnings Per Share
Equity Listing Agreement	Listing Agreement to be entered into with the Stock Exchanges on which the Equity Shares of our Company are to be listed
ESI Act	Employees State Insurance Act, 1948
EURIBOR	Euro Inter-Bank Offer Rate
FCNR	Foreign Currency Non-Resident
FDI	Foreign Direct Investment
FEMA	Foreign Exchange Management Act, 1999, read with rules and regulations thereunder
FEMA Regulations	FEMA (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000 and amendments thereto
FII(s)	Foreign Institutional Investors as defined under the SEBI FPI Regulations
Financial Year/Fiscal/ Fiscal Year/FY	Unless stated otherwise, the period of 12 months ending March 31 of that particular year
FIPB	Foreign Investment Promotion Board
FPI(s)	Foreign Portfolio Investors as defined under the SEBI FPI Regulations
FVCI	Foreign Venture Capital Investors as defined and registered under the SEBI FVCI Regulations
GDP	Gross Domestic Product
GIR	General Index Register
GoI/Government	Government of India
GST	Goods and Services Tax
ICAI	The Institute of Chartered Accountants of India
ICDS	Income Computation and Disclosure Standards notified by the Ministry of Finance on March 31, 2015
IFRS	International Financial Reporting Standards
Income Tax Act	The Income Tax Act, 1961
India	Republic of India
Indian Accounting Standard Rules	The Companies (Indian Accounting Standards) Rules of 2015
Indian GAAP	Generally Accepted Accounting Principles in India
IPO	Initial public offering
IRDA	Insurance Regulatory and Development Authority of India
IST	Indian Standard Time
IT	Information Technology
KSPCB	Karnataka State Pollution Control Board
Legal Metrology Act	Legal Metrology Act, 2009
LLP Act	Limited Liability Partnership Act, 2008
MAT	Minimum Alternate Tax
MCA	Ministry of Corporate Affairs, Government of India
Mn/mn	Million

<b>Term</b>	<b>Description</b>
N.A	Not Applicable
NAV	Net Asset Value
NBFC	Non-banking financial company registered with the RBI
NECS	National Electronic Clearing Services
NEFT	National Electronic Fund Transfer
Notified Sections	The sections of the Companies Act, 2013 that were notified by the Ministry of Corporate Affairs, Government of India
NRE Account	Non Resident External Account
NRI	A person resident outside India, who is a citizen of India or a person of Indian origin, and shall have the meaning ascribed to such term in the Foreign Exchange Management (Deposit) Regulations, 2000
NRO Account	Non Resident Ordinary Account
NSDL	National Securities Depository Limited
NSE	The National Stock Exchange of India Limited
OCB/Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA. OCBs are not allowed to invest in the Offer
p.a.	Per annum
P/E Ratio	Price/Earnings Ratio
PAN	Permanent Account Number
PAT	Profit After Tax
RBI	Reserve Bank of India
RoC	Registrar of Companies, Bengaluru
RTGS	Real Time Gross Settlement
SCRA	Securities Contracts (Regulation) Act, 1956
SCRR	Securities Contracts (Regulation) Rules, 1957
SEBI	Securities and Exchange Board of India constituted under the SEBI Act, 1992
SEBI Act	Securities and Exchange Board of India Act 1992
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investments Funds) Regulations, 2012
SEBI Depository Regulations	Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996
SEBI FII Regulations	Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014
SEBI FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
SEBI Mutual Fund Regulations	Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
SEBI Portfolio Manager Regulations	Securities and Exchange Board of India (Portfolio Managers) Regulations, 1993
SEBI Stock Broker Regulations	Securities and Exchange Board of India (Stock Brokers and Sub-Brokers) Regulations, 1992
SEBI VCF Regulations	Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996
Securities Act	U.S. Securities Act, 1933
SICA	Sick Industrial Companies (Special Provisions) Act, 1985
Sq. ft./sq.ft.	Square feet
Stamp Act	The Indian Stamp Act, 1899
State Government	The government of a state in India
Stock Exchanges	The BSE and the NSE
STT	Securities Transaction Tax

<b>Term</b>	<b>Description</b>
Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
TAN	Tax deduction account number
U.S./USA/United States	United States of America
US GAAP	Generally Accepted Accounting Principles in the United States of America
USD/US\$	United States Dollars
VAT	Value Added Tax
VCFs	Venture Capital Funds as defined in and registered with SEBI under the SEBI VCF Regulations
Water Act	Water (Prevention and Control of Pollution) Act, 1974

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

Notwithstanding the foregoing, terms in “Statement of Tax Benefits”, “Financial Statements”, “Outstanding Litigation and Material Developments” and “Main Provisions of Articles of Association” on pages 88, F-1, 182 and 264, respectively, shall have the meaning given to such terms in such sections.

## **PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA**

### **Certain Conventions**

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

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

### **Financial Data**

Unless stated otherwise, the financial data in this Draft Red Herring Prospectus is derived from the Restated Financial Information prepared in accordance with the Companies Act and Indian GAAP, and restated in accordance with the SEBI ICDR Regulations.

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

Our Company’s financial year commences on April 1 and ends on March 31 of the next year; accordingly, all references to a particular financial year, unless stated otherwise, are to the 12 month period ended on March 31 of that year.

There are significant differences between Indian GAAP, US GAAP and IFRS. Our Company does not provide reconciliation of the financial information included in this Draft Red Herring Prospectus to IFRS or US GAAP. Our Company has not attempted to explain those differences or quantify their impact on the financial data included in this Draft Red Herring Prospectus and it is urged that you consult your own advisors regarding such differences and their impact on financial data included in this Draft Red Herring Prospectus. For details in connection with risks involving differences between Indian GAAP and IFRS, see “Risk Factors” on page 16. Accordingly, the degree to which the financial information included in this Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader’s level of familiarity with Indian accounting policies and practices, the Companies Act and the SEBI ICDR Regulations. Any reliance by persons not familiar with Indian accounting policies and practices on the financial disclosures presented in this Draft Red Herring Prospectus should accordingly be limited.

Unless the context otherwise indicates, any percentage amounts, as set forth in “Risk Factors”, “Our Business” and “Management’s Discussion and Analysis of Financial Conditions and Results of Operations” on pages 16, 103 and 150 respectively, and elsewhere in this Draft Red Herring Prospectus have been calculated on the basis of the Restated Financial Information.

EBITDA presented in this Draft Red Herring Prospectus are supplemental measures of our performance and liquidity that are not required by, or presented in accordance with, Indian GAAP, IFRS or US GAAP. Furthermore, EBITDA is not a measurement of our financial performance or liquidity under Indian GAAP, IFRS or US GAAP and should not be considered as an alternative to net profit/loss, revenue from operations or any other performance measures derived in accordance with Indian GAAP, IFRS or US GAAP or as an alternative to cash flow from operations or as a measure of our liquidity. In addition, EBITDA is not a standardised term, hence a direct comparison of EBITDA between companies may not be possible. Other companies may calculate EBITDA differently from us, limiting its usefulness as a comparative measure.

### **Currency and Units of Presentation**

All references to:

- “Rupees” or “₹” or “INR” or “Rs.” are to the Indian Rupee, the official currency of the Republic of India;
- “USD” or “US\$” are to United States Dollar, the official currency of the United States; and
- “Euro” or “EUR” or “€” are to Euro, the official currency of the Eurozone (the monetary union of the European Union).

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

### Exchange Rates

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

The following table sets forth, for the periods indicated, information with respect to the exchange rate between the Rupee and the USD (in Rupees per USD):

Currency	As on March 31, 2013 <sup>(1)</sup> (₹)	As on March 31, 2014 <sup>(1)</sup> (₹)	As on March 31, 2015 <sup>(1)</sup> (₹)
USD	54.39	60.10	62.59
Euro	69.54	82.58	67.51

<sup>(1)</sup> In the event that March 31 of any of the respective years is a public holiday, the previous calendar day not being a public holiday has been considered

Source: [www.rbi.gov.in](http://www.rbi.gov.in)

### Land, Property and Units of Presentation

Our Company has presented units of land and property in this Draft Red Herring Prospectus in “acres”, “guntas” and “square feet”, as the case may be.

### Industry and Market Data

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

Industry publications generally state that the information contained in such publications has been obtained from publicly available documents from various sources believed to be reliable but their accuracy and completeness are not guaranteed and their reliability cannot be assured. Although we believe the industry and market data used in this Draft Red Herring Prospectus is reliable, it has not been independently verified by us or the BRLMs or any of their affiliates or advisors. The data used in these sources may have been reclassified by us for the purposes of presentation. Data from these sources may also not be comparable. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in “Risk Factors” on page 16. Accordingly, investment decisions should not be based solely on such information.

In accordance with the SEBI ICDR Regulations, “Basis for Offer Price” on page 85 includes information relating to our peer group entities. Such information has been derived from publicly available sources, and neither we, nor the BRLMs have independently verified such information.

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

## FORWARD-LOOKING STATEMENTS

This Draft Red Herring Prospectus contains certain “forward-looking statements”. These forward-looking statements generally can be identified by words or phrases such as “aim”, “anticipate”, “believe”, “expect”, “estimate”, “intend”, “objective”, “plan”, “project”, “will”, “will continue”, “will pursue” or other words or phrases of similar import. Similarly, statements that describe our Company’s strategies, objectives, plans or goals are also forward-looking statements.

All forward-looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement.

Actual results may differ materially from those suggested by the forward-looking statements due to risks or uncertainties associated with the expectations with respect to, but not limited to, regulatory changes pertaining to the industry in which our Company has businesses and its ability to respond to them, its ability to successfully implement its strategy, its growth and expansion, technological changes, its exposure to market risks, general economic and political conditions in India and globally which have an impact on its business activities or investments, the monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in laws, regulations and taxes and changes in competition in its industry. Important factors that could cause actual results to differ materially from our Company’s expectations include, but are not limited to, the following:

- our dependence on limited number of customers for a significant portion of our revenues;
- impact of any reduction in sales of the products of our customers or defects in our customers’ products;
- our ability to accurately forecast demand for our products, our business, cash flows, financial condition and prospects;
- any delay in the construction or in obtaining necessary approvals for the construction of the new facility in Nelamangala;
- any failure to comply with the financial and restrictive covenants under our financing arrangements;
- inability to meet the requirements of our international customers;
- our exposure to risks associated with fluctuations in foreign exchange rates;
- availability and cost of raw materials;
- our ability to retain and hire key employees or maintain good relations with our workforce;
- risks arising from changes in interest rates, currency fluctuations and inflation; and
- general economic and business conditions in India and other countries.

For further discussion of factors that could cause the actual results to differ from the expectations, see “Risk Factors”, “Our Business” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on pages 16, 103 and 150, respectively. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual gains or losses could materially differ from those that have been estimated.

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

Forward-looking statements reflect the current views of our Company as of the date of this Draft Red Herring Prospectus and are not a guarantee of future performance. These statements are based on the management’s beliefs and assumptions, which in turn are based on currently available information. Although we believe the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect. Neither our Company, our Directors, the Selling Shareholders, the BRLMs nor any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition.

In accordance with SEBI requirements, our Company and the BRLMs will ensure that investors in India are informed of material developments until the time of the grant of listing and trading permission by the Stock Exchanges. The Selling Shareholders severally and not jointly will ensure that investors are informed of material developments in relation to statements and undertakings made by the Selling Shareholders in the Red Herring Prospectus and the Prospectus until the time of the grant of listing and trading permission by the Stock

Exchanges. Further, in accordance with Regulation 51A of the SEBI ICDR Regulations, our Company may be required to undertake an annual updation of the disclosures made in this Draft Red Herring Prospectus and make it publicly available in the manner specified by SEBI.



## SECTION II: RISK FACTORS

*Any investment in equity shares involves a high degree of risk. You should carefully consider all the information in this Draft Red Herring Prospectus, including the risks, uncertainties and challenges described below, before making an investment in our Equity Shares. To obtain a complete understanding, you should read this section together with “Our Business” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on pages 103 and 150, respectively, as well as the other financial and statistical information contained in this Draft Red Herring Prospectus.*

*If any or a combination of the following risks, or other risks and uncertainties that are not currently known or are now deemed immaterial, actually materialize, our business, financial condition, results of operations and prospects may suffer, the trading price of our Equity Shares may decline, and all or part of your investment in our Equity Shares may be lost. The risks and uncertainties described in this section are not the only risks that we currently face. Additional risks and uncertainties not known to us or that we currently believe to be immaterial may also have an adverse effect on our business, results of operations, financial condition and cash flows.*

*Unless otherwise stated, we are not in a position to specify or quantify the financial or other risks mentioned here. The financial and other related implications of risks concerned, wherever quantifiable, have been disclosed in the risk factors mentioned below. However, there are risk factors where the impact is not quantifiable and hence the same has not been disclosed in such risk factors. Investment in equity and equity related securities involve a degree of risk and investors should not invest any funds in this Offer unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in this offering. Before making an investment decision, investors must rely on their own examination of the Offer and us.*

*This Draft Red Herring Prospectus contains forward-looking statements that involve risks and uncertainties. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Draft Red Herring Prospectus. See “Forward-Looking Statements” on page 14.*

### **Internal Risk Factors**

#### **Risks Relating to Our Business**

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

We have in the past, and may in the future derive a significant portion of our revenues from limited number of customers. For Financial Years 2015, 2014 and 2013, revenue from our top five customers constituted 77.37%, 75.55% and 72.13% of our revenue respectively and revenue from Bosch contributed to 35.82%, 34.97% and 30.84% of our revenue respectively.

Demand for our products is directly related to the production and sales of automotive & industrial and aerospace products by our major customers. The production and sales of automotive & industrial and aerospace products may be affected by a general change in economic or industry conditions, trends in the global and domestic economies, as well as evolving regulatory requirements, government initiatives, trade agreements and other factors. A sustained decline in the demand for our customers’ products could prompt them to cut their production volumes, in turn affecting their demand for our products. 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, introduce design changes or changes in their product mix, manufacturing strategy and growth strategy, and macroeconomic factors affecting the economy in general and our customers in particular. Further, the phasing out of products by our customers, and in turn, our products, turning obsolete, may also affect our financial condition and results of operations.

As our business is currently concentrated to a low number of significant customers, we may experience reduction in cash flows and liquidity if we lose one or more of our major customers or if the amount of business from them is significantly reduced for any reason, including as a result of a dispute with or disqualification by, a major customer. Consolidation of any of our customers may also adversely affect our existing relationships and arrangements with such customers, and any of our customers that are acquired may cease to use our services.

Further, customers losing on their market share in the respective sector, replacement of an existing product with an alternative product may also adversely affect our business, financial condition, results of operations, cash flows and prospects.

- 2. The success of the components manufactured by us depends on the success of the end product of our customer. Reduction in sales of the products of our customer, or defects in our customers' products which may be attributable to us, may adversely affect our business, financial condition, results of operations and prospects.***

The success of our business depends on the success of the products of our customers, and the demand for our products is directly related to the production and sales of automotive & industrial and aerospace products manufactured by our customers. The production and sales volumes of our customers may be affected by a number of factors such as change in economic or industry conditions, change in regulatory requirements, government initiatives, products becoming obsolete or being phased out. Any decline in the demand for our customers' products may adversely affect the sales of our components to our customers and in turn may adversely affect our business, financial condition, results of operations and prospects. Further, any defect in our customers' products, which may be attributable to us, directly or indirectly, may also adversely affect our financial condition and prospects.

- 3. If we are unable to accurately forecast demand for our products, our business, cash flows, financial condition and prospects may be adversely affected.***

Our inability to forecast the level of customer demand for our products, as well as our inability to accurately schedule our raw material purchases and production and manage our inventory may adversely affect our business and cash flows from operations. We presently manufacture and supply products on a rolling forecasts basis and order raw materials from suppliers based on customer forecasts and orders. Rolling forecasts for manufacture of products is based on the tentative schedule provided by our customers and the same is subject to change based on market requirement. In the event of any significant reduction or increase in demand for products by the customers with little or no advance notice, for any reason including our inability to meet customer requirements, product obsolescence, revision of products, etc, we may be unable to undertake corresponding production and inventory management, which may have an adverse effect on our investment management costs and margins, thereby affecting our liquidity and operational costs.

Further, finished inventory which is maintained in our warehouses in anticipation of demand, may be susceptible to changes in customer orders that may render our finished products obsolete or unutilized, thereby adversely affecting our liquidity and financial position.

- 4. We are exposed to foreign currency exchange rate fluctuations, which may adversely affect our results of operations and cause our quarterly results to fluctuate significantly.***

We face foreign exchange rate risk to the extent that our revenue, expenses, assets or liabilities are denominated in a currency other than the Indian Rupee. For Financial Year 2015, 53.11% of our total revenue and 7.46% of our total expenses were denominated in foreign currencies. A significant portion of our equipment purchases, a portion of our material costs and third party warehouse expenses are denominated in foreign currencies, while our export revenue is also denominated in foreign currencies, principally USD and Euro. Our foreign currency exposures, exchange rate fluctuations between the Indian Rupee and foreign currencies, especially the USD and Euro, may have a material impact on our results of operations, cash flows and financial condition.

The exchange rate between the Indian Rupee and U.S. Dollar has been volatile in recent periods. Based on RBI data, the Indian Rupee/U.S. dollar exchange rate as at March 31, 2015, 2014 and 2013 was ₹62.59/dollar, ₹60.10/dollar and ₹54.39/dollar, respectively and average Indian Rupee/Euro exchange rate as at March 31, 2015, 2014 and 2013 was ₹67.51/Euro, ₹82.58/Euro and ₹69.54/Euro, respectively. We may, therefore, suffer losses on account of foreign currency fluctuations for sale of our products to our international customers, since we may be able to revise the prices, for foreign currency fluctuations, only on a periodic basis and may not be able to pass on all losses on account of foreign currency fluctuations to our customers.

While we seek to hedge our foreign currency risk by entering into forward exchange contracts, any steps undertaken to hedge the risks on account of fluctuations in currencies may not adequately hedge against any losses we incur due to such fluctuations. Our net foreign exchange gain for Financial Year 2015, is ₹45.19 million, net foreign exchange loss is ₹66.60 million for Financial Year 2014 and net foreign exchange loss for Financial Year 2013 amounted to ₹2.83 million respectively.

As on March 31, 2015, our total un-hedged foreign currency receivables amounted to ₹300.62 million, our total un-hedged foreign currency loans and borrowings amounted to ₹401.74 million, balances with the bank is ₹0.34 million, supplier advances is ₹9.32 million, while our total un-hedged foreign currency payables amounted to ₹22.37 million.

Moreover, as a significant part of our working capital borrowings are U.S. Dollar and Euro denominated, we expect that our cost of borrowing as well as our cost of imported raw materials, imported stores and spares, overseas legal and professional costs and overseas warehousing costs incurred by us may rise during a sustained depreciation of the Indian Rupee against the U.S. Dollar or the Euro. Adverse fluctuations in exchange rates that we have not adequately hedged may adversely impact our profitability and financial condition. For details, see “Management’s Discussion and Analysis of Financial Condition” on page 150.

**5. *Our indebtedness and failure to comply with financial and other restrictive covenants imposed on us under our financing agreements may adversely affect our ability to conduct our business and operations.***

As on August 31, 2015, our aggregate secured borrowings from banks and financial institutions were ₹660.32 million, while aggregate unsecured borrowings from financial institutions amounted to ₹10.00 million, and we expect to incur additional indebtedness in relation to our capital expenditures. As on August 31, 2015, our debt to equity ratio was 1.15. We have entered into certain agreements for our borrowings and some of these agreements require us to maintain certain financial ratios and also impose certain restrictive covenants on us, such as requiring lender consent for, inter alia, effecting any changes in capital structure, making material changes to constitutional documents, incurring further indebtedness, creating further encumbrances on or disposing of assets, undertaking a restructuring or declaring dividends. While there have not been any instances of non-compliances in relation to any of our loan agreements or any covenant therein, there can be no assurance that we will be able to comply with these covenants in the future or that we will be able to obtain the consents necessary to take the actions that may be necessary.

Our existing debt or additional debt that we may incur has, or may have, among others, the following consequences:

- limiting our ability to fund future working capital, capital expenditures and other general corporate requirements;
- requiring us to dedicate a substantial portion of our cash flow from operations to service our debt;
- limiting our flexibility to react to changes in our business and in the industry in which we operate;
- placing us at a competitive disadvantage with respect to any of our competitors who have less debt;
- requiring us to meet additional financial covenants; and
- leading to circumstances that result in an event of default, if not waived or cured.

Any failure to service our indebtedness, perform any condition or covenant or comply with the restrictive covenants could lead to a termination of one or more of our credit facilities, acceleration of amounts due under such facilities, affect our ability to raise additional funds or renew maturing borrowings to finance our existing working capital requirements and pursue our growth initiatives. We cannot provide any assurance that our business will generate cash in an amount sufficient to enable us to service our debt or to fund our other liquidity needs as they become due. The termination of, or declaration or enforcement of default under, any financing agreement may have an adverse effect on our business, financial condition, results of operations and prospects.

For details of our indebtedness, see “Financial Indebtedness” on page 175.

**6. *A significant portion of our revenues is dependent on our exports to international customers. Any failure to fulfil the requirements of our international customers may adversely affect our revenues, result of operations and cash flows.***

53.11%, 55.39% and 56.08% of our revenue for Financial Years 2015, 2014 and 2013, respectively, was derived from exports. Our operations may be impacted by various risks inherent in international sales and operations, including, failure of our global delivery service model, restrictions imposed on cross-border sale and purchase of our products by the GoI or the respective governments where our customers are located and economic, political or regulatory uncertainty, currency exchange rate fluctuations, varied accounting standards and varied regulatory framework and requirements. We currently avail benefits under certain export promotion schemes, such as the Duty Drawback Scheme, Export Promotion of Capital Goods Scheme and the

Merchandise Export from India Scheme. Any reduction or withdrawal of benefits or our inability to meet any of the conditions prescribed under any of the financial incentive schemes of the GoI, would adversely affect our business, results of operations and financial condition. To the extent that we are unable to effectively manage our global operations and risks associated thereto, we may be unable to maintain our revenue and profitability, or we may be subject to additional unanticipated costs or legal or regulatory action. As a consequence, our business, financial condition, results of operations and cash flows may be adversely affected.

**7. *Availability and cost of raw materials adversely affect our business, financial condition, results of operations and prospects.***

Our operations are significantly impacted by the availability and cost of castings, forgings and bar stock raw materials in our manufacturing process for automotive & industrial sectors and ferrous and aluminium alloys, nickel based alloys (inconel and monel), cobalt based alloys and titanium alloys for aerospace sector. While we purchase castings, forgings and bar stocks required for our automotive & industrial sectors primarily through spot contracts in the domestic and international markets, all our raw material for the aerospace sector is imported from customer-approved sources. Change in cost and availability of such raw materials for any reason, including change in the approved suppliers, change in law or applicable governmental policies relating to imports, would adversely affect our business, financial condition, results of operations and prospects.

Our raw material and component suppliers may fail to deliver products of acceptable quality and within stipulated schedules. We may be required to replace a supplier if the products or services, provided or supplied by him, do not meet our safety, quality or performance standards, or if a supplier discontinues operations for any reason. Further, increase in competition may lead to our competitors establishing exclusive arrangements with our suppliers due to which we may be unable to secure an adequate supply of raw materials or which may increase our overall cost of raw materials, which we may not be able to determine from our customers.

While we are not significantly dependent on any single raw material supplier, raw material supply and pricing can be volatile due to a number of factors beyond our control, including global demand and supply, economic and political conditions, transportation and labour costs, labour unrest, natural disasters, import duties, tariffs and currency exchange rates. This volatility in commodity prices can significantly affect our raw material costs. Further, any volatility in fuel prices can also affect commodity prices worldwide, which in turn may significantly increase our raw material costs.

**8. *We have not entered into definitive arrangements in relation to certain objects, and may not be able to enter into definitive agreements on favourable terms, or at all, in the future. Further, any delays in deploying the the funds being raised in the Offer, may have an adverse effect on our business, financial condition and results of operations.***

We intend to utilize a portion of the Net Proceeds of the Offer towards the construction of a new building for a manufacturing facility at Nelamangala, and towards purchase of machinery. While our management has estimated the costs involved for the implementation of these objects, and we have received quotations from various vendors in relation to the use of Net Proceeds of the Offer, we have not been able to, and may not be able to, enter into definitive arrangements or agreements with our vendors on favourable terms, or at all. In the event that we are unable to enter into definitive arrangements within the estimated schedule of deployment of Net Proceeds of the Offer, we may not achieve the anticipated economic benefit out of the use of Net Proceeds of the Offer. Additionally, entering into definitive arrangements on terms which are not favourable to us, or engaging new vendors, may entail substantial time and cost overruns. For details, see “Objects of the Offer” on page 75.

Further, capital expenditure plans are subject to a number of variables, including construction/ development delays or defects, delay in obtaining approval for construction and commencement of operation, force majeure events, unanticipated cost increases amongst others, any of which could delay our implementation schedule, and there can be no assurance that we will be able to implement our strategy on time and within the estimated budget. Failure to complete the construction according to its specifications or schedule, if at all, may give rise to potential liabilities and/or cost overruns and as a result, our returns on investments may be lower than originally expected, which may have a material adverse impact on the business operations of our Company.

Our land in Nelamangala, on which the new unit of the Company is proposed to be constructed, has been mortgaged towards certain lenders in relation to certain credit facilities availed from banks and financial institutions, and any default in repayment or adherence to the terms of the loan agreement may enable the lenders, inter alia, to dispose of the property charged.

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

Our ability to provide high quality products and services and to manage the complexity of our business depends, mainly, on our ability to retain and attract skilled personnel in the areas of management, product engineering, design, manufacture and servicing. In particular, we rely on the experience and industry relationships of our founder and Promoter, Dr. Sudarshan Kumar Maini, Promoter and Managing Director, Gautam Maini and Promoter and Director, Sandeep Kumar Maini.

Our future performance would depend on the continued service of our management, key managerial personnel and our employees at all levels and at all times, and the loss of any key employee due to the competition in the market and our inability to find an adequate replacement may impair our relationship with key customers, our deliverables and our level of technical expertise, which may adversely affect our business, production, output, revenue, financial condition, results of operations and prospects. Some of our employees have unique skills, knowledge and certifications, which are required for certain critical processes that we undertake for the aerospace sector.

Our floor managers, supervisors and trade union workforce typically have over 10 years of experience in precision products manufacturing technology and processes. Competition for such personnel is intense in the market and the cost of retaining or replacing such personnel may affect our profitability. To effectively compete with other manufacturers in the same line of business as us, we may be required to offer higher compensation and other benefits, which could materially and adversely affect our financial condition and results of operations. Additionally, we may be unable to redeploy and train our professionals to keep abreast with continuing changes in technology, evolving standards and customer preferences, which may have an adverse impact on our business and growth. If one or more of our key personnel are unwilling or unable to continue in their present positions, we may not be able to replace them with persons of comparable skill and expertise promptly, or at all, which could have a material adverse effect on our business, prospects and financial results. Further, should our senior management's involvement in our business reduce, or should our relationship with them deteriorate for any reason in the future, our business, results of operations and prospects may be adversely affected.

For details of our management and Key Management Personnel, see "Our Management" on page 124.

**10. *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 specialize in manufacturing high precision machined components and assemblies, for automotive & industrial and aerospace sectors 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 high precision machined components and assemblies 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 Tier I and OEM customers. This may lead to cancellation of supply orders or non-renewal of contracts by our customers. The use of our components, often under extreme conditions, carries an inherent risk of product liability claims arising from personal injury, death or property damage due to equipment failure, work accidents, fire or explosion, if our components are defective or are used incorrectly by our customers (or by their customers, who are the end-users). Further, any failure to make timely deliveries of products as per our customers' requirements could result in cancellation or non-renewal of purchase orders.

While we have put in place strict quality control procedures, 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.

Prior to entering into purchase contracts, some of our customers undertake a detailed review process, which involves inspection of our manufacturing facilities, review of our manufacturing processes, raw materials, our financial capabilities, technical review of the designs and specification of the proposed product and inspection and review of prototypes of the product. The finished product delivered by us is further subject to validation by our customers. This extensive review process takes between three to 18 months and firm orders are placed only after the review process. We are therefore subject to a stringent quality control mechanism at each stage of the manufacturing process and are required to maintain the quality and precision level for each product. In the event that any of our products do not adhere to the customer's specifications, we may be required to replace the product at our cost and bear any loss due to assembly line stoppage at our customers' manufacturing facilities. Costs of assembly line stoppage are significant and should we be required to bear such cost, our financial conditions would be adversely affected. Further, to ensure minimal defects, we may be required to incur significant expenses to maintain our quality assurance systems, which may affect our financial condition. We will continue to utilise a portion of our future revenues to manage our product quality and to maintain our existing quality control, which may impact our profitability.

In certain cases, where our customers provide a warranty to their end users and incur warranty costs for non-conformity of their products to agreed specifications or standards, our supply arrangements with our customers typically allow us to review warranty claims in order to determine if the failure was caused by a manufacturing defect in our components. If it is determined that the failure was on account of a manufacturing defect in our components, we may be required to promptly correct or replace those defective components at our own expense, failing which we may be required to reimburse our customers at part acquisition cost, with additives to cover administrative, labour, material and other such costs. Further, in the event of recurring failures, we may be required to prepare a written corrective action plan, which may not be on terms, which are favourable to us.

Further, our customers generally have the right to inspect and audit our facilities, processes and products after reasonable notice to ensure that our services are meeting their internal standards. Most of our customers routinely inspect and audit our facilities. If we fail to perform our services in accordance with best practices and/or our customers are dissatisfied with the quality of our facilities in any manner, our reputation could be harmed and our customers may terminate/modify their contracts and/ or refuse to renew contracts or purchase orders. This may have an adverse impact on our business, financial condition, results of operations and prospects.

**11. We are involved in legal proceedings, which, if determined adversely, may affect our business and financial condition.**

As on the date of filing this Draft Red Herring Prospectus, there are outstanding legal proceedings initiated against and initiated by our Company, Promoters and Directors that are pending at different levels of adjudication before various courts, tribunals and other appellate authorities. Any adverse rulings in these proceedings or consequent levy of penalties by statutory authorities on our Company may have a significant adverse effect on our cash flows, business, financial condition and results of operations.

A summary of material outstanding legal proceedings involving our Company, Promoters and Directors are provided below:

Nature of cases	No. of cases	Total amount involved (in ₹ million)*
<b>Against our Company</b>		
Tax	22	147.35
<b>By our Company</b>		
Criminal	1	1.61
<b>By our Promoters/ Directors</b>		
Criminal	2	0.50

\* The amounts indicated are approximate amounts, wherever quantifiable

The amounts claimed in these proceedings have been disclosed to the extent ascertainable. We cannot assure you that these proceedings will be decided in our favour. For further details on litigation involving our Company, Promoters and Directors, see "Outstanding Litigation and Material Developments" on page 182.

**12. *Our inability to successfully diversify our product offerings may adversely affect our growth and negatively impact our profitability.***

Presently, we primarily manufacture precision machined components and assemblies for the automotive & industrial and aerospace sectors. We intend to diversify and expand our business operations in accordance with the evolving needs of our customers and our industry. We cannot assure you that the transition of our manufacturing facilities and resources to fulfil production under new product programs will not impact production rates or other operational efficiency measures at our facilities. Further, we cannot assure you that we will succeed in effectively implementing the new technology required in manufacturing new products or that we will be able to recover our investments. Any failure in the development or implementation of our operations is likely to adversely affect our business, results of operations and cash flows.

Venturing into a new product line may require methods of operations and marketing and financial strategies, different from those currently employed in our Company. We cannot assure you that we will be able to successfully develop our new product lines. Further, we will be subject to the risks generally associated with new product introductions and applications, including unproven know-how, unreliable technology, inexperienced staff, delays in product development and possible defects in products.

**13. *Any disruption in labour industry or strikes by our workforce may affect the production capability of our Company.***

Our manufacturing activities are labour intensive, and expose us to the risk of various labour related issues. We cannot assure you that we will not be subject to work stoppages, strikes, lockouts or other types of conflicts with our employees or contract workers in the future. Any such event, at our current facilities or at any new facilities that we may commission or acquire in the future, may adversely affect our ability to operate our business and serve our customers and impair our market reputation, which may adversely impact our business and financial condition.

Further, our employees are part of trade unions. We have entered into wage settlements agreements with trade unions, which are valid until March 31, 2017. The said agreements provides for the terms and conditions of employment including wages and allowance, increments and promotions, incentives, leave, bonus and discipline of the employees. The terms of settlement under these wage settlement agreements impose certain obligations on us to provide benefits and perks to our employees, which exceed the statutory requirement imposed on us as employers. We cannot assure you that the wage settlement agreements would be renewed on such terms that are economically beneficial or favourable to our Company.

**14. *Failure to protect the intellectual property of our customers may subject us to liability for breach of contract.***

Protection of all intellectual property associated with our customers is critical to our business. We also require adhering to the terms of the contract entered into with our customers. Failure to protect the intellectual property of our customers may affect our reputation and may have adverse financial implications on us. Despite the measures that we take to protect the intellectual property of our customers or our own, unauthorised parties may attempt to obtain third party information. Any unauthorised disclosure of our customers' proprietary information could subject us to liability for breach of contract, as well as significant damage to our reputation, which could materially adversely impact our business, financial condition, results of operations and prospects. We may also be unable to obtain new customer contracts and be subject to legal proceedings, which may continue for a long period and result in significant costs to our Company.

**15. *Failure or disruption of our IT and/ or SAP systems may adversely affect our business, financial condition, results of operations and prospects.***

The efficient operation of our business depends on our IT infrastructure and our management information systems. Our IT infrastructure comprises of third party solutions and applications maintained internally. Since we operate on multiple platforms, the failure of our IT infrastructure and/ or our management information systems to perform could disrupt our business and adversely affect our results of operation. In addition, our IT infrastructure and/or our management information systems are vulnerable to damage or interruption from, amongst others, natural or man-made disasters, terrorist attacks, computer viruses or hackers, power loss, other computer systems, internet telecommunications or data network failures. Any such interruption could adversely affect our business and results of operations.

We believe that we have deployed adequate IT disaster management systems including data backup and retrieval mechanisms, in all our facilities. However, any failure or disruption in the operation of these systems or the loss of data due to such failure or disruption (including due to human error or sabotage) may affect our ability to plan, track, record and analyze work in progress and revenue, process financial information, manage our creditors, debtors and hedging positions, or otherwise conduct our normal business operations, which may increase our costs and otherwise adversely affect our business, financial condition, results of operations and prospects.

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

Our business involves manufacturing processes that can be potentially dangerous to our employees. We have faced past instances of accidents suffered by our employees in our manufacturing facilities, while discharging their duties. An accident may result in loss of life, destruction of property or equipment, manufacturing or delivery delays, or may lead to suspension of our operations and/or imposition of liabilities.

While we believe we maintain adequate insurance, interruptions in production as a result of an accident may also increase our costs and reduce our revenue, and may require us to make substantial capital expenditures to remedy the situation or to defend litigation that we or our senior management may become involved in as a result, which may negatively affect our profitability, business, financial condition, results of operations and prospects. Any negative publicity associated therewith, may have a negative effect on our business, financial condition, results of operations and prospects.

***17. The trademarks used by us are not owned by us. Our ability to use our intellectual property including our logo may be impaired.***

We do not have any registered trademark. Maini Industrial Consultants, a sole proprietorship of Dr. Sudarshan Kumar Maini, has filed the required trademark application for the purpose of registering the trademarks used by us, under various classes.

We have, in turn, entered into a license agreement dated July 15, 2015 with Maini Industrial Consultants for the usage of the said trademarks. Till such time as the registration of the trademark is granted by the authorities, we do not enjoy the statutory protections accorded to registered trademarks in India or the other geographies in which we operate. In the absence of registration, competitors or other companies may challenge our use of our corporate name and logo or allege that we have breached their intellectual property rights, which may adversely affect our brand image, goodwill and customer relations. Further, we do not have any patents or copyrights on our designs and products. In the event that we become involved in litigation in order to defend our intellectual property claims, there is no assurance that any such litigation will be resolved in our favour.

***18. If we experience insufficient cash flows, there may be an adverse effect on our financial condition and results of operations.***

Our operations require a significant amount of working capital on account of our global delivery service model requiring us to maintain high levels of inventory of finished goods. Our working capital requirements have also increased significantly in recent years due to the growth in our business and a greater focus on expanding our global delivery service model. If we do not maintain adequate cash flows to enable us to fund our working capital requirements or to service our working capital loans, there may be an adverse effect on our business, financial condition, results of operations and prospects.

***19. We are subject to counterparty credit risk and any delay in receiving payments or non-receipt of payments may adversely impact our results of operations.***

We are subject to credit risk through our trade receivables and other receivables due from our customers. By their nature, trade receivables involve risks, including the risk of non-performance by counterparties. Further, the failure of any of our customers to make timely payments could affect our profitability and liquidity and decrease capital resources available to us for other uses, including our obligations under the credit facilities granted to us by our lenders. We may also be required to write off trade receivables or increase provisions made against our trade receivable. Any changes in the financial position of our customers that adversely affects their ability to pay us may in turn materially and adversely affect our cash flows, business prospects, financial



condition and results of operations.

**20. *Any downturn in the automotive sector and adverse changes in the conditions affecting the sector may affect our results of operations.***

Approximately 56.89% of our revenue for Financial Year 2015 was generated from supplying components to customers catering to passenger/commercial vehicles. Any downturn in the automotive industry or loss of customers in this industry due to factors beyond our control such as global economic downturn and increase in fuel prices will have a negative impact on our revenue and will adversely impact our results of operations.

**21. *Geographical concentration of our manufacturing facilities may restrict our operations and adversely affect our business and financial condition.***

We operate our business, including all our manufacturing processes, out of facilities that are located in and around Bengaluru, Karnataka. Since all exports of our Company are currently routed through our manufacturing facilities located in and around Bengaluru, Karnataka, any shut down in Bengaluru may affect our operations and consequently may affect our financial position.

Additionally, if our existing facilities at Bengaluru, Karnataka are harmed or rendered inoperable by natural or man-made disasters, including earthquakes, fire, floods, acts of terrorism and power outages, it may render it difficult or impossible for us to efficiently operate our business for some time which may adversely affect our business, financial condition, result of operations and cash flows.

**22. *Our inability to manage our growth may disrupt our business and reduce our profitability.***

From Financial Year 2013 to Financial Year 2015, our total revenue, restated profit and EBITDA grew at CAGR, of 20.44%, 50.45% and 19.80%, respectively. As part of our growth strategy to meet customer needs, we are committed to diversify our product offerings, customer base and geographic footprint and minimizing our exposure to individual markets and segment. This will in turn result in substantial demands on our management, operational, and financial resources and our growth will require us to continuously invest in our operations and improve our operational, financial and internal controls, employee costs, newer units in newer locations, expansion of existing units and administrative infrastructure. An inability to manage our growth, including as a result of a failure to adequately respond to any such challenges, risks or uncertainties, may disrupt our business and reduce our profitability.

**23. *We outsource a portion of our manufacturing processes to certain sub-contractors, which presents numerous risks.***

We outsource some of our intermediate manufacturing and processing to various sub-contractors. We depend on the expertise of our sub-contractors to provide high quality components. There can be no assurance that we will be successful in continuing to receive uninterrupted and quality intermediate processes from our sub-contractors. Any disruption or inefficiencies in our supply chain network due to various reasons may adversely affect our delivery schedules and consequently our business and results of operations.

**24. *We are subject to various laws and regulations, including environmental and health and safety laws and regulations. Failure to obtain, renew or comply with necessary regulatory approvals and licenses may result in an adverse effect on our financial condition.***

Our business and operations are subject extensive government regulations, including in relation to the protection of the environment and occupational health and safety, and those governing the generation, transportation and disposal of, environmental pollutants or hazardous materials resulting from our manufacturing processes. For instance, we require approvals under the Water Act and the Air Act, in order to establish and operate our manufacturing facilities in India and industrial and manufacturing regulations of the Government of India. For more information, see “Regulations and Policies” and “Government and Other Approvals” on pages 116 and 185, respectively.

In addition, we are subject to the terms and conditions stipulated under the approvals or licenses held by us, including the obligation to renew the approval or license at regular intervals. While we are not aware of any instances in the past where we have not complied with any such term or condition, we cannot assure you that we may not be subject to a non-compliance in the future which may lead to, amongst other things, suspension,

cancellation, modification or revocation of our existing approvals or licenses. If we fail to obtain or comply with such laws and regulations, or the conditions of the licenses or approvals obtain by us, we could be subject to significant fines, penalties, costs, liabilities or restrictions on operations, which could negatively affect our financial condition. Environmental and occupational health and safety laws and regulations, and the interpretation and enforcement thereof, are subject to change and have tended to become stricter over time, in India and internationally. While we are not aware of any outstanding material claims or obligations, we may incur substantial costs, as a result of any violation of environmental or health and safety laws or non-compliance with permits required for our facilities, which, as a result, may have an adverse effect on our business and financial condition.

**25. *Our business operations may be disrupted by an interruption in power supply, which may impact our business operations.***

Our facilities and operations require constant power supply and any disruption in the supply of power may disrupt our operations, which may interfere with manufacturing process requiring us to either stop our operations or repeat activities which may involve additional time and increase our costs. While we believe we have adequate stand by power supply, this may not be adequate if the disruption in the supply of the power is for a longer period. In recent years, there have been increasing disruptions and load shedding in the power supply in Bengaluru and there can be no assurance that the situation will improve in the future.

**26. *Our operational flexibility may be limited in certain respects on account of our obligations under some of our major customer agreements.***

Our pricing terms, production and payment cycles and permitted adjustments are generally set out in advance in our customer contracts or purchase orders and our customers are generally permitted a high level of discretion under the terms of such agreements. Due to committed delivery schedules at a pre-agreed price, we may, in certain events, incur additional costs that we are unable to pass through to our customers or be required to write off certain expenses.

Our customers reserve the right at any time to direct changes, or cause us to make changes, to drawings and specifications of the goods or to otherwise change the scope of the work covered by our contract. Price and time for performance resulting from such changes are equitably adjusted by our customers based on supply of documentation in such form and detail as required by them. Consequently, we are exposed to the risk that our submissions or requests as to price adjustments or delivery schedules or otherwise may not be agreed to by our customers or our customers may not accede to provide consents sought by us. Any such significant operational constraint may adversely affect our business, financial condition, results of operations and cash flows. We are also bound by confidentiality obligations under non-disclosure agreements with our customers to protect their intellectual property, including in relation to technical data such as product designs and specifications that may have been shared with us by our customers. While we believe that we have internal controls in place to ensure that there is no breach of confidentiality obligations and believe that there have not been any breaches of any such confidentiality obligations in the past, an inadvertent breach or any misuse of intellectual property or proprietary data in the future by any of our employees or sub-contractors may expose us to onerous infringement claims and may diminish our goodwill and reputation among our customers, suppliers, lenders, investors and the public, making it difficult for us to operate our business and compete effectively.

**27. *Our customer contracts are governed by the laws of various countries and disputes arising from such contracts may be subject to the exclusive jurisdiction of courts situated in such countries.***

Several of our contracts executed with our customers are governed by the laws of the country in which the customer is incorporated and any disputes related to such contracts may be subject to the exclusive jurisdiction of courts situated in such countries. Lawsuits with respect to such disputes may be instituted in courts situated outside India, and it may become unfeasible for our Company to manage such litigation or obtain enforcement of awards made in such suits. Further, we may also incur significant litigation costs as a result of pursuing dispute resolution mechanisms outside India.

**28. *Our reliance on third parties logistic and warehouse service providers exposes us to certain risks.***

We rely on third parties logistics and warehouse providers located in the U.S.A., Germany and Sweden, as part of our global delivery service model. We do not own any of the warehouses. Any increase in transportation costs or interruptions due to strikes by members of truckers' unions, pilots, shipping delays or adverse weather conditions may, to the extent that our losses are not covered by insurance, adversely affect the timely delivery of our raw materials to us or our products to our global customers, resulting in an adverse impact on our business, financial condition, results of operations and prospects.

**29. *We face competition in all our sectors, including from competitors that may have greater financial and marketing resources. Failure to compete effectively may have an adverse impact on our business and results of operations.***

We compete directly and indirectly with other manufacturers and suppliers of precision machined components in the automotive & industrial and aerospace sectors on performance, customer service and support, price and brand recognition of our products. Increased competition may force us to improve our service capabilities or lower our prices or result in loss of customers, which may adversely affect our profitability and market share.

Some of our competitors may have greater capital, marketing, technological and other resources, which may enable them to commit larger amounts of capital in response to changing market conditions, or to achieve substantially more market penetration in certain segments of those markets in which we operate or to anticipate the course of market developments and trends more effectively than we do and develop capabilities that may render our processes obsolete or put us at a disadvantage. We may also face competition from new entrants in the market as well as aggressive pricing and marketing strategies by other manufacturers trying to gain market share. Any exclusive arrangements between suppliers of raw materials and our competitors may also increase our operating costs.

We believe that it is difficult to predict how the competitive landscape of our industry will develop over the long term. General competitive factors in the market, which may affect the level of competition over the short and medium term, include time to market, quality, price, timely delivery, warranty and general customer experience.

**30. *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. For instance, we have been subject to accountancy fraud committed against us by one of our ex-employees, which could not be detected immediately due to certain deficiencies in our internal control mechanisms.

Our current internal controls may not be adequate or comparable with other public listed companies. If we are unable to establish and maintain an effective system of internal controls and compliances, our business and reputation could be adversely affected.

**31. *We have had instances of regulatory non-compliances and lapses in relation to regulatory filings with the RoC and the RBI under applicable law.***

There have been instances of discrepancies/ non-compliances in relation to certain filings and disclosures made by our Company to the RoC and the RBI under applicable law. For example, there have been irregularities in filing the relevant forms in relation to appointment of some of our Directors, filing relevant forms for the release of charge in relation to certain loans and filing relevant forms in relation to amendments to our charter documents with the RoC, or filed the relevant forms for certain amendments to our charter documents. We cannot assure you that the RoC will not take a divergent or adverse view and impose penalties on us in this regard, which may impact our financial position. Further, a delay on our part to file the relevant forms in relation to release of charge may have an adverse impact on our ability to raise any additional loans or financing facilities in the future, which may affect our business or results of operations.

Additionally, under applicable foreign exchange laws, we are required to make certain annual filings in relation to our investments outside India in the forms specified, to the RBI within the specified time periods. We have, since 2012, not filed the requisite forms for reporting our investments outside India, in relation to our erstwhile subsidiary, Maini Precision Products Holdings SL. If the regulator takes an adverse view, it may impose a monetary penalty on us in relation to this, which may impact our financial position.

**32. *One of our Promoters, Gautam Maini, has received a letter from the RBI seeking some clarifications.***

One of our Promoters, Gautam Maini has received a notice dated July 13, 2015 from the RBI seeking certain clarifications under FEMA regulations and additional documentation in relation to certain bonus shares issued by AM Formula UNO Private Limited, a company promoted by him. He has replied to the RBI on August 10, 2015. For further details, see “Outstanding Litigation and Material Developments” on page 182. Any penalties or other action against our Promoter may potentially cause negative publicity and thereby affect our reputation and business.

**33. *Some of our corporate records including corporate registers and forms filed with the RoC are not traceable. Further, there are certain discrepancies in our Board minutes prepared in the past and we are unable to locate the corresponding filings made to the RoC.***

We are unable to trace certain corporate and other documents in relation to our Company including certain corporate registers and for transfer of Equity Shares. Further, copies of certain prescribed forms filed with the RoC by our Company relating to allotment of Equity Shares and certain changes to the authorized share capital of our Company and registered office of our Company are untraceable either in our Company’s records or in the records of the RoC. While we believe that all such filings were made in a timely manner, we cannot assure you that relevant filings were made in relation to all our previous issuances and transfers of our Equity Shares in a timely manner or at all and that we shall not be subject to penalties on this account. Further, there have been certain instances of discrepancies in our Board minutes prepared in the past and we are unable to locate the corresponding filings made to the RoC to verify the information.

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

Our business, including our manufacturing operations in particular, carries an inherent risk of exposure to substantial liability for product quality, property damage, personal injury or death, environmental pollution or other damages. We maintain insurance policies with independent insurers in respect of our products liability insurance, aviation cover, fire, key man, equipment and inventories, export credit risk, marine turn over, group medical policy for employees, accident, directors and officers liability insurance, product recall liability insurance, and aviation policy. Our insurance is subject to customary deductibles, exclusions and limits that may prevent us from fully recovering our losses, or our insurance may not be adequate to cover our liabilities. There may also be certain types of risks for which we are not covered under our insurance policies. Further, there is no assurance that insurance will be generally available in the future or, if available, that the premiums will be commercially justifiable. If we incur substantial liability, which is not covered by insurance, or exceed policy limits, our business, financial condition, results of operations and prospects may be adversely affected.

While we maintain insurance coverage in keeping with what we believe to be the industry standard, we are not insured against punitive damages awarded against us. In the event that any significant product liability, performance improvement or replacement claims are brought against us, which are not covered by insurance or result in recoveries in excess of our insurance coverage, it may adversely affect our business, financial condition, results of operations and prospects. Further, despite insurance coverage, in the event of any future accident or liability involving our products, our customers may delay or withhold payments to us and/ or seek to enforce warranty or performance improvement claims against us, and which in turn may, to that extent, diminish our reputation among our customers, suppliers, lenders, investors and the public, making it difficult for us to operate our business and compete effectively, which may adversely affect our business, financial condition, results of operations and prospects.

**35. *Our strategy to enhance engineering and process innovation may not yield the expected benefits.***

We focus on process and product innovation and value engineering solutions through our in-house value engineering and process innovation capabilities as well as exploring opportunities for collaboration with customers and inorganic growth.

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

Planned upgrades of our components as per customer requirements and specifications may be subject to unanticipated delays or our competitors' products be more effective or innovative and/ or less expensive or may garner larger market share due to reasons beyond our knowledge or control, thus yielding lower revenue and profits than anticipated.

**36. *We have a number of contingent liabilities, which may adversely affect our financial condition, if any, of these liabilities materialize.***

As of March 31, 2015, our contingent liabilities not provided for, include the following:

(in ₹ million)

Particulars	As of March 31, 2015
<b>Contingent liabilities</b>	
Disputed Tax Matters	
- Excise and Customs Duty	104.34
- Service tax	26.01
Corporate guarantees	39.17
<b>Other commitments</b>	
Capital commitments yet to be executed	20.20
Export obligations	55.73

If these contingent liabilities materialize, fully or partly, our financial condition may be adversely affected. For details, see "Financial Statements" on page F-1.

**37. *If more stringent labour laws or other industry standards in India become applicable to us, our profitability may be adversely affected.***

As a manufacturing company, we are subject to a number of stringent labour laws which protect the interests of workers, including in relation to dispute resolution, employee removal, pending payments and legislation that imposes financial obligations on employers upon retrenchment. We are also subject to state and local laws and regulations of Karnataka, governing our relationships with our employees, including those relating to minimum wage, bonus, gratuity, overtime, working conditions, recruitment and termination of employment, non-discrimination, work permits and employee benefits. Our Company also hires the services of contract labourers and may be subject to the liabilities attributed to the principal employer upon any default by the contractor and as provided under the provisions of the applicable law.

Further, the Government has proposed various amendments to the labour law regime in India in the shape of the Factories (Amendment) Bill, 2014, the Child Labour (Prevention and Regulation) Amendment Bill, 2012, and the Small Factories (Regulation of Employment and Conditions of Services) Bill, 2014. The notification and subsequent implementation of these amendments may create uncertainty in the extant labour law regime in India, and may have an adverse impact on our business operations.

Further, stringent labour laws will ensure difficulty in maintaining flexible human resource policies, and working environment, which could have an adverse effect on our business, financial condition, results of operations and cash flows.

**38. *Some of our immovable properties in India and overseas third party warehouses are not owned by us. If we are unable to renew the existing arrangements or relocate our operations on commercially reasonable terms, there may be an adverse effect on our business, financial condition and operations.***

Some of our manufacturing facilities in India are held by us on leasehold basis on certain terms and conditions. The leases for these premises require renewals and are subject to periodic escalation of lease payments. As on March 31, 2015, our total lease rentals paid under leases relating to land, building premises amounted to ₹8.52

million. Further, all our third party warehouses are rented by us.

If we are unable to renew certain or all of these leases or arrangements on commercially reasonable terms, we may suffer a disruption in our operations or be unable to continue to operate from those locations in the future and may, to that extent, need to revise our raw material sourcing, product manufacturing and raw material and product inventory schedules and/or incur significant costs to relocate or expand our operations. In addition, the terms of certain of our leases require us to incur certain repair and maintenance costs from time to time and to bear utility charges, and include conditions which may restrict our operational flexibility in certain respects, for instance, requiring us to obtain the lessor's prior consent for certain actions including making significant structural alterations to the factory building.

**39. *Breakdown of machinery and/or equipment used for the purpose of manufacturing process***

Any breakdown or defect in the machinery and/or the equipment used for the purpose of our manufacturing process, may delay the production process as a whole and result in missing deadlines in delivery of product if we are able to repair the machines or replace it within relevant timelines. Any such delays may have an adverse affect on the business of the Company.

**40. *Our Company and Group Entities have taken certain unsecured loans, which may be recalled by their lenders at any time.***

As on the date of this Draft Red Herring Prospectus, our Company has taken an unsecured loan for ₹10 million from ABFL, which may be recalled by the lender at any time. Any demand by our lender for accelerated repayment may adversely affect our financial conditions. Further, our Group Entities have taken certain unsecured loans, which may be recalled by their lenders at any time. Any demand by their lenders for accelerated repayment may adversely affect their financial condition.

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

Our Directors who are Promoters namely Dr. Sudarshan Kumar Maini, Sandeep Kumar Maini and Gautam Maini are interested in our Company to the extent of Equity Shares held by them in the Company, and any dividends, bonuses or other distributions on such Equity Shares. For details, see "Our Management", "Our Promoters and Promoter Group" and "Financial Statements" on pages 124, 137 and F-1, respectively.

**42. *Our Promoters have provided personal guarantees for a significant portion of our borrowings and collaterals to secure certain of our loans.***

Our Promoters have provided personal guarantees as collateral for a significant portion of our borrowings and for certain borrowings made by our Group Entities. If any of these guarantees are revoked or if such collateral is proved insufficient, lenders may require alternative guarantees or collateral or cancellation of such facilities, entailing repayment of amounts outstanding under such facilities. If we are unable to procure alternative guarantees satisfactory to lenders, we may need to seek alternative sources of capital which may not be available to us at commercially reasonable terms or at all, or get compelled to agree to more onerous terms under such financing agreements, which may limit our operational flexibility. Accordingly, our business, financial condition, results of operations and prospects may be adversely affected.

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

The Chairman of our Board, Dr. Kewal Krishan Nohria, is also a director on the board of companies that are engaged in manufacture of precision parts. Further, our Promoters and Directors, Dr. Sudarshan Kumar Maini, Gautam Maini and Sandeep Kumar Maini are involved with companies which are in the same line of business as us. For further details in relation to our Directors' other directorships and interests of our Promoters, see "Our Management" and "Our promoters and Promoter Group" on pages 119 and 137, respectively.

**44. *We have entered, and will continue to enter into related party transactions.***

We have, in the ordinary course of our business, entered into transactions with certain related parties. For instance, we have in the past sold products to and bought products from MMMPL and availed services from Bangalore Transport and Finance Corporation. We may in the future continue to purchase/ sell products and

avail services from and to related parties. We have also accepted certain interest-bearing loans and advances from our Promoters in the preceding five Financial years.

While, in our view, all such related party transactions that we have entered into are legitimate business transactions conducted on an arms' length basis, we cannot assure you that we could not have achieved more favourable terms had such arrangements not been entered into with related parties. Furthermore, it is likely that we will continue to enter into related party transactions in the future. We cannot assure you that these or any future related party transactions that we may enter into, individually or in the aggregate, will not have an adverse effect on our business, financial condition, results of operations and prospects. For further details regarding our related party transactions, see "Related Party Transactions" on page 147.

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

Our quarterly results of operations may fluctuate significantly as a result of a number of factors including market trends in the automotive & industrial and aerospace manufacturing sector, foreign exchange fluctuations and volatile raw material prices. As a result, our financial statements for consecutive quarters may not be directly comparable with each other. Moreover, any significant disruption in our operations or other factors that result in a significant shortfall may affect our price of Equity Shares.

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

The amount of our future dividend payments, if any, will depend on our future earnings, cash flows, financial condition, working capital requirements, capital expenditures, applicable Indian legal restrictions and other factors. Our ability to pay dividends is also restricted under certain financing arrangements that we have entered into and expect to enter into. There can be no assurance that we will pay dividends. We may decide to retain all of our earnings to finance the development and expansion of our business and, therefore, may not declare dividends on our Equity Shares.

**47. Certain of our Group Entities have sustained losses in the past.**

Certain of our Group Entities have sustained losses in the past. The following tables set forth the details of our Group Entities which have incurred loss in the last Financial Year and profit/(loss) made by them in the last three Financial Years, on the basis of latest audited financial statements available:

(in ₹ million)

Name of the entity	Profit/(Loss)		
	For the Financial Year		
	2014	2013	2012
Maini Plastics and Composites Private Limited	(26.08)	(14.00)	(17.31)
Maini Industrial Consultants	(3.99)	277.63	3.52
Maini Materials Movement Private Limited	(1.36)	14.62	28.65
Gramothan Foundation	(1.25)	(2.71)	(0.78)
All Terrain Solutions Private Limited	(0.04)	(0.02)	(0.05)

For details of our Group Entities with negative net worth, see "Our Group Entities", on page 141.

**48. 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 experienced negative cash flows from investing and financing activities during last five Financial Years as stated below.

(In ₹ million)

Particulars	Financial Year 2015	Financial Year 2014	Financial Year 2013	Financial Year 2012	Financial Year 2011
Net cash flows from investing activities	(110.34)	(145.51)	(78.37)	(89.19)	(32.44)
Net cash (used) in financing activities	(103.46)	59.01	(63.72)	(99.84)	(60.80)

Cash flow of a company is a key indicator to show the extent of cash generated from the operations of a company to meet capital expenditure, pay dividends, repay loans and make new investments without raising finance from external resources. There can be no assurance that our net cash flow from investing and financing activities will be positive in the future. Any negative cash flows from investing and/or financing activities in future would adversely affect our business, results of operations and financial condition. For further details, see “Financial Statements” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on pages F-1 and 150, respectively.

**49. *We have, in the 12 months preceding the date of the Draft Red Herring Prospectus, issued Equity Shares at a price that is below the Offer Price.***

We have, in the last 12 months prior to filing this Draft Red Herring Prospectus, issued 7,842,145 bonus Equity Shares to our Shareholders in the ratio of 5.30 Equity Shares for every one Equity Share held in our Company. For further details regarding such allotments, see “Capital Structure” on page 62.

**50. *Our management will have broad discretion in how we deploy the Net Proceeds.***

We intend to use the Net Proceeds for the purposes described under “Objects of the Offer” on page 75. Our funding requirements and the deployment of the Net Proceeds are based on management estimates and have not been appraised and will not be monitored by any bank, financial institution or other independent agency. In response to the dynamic nature of our business, our management will have broad discretion to revise our business plans, estimates and budgets from time to time. Consequently, our funding requirements and deployment of funds may change, which may result in rescheduling of the proposed utilization of the Net Proceeds and increasing or decreasing expenditure for a particular activity, subject to compliance with applicable laws.

Additionally, the funds raised pursuant to the Offer for Sale by the Selling Shareholders in this Offer will not be available to our Company.

## **External Risk Factors**

**51. *Our business is affected by Indian or global economic conditions, especially in the geographies we cater to, which could cause our businesses to suffer.***

Our performance and business depend substantially on the overall global economic conditions. The global economic downturn, coupled with the global financial and credit market disruptions, has had and continues to have an adverse effect on global business. Any slowdown in the economy could also increase insolvency of suppliers or customers, delays in deliveries to customers, payment delays or lower demand by customers. Any slowdown in economic growth in India could also adversely affect our business, financial condition and results of operations.

**52. *Political, economic or other factors that are beyond our control may have an adverse impact on our business and financial condition.***

The following external risks may have an adverse impact on our business, financial condition, results of operations and prospects, should any of them materialize:

- a. increase in interest rates could adversely impact our access to capital and increase our borrowing costs, which may constrain our ability to grow our business;
- b. high rates of inflation in the geographies in which we operate, including in India, may increase our costs and consequently our margins or decrease demand for our products;
- c. political instability, resulting from a change in government or in economic and fiscal policies, may adversely affect economic conditions in the geographies in which we operate;
- d. natural disasters in the geographies, including earthquakes, floods, in which we operate may disrupt or adversely affect the economy;
- e. civil unrest, acts of violence, terrorist attacks or war in geographies in which we operate may adversely affect the financial markets, which may impact our business; and
- f. energy shortages and power outages may restrict us from operating our facilities at full capacity.



**53. *Changing laws, rules and regulations and legal uncertainties, including tax laws, may adversely affect our results of operations.***

The regulatory and policy environment in which we operate is evolving and subject to changes in law or interpretations of existing laws, or the promulgation of new laws and regulations in India. See “Regulations and Policies” on page 116 for details of the laws currently applicable to us. Such changes may adversely affect our business, financial condition and prospects, to the extent that we are unable to comply with such changes in law. Further, there can be no assurance that the central or the state governments may not implement new regulations which will require us to obtain additional approvals and licenses from regulatory bodies or impose onerous requirements and conditions on our operations.

For instance, the Government 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, we are unable to provide any assurance 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 Finance Act, 2015 has received presidential assent, whereby certain changes have been announced in relation to various tax legislations. The changes introduced include hike in service tax rates, changes to Cenvat Credit Rules, 2004, changes in excise duty rates and amendments to the Customs Act, 1952 and we cannot predict the impact of the changes introduced in Finance Act, 2015 on the business, operations and results of our business.

Uncertainty in the interpretation or implementation of any amendment to, or change in, any governing law, regulation or policy in jurisdictions in which we operate may be time consuming. We may also have to incur capital expenditures to comply with the requirements of any new regulations, which may impact our ability to grow our business in the future.

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

Our financial statements, including the financial statements provided in this Draft Red Herring Prospectus, are prepared in accordance with Indian GAAP. We have not attempted to quantify the impact of IFRS or U.S. GAAP on the financial data included in this Draft Red Herring Prospectus, nor do we provide a reconciliation of our financial statements to those of U.S. GAAP or IFRS. U.S. GAAP and IFRS differ in significant respects from Indian GAAP. For details, see “Presentation of Financial, Industry and Market Data” on page 12. Accordingly, the degree to which the Indian GAAP financial statements included in this Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader’s level of familiarity with Indian accounting practices. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Draft Red Herring Prospectus should accordingly be limited.

**55. *Public companies in India, including our Company, shall be required to prepare financial statements under Indian Accounting Standards. In addition, all income-tax assesseees in India, including our Company, will be required to follow the Income Computation and Disclosure Standards.***

India has decided to adopt the “Convergence of its existing standards with IFRS” and not the IFRS. These “IFRS based/ synchronised Accounting Standards” are referred to in India as Ind AS. The Ministry of Corporate Affairs, Government of India, has through a notification dated February 16, 2015, set out the Ind AS and the timeliness for their implementation. Accordingly our Company is required to prepare their financial statements in accordance with Ind AS from April 1, 2016. Given that Ind AS is different in many respects from Indian GAAP under which our financial statements are currently prepared, our financial statements for the period commencing from April 1, 2016 may not be comparable to our historical financial statements.

Further, we have made no attempt to quantify or identify the impact of the differences between Ind AS and Indian GAAP as applied to our financial statements and there can be no assurance that the adoption of Ind AS will not affect our reported results of operations or financial condition. In addition, our management may also have to divert its time and other resources for the successful and timely implementation of Ind AS. Any failure to successfully adopt Ind AS may have an adverse effect on the trading price of our Equity Shares and/or may lead to regulatory action and other legal consequences. 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. Any of these factors relating to the use of Ind AS may adversely affect our financial condition and results of operations.

Further, the Ministry of Finance has issued a notification dated March 31, 2015 notifying 10 Income Computation and Disclosure Standards (“ICDS”), thereby creating a new framework for the computation of taxable income. The ICDS came into force with effect from April 1, 2015 and shall apply to the assessment year 2016-17 and subsequent assessment years. The adoption of ICDS is expected to significantly alter the way companies compute their taxable income, as ICDS deviates from several concepts that are followed under general accounting standards, including Indian GAAP and Ind AS. For example, where ICDS-based calculations of taxable income differ from Indian GAAP or Ind AS-based concepts, the ICDS-based calculations will have the effect of requiring taxable income to be recognised earlier, higher overall levels of taxation to apply or both. In addition, ICDS shall be applicable for the computation of income for tax purposes but shall not be applicable for the computation of income for MAT, which the Company currently pays.

We have made no attempt to quantify or identify the impact of the computation of taxable income following ICDS. It is possible that the resultant computation of taxable income based on the ICDS and net income based on our Company’s financial statements may be significantly different, and, if they differ, we may be required to recognise taxable income earlier and/or pay higher overall taxes.

**56. *Our ability to raise capital outside India may be constrained by Indian law, which may adversely affect our financial condition, results of operations and prospects.***

We are subject to exchange controls in India that regulate borrowing in foreign currencies. Such regulatory restrictions limit our sources of financing our operations and hence could constrain our ability to obtain financing arrangements on competitive terms. In addition, we cannot assure you that any required regulatory approvals for borrowing in foreign currencies will be granted to us without onerous conditions, or at all. Limitations on foreign debt may constrain our ability to raise cost effective funding for implementing asset purchases, refinancing existing indebtedness, or financing acquisitions and other strategic transactions may have an adverse effect on our business growth, financial condition and results of operations.

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

We have no experience as a listed company and will, on receipt of final listing and trading approvals for our Equity Shares pursuant to this Offer, become subject to increased disclosure and corporate governance requirements and public scrutiny of our affairs. Our Promoters and some of our other Directors and key personnel have also not been associated with any listed company in the past and may, therefore, find increased demands on their time due to a greater requirement for management supervision, or face challenges in implementing the increased disclosure requirements and enhanced financial and other internal controls.

**58. *If the rate of Indian price inflation increases, our results of operations and financial condition may be adversely affected.***

Despite a decreasing trend in recent months, in recent years, India’s wholesale price inflation index has indicated an increasing inflation trend compared to prior periods. An increase in inflation in India could cause a rise in the cost of transportation, salaries, materials or any other expenses. If this trend continues, we may be unable to reduce our costs or pass our increased costs on to our customers and our results of operations and financial condition may be adversely affected.

**59. *Investors may not be able to enforce a judgment of a foreign court against us.***

Our Company is a public limited company incorporated under the laws of India. All our Directors and key personnel are residents of India and our operating assets are located in India. As a result, it may not be possible for investors to affect service of process on us or such persons outside India or enforce judgments obtained against such parties outside India.

India has reciprocal recognition and enforcement of judgments in civil and commercial matters with only a limited number of jurisdictions, which includes, amongst others, the United Kingdom, Singapore and Hong Kong. The United States has not been declared as a reciprocating territory for the purposes of the Civil Code and thus a judgment of a court outside India may be enforced in India only by a suit and not by proceedings in execution. In order to be enforceable, a judgment from a jurisdiction with reciprocity must meet certain requirements of the Civil Code. The Civil Code only permits the enforcement of monetary decrees, not being in

the nature of any amounts payable in respect of taxes, other charges, fines or penalties and does not include arbitration awards. Judgments or decrees from jurisdictions, which do not have reciprocal recognition with India cannot be enforced by proceedings in execution in India. Therefore, a final judgment for the payment of money rendered by any court in a non-reciprocating territory for civil liability, whether or not predicated solely upon the general laws of the non-reciprocating territory, would not be enforceable in India. Even if an investor obtained a judgment in such a jurisdiction against officers, our directors, or us it may be required to institute a new proceeding in India and obtain a decree from an Indian court. However, the party in whose favour such final judgment is rendered may bring a fresh suit in a competent court in India based on a final judgment that has been obtained in a non-reciprocating territory within three years of obtaining such final judgment. It is unlikely that an Indian court would award damages on the same basis or to the same extent as was awarded in a final judgment rendered by a court in another jurisdiction if the Indian court believed that the amount of damages awarded was excessive or inconsistent with public policy in India. In addition, any person seeking to enforce a foreign judgment in India is required to obtain prior approval of the RBI to repatriate any amount recovered pursuant to the execution of the judgment.

**60. *We cannot guarantee the accuracy of third-party statistical, financial and other data or information in this Draft Red Herring Prospectus, which may be incomplete or unreliable.***

Certain data relating to India, its economy or the industries in which we operate as contained in this Draft Red Herring Prospectus is subject to the caveat that the statistical and other data upon which such discussions are based may be incomplete or unreliable which have been assessed and quantified internally by our Company as no other credible third party sources are available for such data. We have not independently verified data from industry publications and other sources and therefore cannot assure that they are complete or reliable. Although we believe that the data can be considered to be reliable, their accuracy, completeness and underlying assumptions are not guaranteed and their dependability cannot be assured. Statistical and other information in this Draft Red Herring Prospectus relating to matters relating to India, the Indian economy or the industries in which we operate have been derived from various government and other publications that we believe to be reliable. While we have taken reasonable care in the reproduction of the information, the information has not been prepared or independently verified by us, each of the BRLMs or any of our or their respective affiliates or advisors and, therefore, we make no representation or warranty, express or implied, as to the accuracy or completeness of such facts and statistics, which may not be consistent with other information compiled within or outside India. Due to possibly flawed or ineffective collection methods or discrepancies between published information and market practice and other problems, the statistics herein may be inaccurate or may not be comparable to statistics produced for other economies and should not be unduly relied upon. Further, there is no assurance that they are stated or compiled on the same basis or with the same degree of accuracy as may be the case elsewhere. Statements from third parties that involve estimates are subject to change, and actual amounts may differ materially from those included in this Draft Red Herring Prospectus.

### **Risks Related to our Equity Shares**

**61. *Our Promoters will retain majority shareholding in our Company following the Offer, which will allow them to exercise significant influence over us and may cause us to take actions that are not in our or your best interest.***

After the completion of this Offer, our Promoters will collectively hold approximately [●]% of our Company's issued and outstanding Equity Shares (assuming full subscription to the Offer), and thus will be able to significantly influence the election of our Directors and control most matters affecting our Company, including our business strategies and policies, dividend policies and financing, and may also delay or prevent a change of management or control, even if such a transaction may be beneficial to other shareholders of our Company. The interests of our Promoters as the controlling shareholders of our Company, may also conflict in material aspects with our Company's interests or the interests of the shareholders.

**62. *Our Equity Shares have not been publicly traded prior to this Offer. After this Offer, our Equity Shares may experience price and volume fluctuations and an active trading market for our Equity Shares may not develop.***

Prior to this Offer, there has been no public market for our Equity Shares. An active trading market on the Stock Exchanges may not develop or be sustained after this Offer. Moreover, the Offer Price shall be determined through a book-building process and may not be indicative of the price of our Equity Shares at the time of commencement of trading of our Equity Shares or at any time thereafter.

The trading price of our Equity Shares after this Offer may be subject to significant fluctuations in response to, among other factors, general economic, political and social factors, developments in India's fiscal regime, variations in our operating results, market conditions specific to the industry that we operate in, developments relating to India (as well as other jurisdictions in which we operate), volatility in the Indian and global securities market, changes in the estimates of our performance or recommendations by financial analysts. The trading price of our Equity Shares may also decline in reaction to events that affect the entire market and/or other companies in our industry even if these events do not directly affect us or are unrelated to our business.

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

Under current Indian tax laws, capital gains arising from the sale of listed equity shares within 12 months 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 months will not be subject to capital gains tax in India if Securities Transaction Tax ("STT") is paid on the transaction. STT is levied on and collected by a domestic stock exchange on which equity shares are sold. Any gain realized on the sale of equity shares held for more than 12 months to an Indian resident, which are sold other than on a recognized stock exchange and on which no STT has been paid, is 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 months or less will be subject to short-term capital gains tax in India. Capital gains arising from the sale of equity shares are exempt from taxation in India where an 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 to pay tax in India as well as in their own jurisdiction on a gain on the sale of Equity Shares.

**64. *The trading price of our Equity Shares may fluctuate due to volatility of the Indian and global securities markets.***

Stock exchanges in India have in recent years, in line with global developments, experienced substantial fluctuations in the prices of listed securities. The SENSEX, BSE's benchmark index, increased by approximately 18.50%, representing approximately 3,495 points in Fiscal Year 2014, increased by approximately 24.50% representing approximately 5,502 points in Fiscal Year 2015 and has subsequently decreased by around 8.37% till September 28, 2015 representing approximately 2,338 points. In addition, Indian stock exchanges have, from time to time, imposed restrictions on trading in certain securities, limitations on price movements and margin requirements.

**65. *Under Indian law, foreign investors are subject to investment restrictions that limit our ability to attract foreign investors, which may adversely impact the trading price of the Equity Shares.***

Under the extant foreign exchange regulations in India, the issue of equity shares by an Indian company to non-residents is subject to the sectoral restrictions and other conditions prescribed by the RBI from time to time. Similarly, a transfer of shares between non-residents and residents is freely permitted (subject to certain exceptions), subject to compliance with the valuation and reporting requirements specified by the RBI. If the issue of shares by an Indian company to a non-resident, or a transfer of shares between a resident and a non-resident, is not in compliance with such requirements and does not fall under any of the exceptions specified by the RBI, then approval from the RBI is required. Additionally, shareholders who seek to convert Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India, require a no-objection or a tax clearance certificate from the Indian income tax authorities. Presently, foreign investment aggregating up to 49% is permitted on our Company with the prior approval of the RBI. While our Company is proposing to seek an approval from the FIPB for the issue of Equity Shares by the Company and the transfer of Equity Shares by the Selling Shareholders to non-residents under the Offer, we cannot assure you that any required approval from the FIPB will be obtained by us on any particular terms or at all. Further, the FIPB may impose additional conditions for the issue of Equity Shares by the Company or transfer of Equity Shares by the Selling Shareholder to non-residents in the Offer thereby affecting the trading and transferability of Equity Shares transferred to non-residents in the Offer. See "Restrictions on Foreign Ownership of Indian Securities" on page 263.

**66. *Any future issuance of Equity Shares may dilute your shareholding, and sale of Equity Shares by our major shareholders may adversely affect the trading price of our Equity Shares.***

Any future issuances of Equity Shares by our Company or securities linked to Equity Shares after this Offer will dilute your shareholdings in our Company. In addition, the perception that such issuance or may occur could also adversely affect the trading price of our Equity Shares and impair our future ability to raise capital through an

issue of Equity Shares. No assurance can be given that we will not issue any additional Equity Shares. We cannot predict the effect that sale of Equity Shares by major Equity Shareholders or the availability of Equity Shares for future sale may have on the trading price of our Equity Shares.

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

Under the Companies Act, a company incorporated in India must offer its equity shareholders pre-emptive rights to subscribe and pay for a proportionate number of equity shares to maintain their existing ownership percentages prior to issuance of any new equity shares, unless the pre-emptive rights have been waived by the adoption of a special resolution by holders of three-fourths of the equity shares voting on such resolution.

However, if the law of the jurisdiction that you are in does not permit the exercise of such pre-emptive rights without our filing an offering document or registration statement with the applicable authority in such jurisdiction, you will be unable to exercise such pre-emptive rights unless we make such a filing. If we elect not to file a registration statement, the new securities may be issued to a custodian, who may sell the securities for your benefit. The value such custodian receives on the sale of any such securities, and the related transaction costs cannot be predicted. To the extent that you are unable to exercise pre-emptive rights granted in respect of our Equity Shares, your proportional interests in our Company may be reduced.

**Prominent Notes:**

- Our Company was incorporated as Maini Precision Products Private Limited on March 3, 1973 at Bengaluru, Karnataka as a private limited company under the Companies Act, 1956. Our Company was converted into a public limited company and the name of our Company was changed to Maini Precision Products Limited. A fresh certificate of incorporation consequent upon conversion to public limited company was issued on September 9, 2015. For further details in relation to the change in the name of our Company, see “History and Certain Corporate Matters” on page 119.
- Public Offer of up to [●] Equity Shares of face value ₹10 each of our Company for cash at a price of ₹[●] per Equity Share aggregating ₹[●] million, consisting of a Fresh Issue of [●] Equity Shares by our Company, aggregating ₹500 million and an Offer for Sale of up to 3,030,000 Equity Shares by the Selling Shareholders, aggregating ₹[●] million. The Offer will constitute at least [●]% of the post-Offer paid-up Equity Share capital of our Company.
- The net worth of our Company as of March 31, 2015 as per our Restated Financial Information included in this Draft Red Herring Prospectus is ₹673.62 million. See “Financial Statements” on page F-1.
- The net asset value per Equity Share as on March 31, 2015 as per our Restated Financial Information is ₹72.26.
- The average cost of acquisition of Equity Shares by our Promoters is:

Promoter	Number of Equity Shares Held	Average Cost of Acquisition (₹)
Dr. Sudarshan Kumar Maini	4,300,191	0.13
Sandeep Kumar Maini	2,362,374	333.64
Gautam Maini	1,044,099	5.07
Chetan Kumar Maini	1,044,036	5.08

- For details of related party transactions entered into by our Company with the Group Entities and other related parties during the last financial year, the nature of transactions and the cumulative value of transactions, see “Related Party Transactions” on page 147.
- There has been no financing arrangement whereby our Promoters, Promoter Group, Directors, or any of their relatives have financed the purchase by any other person of the Equity Shares other than in the normal course of the business during the six months preceding the date of this Draft Red Herring Prospectus.
- For more information on Group Entities that have business or other interests in our Company, see “Our

Group Entities” and “Related Party Transactions” on pages 141 and 147, respectively.

Investors may contact any of the BRLMs for any complaints, information or clarification pertaining to the Offer. For further information regarding grievances in relation to the Offer, see “General Information” on page 54.

## SECTION III: INTRODUCTION

### SUMMARY OF INDUSTRY

*The information in this section is derived from various publicly available sources, government publications and other industry sources. Unless specifically indicated otherwise, the information in this section has been derived from the following sources: the report titled “World Factbook – Economy Overview by CIA”, Ministry of Finance, Department of Economic Affairs - Economic Division; India Brand Equity Foundation; Monthly Economic Report dated July 2015 by Department of Heavy Industry, Ministry of Heavy Industries & Public Enterprises, Government of India; ACMA and Make in India website of Government of India. The information in this section has not been independently verified by us, the Book Running Lead Managers, or their respective legal, financial or other advisors, and no representation is made as to the accuracy of this information. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured and accordingly, investment decisions should not be based on such information. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. Accordingly, investors should not place undue reliance on this information.*

#### **World Economy Overview**

The international financial crisis of 2008-09 led to the first downturn in global output since 1946 and presented the world with a major new challenge: determining what mix of fiscal and monetary policies to follow to restore growth and jobs, while keeping inflation and debt under control. Financial stabilization and stimulus programs that started in 2009-11, combined with lower tax revenues in 2009-10, required most countries to run large budget deficits. Treasuries issued new public debt, totalling USD 9.1 trillion since 2008, to pay for the additional expenditures. To keep interest rates low, most central banks monetized that debt, injecting large sums of money into their economies between December 2008 and December 2013 the global money supply increased by more than 35%. Governments are now faced with the difficult task of spurring current growth and employment without saddling their economies with so much debt that they sacrifice long-term growth and financial stability. When economic activity picks up, central banks will confront the difficult task of containing inflation without raising interest rates so high they snuff out further growth.

Fiscal and monetary data for 2013 are currently available for 180 countries, which together account for 98.5% of World GDP. Of the 180 countries, 82 pursued unequivocally expansionary policies, boosting government spending while also expanding their money supply relatively rapidly - faster than the world average of 3.1%; 28 followed restrictive fiscal and monetary policies, reducing government spending and holding money growth to less than the 3.1% average; and the remaining 70 followed a mix of counterbalancing fiscal and monetary policies, either reducing government spending while accelerating money growth, or boosting spending while curtailing money growth.

In 2013, for many countries the drive for fiscal austerity that began in 2011 abated. While 5 out of 6 countries slowed spending in 2012, only 1 in 2 countries slowed spending in 2013. About 1 in 3 countries actually lowered the level of their expenditures. The global growth rate for government expenditures increased from 1.6% in 2012 to 5.1% in 2013, after falling from a 10.1% growth rate in 2011. On the other hand, nearly 2 out of 3 central banks tightened monetary policy in 2013, decelerating the rate of growth of their money supply, compared with only 1 out of 3 in 2012. Roughly 1 of 4 central banks actually withdrew money from circulation, an increase from 1 out of 7 in 2012. Growth of the global money supply, as measured by the narrowly defined M1, slowed from 8.7% in 2009 and 10.4% in 2010 to 5.2% in 2011, 4.6% in 2012, and 3.1% in 2013. Several notable shifts occurred in 2013. By cutting government expenditures and expanding money supplies, the US and Canada moved against the trend in the rest of the world. France reversed course completely. Rather than reducing expenditures and money as it had in 2012, it expanded both. Germany reversed its fiscal policy, sharply expanding federal spending, while continuing to grow the money supply. South Korea shifted monetary policy into high gear, while maintaining a strongly expansionary fiscal policy. Japan, however, continued to pursue austere fiscal and monetary policies. (Source: *The World Factbook – Economy Overview*, <https://www.cia.gov/library/publications/the-world-factbook/fields/2116.html#54>)

#### **Indian Economy Overview**

India's economy has witnessed a significant growth in the recent past, growing by 7.3% in 2015 as against 6.9% in 2014. The size of the Indian economy is estimated to be ₹129.57 trillion (US\$2.01 trillion) in 2014. It is

estimated that India will witness a GDP growth rate of 7.5% in 2016, due to improved investor confidence, lower food prices and policy reforms. (Source: India Brand Equity Foundation, <http://www.ibef.org/economy/indian-economy-overview>)

The growth rate of Gross Domestic Product (GDP) at constant (2011-12) market prices is estimated at 7.3 percent in 2014-15 (Provisional Estimates). The growth of Gross Value Added (GVA) at basic prices for agriculture & allied sectors, industry sector and services sector are estimated at 0.2%, 6.1% and 10.2% respectively in 2014-15 as compared to the corresponding rates of 3.7%, 4.5% and 9.1% respectively in 2013-14. IIP grew by 3.2 percent in the 1<sup>st</sup> quarter (Q1) of 2015-16.

Current Account Deficit (CAD) narrowed sharply to USD 27.9 billion (1.3% of GDP) in 2014-15 from USD 32.4 billion (1.7% of GDP) in the previous year. Net invisibles' earning was placed at USD 116.2 billion in 2014-15 as against USD 115.2 billion over the previous year. Net capital inflows, however, increased to USD 89.3 billion (4.4% of GDP) in 2014-15 from USD 47.9 billion (2.6% of GDP) in 2013 owing largely to higher net inflows of FDI, portfolio investment and NRI deposits.

Foreign Exchange Reserves stood at USD 353.5 billion at end of July 2015, as compared to USD 356.0 billion at end-June 2015. India's external debt remains within manageable limits as indicated by the external debt-GDP ratio of 23.8% at end-March 2015 vis-a-vis 23.6% at end March 2014. External debt stock stood at USD 475.8 billion at end-March 2015 recording an increase of 6.6% over the level at end-March 2014. Short-term external debt was USD 84.7 billion at end-March 2015, showing a decline of 7.6% over the level at end-March 2014. Long-term debt accounted for 82.2% of total external debt at end-March 2015.

Global commodity prices declined in the 2<sup>nd</sup> quarter of 2015 due to ample supplies and weak demand, especially in industrial commodities. (Source: Monthly Economic Report – July 2015 – Ministry of Finance, Department of Economic Affairs, Economic Division, [www.mof.gov.in](http://www.mof.gov.in))

### *Inflation*

The headline Wholesale Price Index (WPI) inflation remained negative for the ninth month in a row and reached a low of (4.1)% in July 2015 from (2.4)% in June 2015. Food inflation declined to (1.4)% from 1.9% in the previous month.

### **Indian Automotive and Auto Component Industry**

The automotive industry in India is one of the main pillars of the economy. With strong backward and forward linkages, it is a key driver of growth. Liberalization and conscious policy interventions over the past few years created a vibrant, competitive market, and brought several new players, resulting in capacity expansion in automobile industry and generation of huge employment. (Source: Department of Heavy Industry, Ministry of Heavy Industries & Public Enterprises, Government of India, [www.dhi.nic.in](http://www.dhi.nic.in))

The contribution of this sector to the National GDP rose from 2.77% in 1992-93 to about 7.1% now. It provides direct and indirect employment to over 19 million people. India is fast turning into a global automotive hub. The sector has displayed an uneven growth trajectory over the last few years, with a slow-down in 2007-08, then showing marginal recovery, both in terms of sales as well as in production next year, that led to a dramatic increase of 25-27% in 2009-10 and 2010-3. However, for the last two financial years in continuation, the industry has gone into recession. Barring the scooter / two wheelers segment, each and every other vehicle segment showed negative growth in the year 2013-14, commercial vehicles being the most effected with (21)% growth in production and passenger vehicles showing a growth of (4.6)% indicating reduced demand among the common people who would have aspired to buy a passenger car. Even commercial passenger carriers have shown negative growth in production to the tune of (19.86)% directly impacting the growth of public transportation. After a capacity creation of ₹22 billion in 2011-12, the automotive industry is now suffering from excess capacity and suppressed demand leading to lay-offs. Some of the areas causing distress in the automotive sector are: slowdown in economic growth, high cost of vehicle finance, high interest rates, high fuel prices, high inflation and negative market sentiments, increase in the commodity prices, high customs duty on alloy steel, aluminium alloy and secondary aluminium alloy, high rate of service tax and excise duty, high and varied rate of road taxes in the states, low growth of export markets, etc. (Source: Department of Heavy Industry, Ministry of Heavy Industries & Public Enterprises, Government of India, [www.dhi.nic.in](http://www.dhi.nic.in))

Ministry of Heavy Industries and Public Enterprises has been consistently taking up the matter of providing some kind of stimulus package with prompt fiscal and other measures to put the industry back on track. As a



result, in the interim budget for the year 2014-15, reduction in excise duty in case of cars, two wheelers and truck chassis was announced. Further, some other measures are urgently required to be taken, such as, removal of customs duty of raw materials such as steel or aluminium, revisit of CENVAT rules, review of import policy, duty draw back schemes, excise and customs rules, direct tax benefit to promote automotive R&D, and, above all, containing inflation and control of interest rates to make loans more affordable to the people. Immediate steps are required so that the Indian Auto Industry once again becomes the engine of growth of the Indian manufacturing sector. (Source: Department of Heavy Industry, Ministry of Heavy Industries & Public Enterprises, Government of India, [www.dhi.nic.in](http://www.dhi.nic.in))

The Indian auto industry is one of the largest in the world with an annual production of 23.37 million vehicles in Financial Year 2015, following a growth of 8.68% over the last year, while contributing to 7.1% of the country's gross domestic product.

An expanding middle class, a young population, and an increasing interest of the companies in exploring the rural markets have made the two wheelers segment (with 81% market share) the leader of the Indian automobile market. The overall passenger vehicle segment has 13% market share. India is also a substantial auto exporter, with solid export growth expectations for the near future. In Financial Year 2015, automobile exports grew by 15% over the last year. Various initiatives by the Government of India and the major automobile players in the Indian market is expected to make India a leader in the Two Wheeler and Four Wheeler market in the world by 2020. (Source: India Brand Equity Foundation, [www.ibef.org](http://www.ibef.org))

#### *Market Size*

The sales of Passenger Vehicles grew 3.9% in Financial Year 2015 over the same period last year. Within the Passenger Vehicles segment, Passenger Cars and Utility Vehicles registered a growth of 4.99% and 5.30% respectively.

The sales of Two Wheelers, Three Wheelers, Passenger Carriers, and Goods Carriers registered a growth of 8.09%, 10.80%, 12.16% and 5.27% respectively in Financial Year 2015, over the same period last year.

As per data provided by Society of Indian Automobile manufacturers, the Indian Auto industry produced a total 7.8 million vehicles in April-July 2015 as against 7.7 million in April-July 2014, thereby indicating a growth of 1.8% year-on-year.

Domestic Sales of Passenger Vehicles increased 7.46% in April-July 2015 yoy. Among Passenger Vehicles, cars grew 10.7% while Utility Vehicles and Vans declined by 0.32% and 1.43% respectively. Overall Commercial Vehicles segment registered 5.63% growth. Medium & Heavy Commercial Vehicles (M&HCVs) reported strong growth of 24.9% while Light Commercial Vehicles declined by 5.24 percent. Three Wheelers sales fell by 8.41 percent, while sales of Passenger Carriers and Goods Carriers fell by 9.25% and 4.5% respectively during the 4-month period.

In April-July 2015, overall automobile exports increased 8.6% year-on-year. Passenger Vehicles, Commercial Vehicles, Three Wheelers and Two Wheelers reported increase of 2.94%, 24.37%, 28.96% and 6.33% respectively during the period. (Source: India Brand Equity Foundation, <http://www.ibef.org/industry/india-automobiles.aspx>)

#### *Investments*

To match production with demand, many automakers have started to invest heavily in various segments in the industry in the last few months. The industry has attracted foreign direct investment (FDI) worth USD 13.48 billion during the period April 2000 to June 2015, according to the data released by Department of Industrial Policy and Promotion (DIPP). (Source: India Brand Equity Foundation, [www.ibef.org](http://www.ibef.org))

#### *Government Initiatives*

The Government of India encourages foreign investment in the automobile sector and allows 100% FDI under the automatic route. Excise duty on small cars, scooters, motorcycles and commercial vehicles was reduced in February last year from 12% to 8% to boost the 'Make in India' initiative of the Indian government.

Some of the major initiatives taken by the Government of India are:

- (a) Promotion of eco-friendly cars in the country i.e. CNG based vehicle, hybrid vehicle, electric vehicle and also made mandatory of 5% ethanol blending in petrol.
- (b) The government has formulated a Scheme for Faster Adoption and Manufacturing of Electric and Hybrid Vehicles in India, under the National Electric Mobility Mission 2020 to encourage the progressive induction of reliable, affordable and efficient electric and hybrid vehicles in the country.
- (c) The Automobile Mission Plan for the period 2006–2016, designed by the government is aimed at accelerating and sustaining growth in this sector. Also, the well-established Regulatory Framework under the Ministry of Shipping, Road Transport and Highways, plays a part in providing a boost to this sector.
- (d) In the Union budget of 2015-16, the Government has announced to provide credit of ₹850,000 crore (US\$ 127.6 billion) to farmers, to boost the tractors segment.

*(Source: India Brand Equity Foundation, www.ibef.org)*

The auto component market in India had a turnover of USD 39.7 billion in 2012–13 and the growth is expected to reach USD 115 billion by 2020-21. The Auto Component market estimated to become the third largest in the world by 2016, accounting for more than 5% of global vehicle sales. It is expected to become the fourth largest automobiles producer globally by 2020 after China, US and Japan. The exports of auto components increased at a CAGR of 17% during 2008-13, reaching USD 9.7 billion in 2012-13. The growth of global OEM sourcing from India and the increased indigenisation of global OEMs is turning the country into a preferred designing and manufacturing base. *(Source: Government of India, www.makeinindia.gov.in)*

The Indian auto-components industry has experienced healthy growth over the last few years. Some of the factors attributable to this include: a buoyant end-user market, improved consumer sentiment and return of adequate liquidity in the financial system. The revival of the auto industry was initially driven by the fiscal stimulus programme of the government.

The auto-components industry accounts for almost seven% of India's GDP and employs as many as 19 million people, both directly and indirectly. A stable government framework, increased purchasing power, large domestic market, and ever-increasing development in infrastructure have made India a favourable destination for investment.

## **Aerospace sector in India**

### *Introduction*

India's civil aviation industry is on a high-growth trajectory. India aims to become the third-largest aviation market by 2020 and the largest by 2030. The Civil Aviation industry has ushered in a new era of expansion, driven by factors such as low-cost carriers (LCCs), modern airports, Foreign Direct Investment (FDI) in domestic airlines, advanced information technology (IT) interventions and growing emphasis on regional connectivity. India is the ninth-largest civil aviation market in the world, with a market size of around USD 16 billion. By 2020, passenger traffic at Indian airports is expected to increase to 421 million from 190.1 million in 2015.

Domestic passenger traffic expanded at a compound annual growth rate (CAGR) of 11.8% over Financial Year 2016. It is expected to touch 209 million by Financial Year 2017. International passenger traffic posted a CAGR of 9.5% over Financial Year 2006 - 2015 and is set to touch 60 million by Financial Year 2017.

Total freight traffic registered a CAGR of 6.7% over Financial Year 2006 - 2015. Domestic freight traffic increased at a CAGR of 8.23% over Financial Year 2006 - 2015 while international freight traffic rose 5.9% over the same period. In Financial Year 2015, domestic freight traffic was 0.98 million tonnes, while international freight traffic was at 1.5 million tonnes. The growth in passenger and freight traffic has been made possible by growth in total aircraft movement, which recorded a CAGR of 5.1% over Financial Year 2007 - 2015.

### *Market Size*

In the second quarter of 2015, domestic air passenger traffic surged 19.2% to 20.3 million from 17 million in the corresponding period a year ago. Total passenger carried in June 2015 increased 13% year to year to 8.8 million from 7.8 million in June 2014. International and domestic passenger traffic grew 5.3% and 16%, respectively, in

June 2015.

In June 2015, total freight carried rose 5.4% year to year to 222,990 tonnes vis-a-vis 211,590 tonnes in June 2014. International freight movement witnessed higher growth (7.1%) compared with domestic freight movement (2.6%). In June 2015, total aircraft movements at all Indian airports stood at 141,620, which was 8% higher than June 2014. International and domestic aircraft movements increased 6.5% and 8.4%, respectively, in June 2015. Over the next five years, domestic and international passenger traffic are expected to increase at an annual average rate of 12% and 8%, respectively, while domestic and international cargo are estimated to rise at an average annual rate of 12% and 10%, respectively. (Source: <http://www.ibef.org/industry/indian-aviation.aspx> and <http://www.ibef.org/industry/indian-airports-analysis-presentation>)

## SUMMARY OF OUR BUSINESS

### Overview

We are a diversified manufacturer and supplier of high precision components and assemblies, catering to a global clientele in the automotive & industrial and aerospace sectors. Our key clients include major Tier I Customers and OEMs such as Bosch, Eaton, Stanley Black & Decker and others.

We believe we are a one-stop solution provider to our clients, with a capability to manufacture a diverse range of products across sectors. Key products manufactured by us for the automotive & industrial sectors include precision components, machined castings & forgings, fuel filters and sub-assemblies used in engines, transmissions, fuel injection, turbo chargers, steering & chassis, for passenger/commercial vehicles and precision components, machined castings and forgings for other industries; and for the aerospace sector include precision components and sub-assemblies used in aero structures, aero engines and aircraft systems. During the five year period between April, 2010 and March, 2015, we manufactured and supplied over 1,121 varieties of components for automotive & industrial sector, which includes 755 varieties of components for customers catering to passenger/commercial vehicles and 366 varieties of components for other industries. Further, we manufactured and supplied over 1,196 varieties of components in the aerospace sector.

We have long-term relationships with several global Tier I Customers and OEMs. We have been suppliers to Bosch for over 40 years and Eaton for over 14 years each, and Stanley Black & Decker for over seven years respectively. We have been recognized as a “Preferred Supplier” by Robert Bosch GmbH and Eaton, for the components manufactured and supplied to them. During the Financial Year 2015, we supplied our components to 86 customers in automotive & industrial sector, which includes 60 customers catering to passenger/commercial vehicles and 26 customers catering to other industries. Further, we supplied our components to 23 customers in the aerospace sector. We have also been conferred with many awards and recognitions over the years by our clients and various industry bodies.

We believe that our manufacturing processes are robust, fungible and adaptable to our customers’ bespoke requirements and we endeavor to keep abreast with the latest technological developments. We have in-house capabilities to engage with a client at various stages of product development including design, validation, testing and delivery. We supply parts and sub-assemblies through our global delivery platform and third-party warehousing facilities situated in the USA, Sweden and Germany. During the Financial Year 2015, apart from India our components were shipped to customers in Austria, Belgium, Brazil, Canada, China, Czech Republic, France, Germany, Italy, Slovakia, Poland, South Korea, Sweden and the USA.

We benefit from a large and reliable supplier base for our raw materials and special processes, such as surface treatment and heat treatment, which enables timely manufacturing and delivery of components.

We have six manufacturing facilities and one storage facility in industrial zones in and around Bengaluru, Karnataka, having a total area of approximately 136,498 sq. ft. and 5,300 sq. ft. (built up area) respectively. Our manufacturing facilities located at Bommasandra, Nelamangala and Peenya have been duly certified for conforming to and applying international standards of quality management systems such as ISO/ TS 16949:2009 and EN 9100:2009 (technically equivalent to AS9100C and JIS Q 9100:2009); environmental management system standards - ISO14001:2004; occupational health and safety management systems - BS OHSAS 18001:2007; and specialized processes such as Non Destructive Testing by NADCAP-AS7003. We are currently in the process of setting up a new manufacturing facility at Jigani, Bengaluru and propose to commence commercial production by Financial Year 2016.

We believe that our advanced manufacturing processes coupled with our technological and engineering expertise have enabled us to provide high precision components to the advanced technological markets. Our capability to manufacture critical precision components enables us to reach out to existing Tier I Customers and OEMs in India, who currently import such components, thereby reducing their cost of sourcing component from outside India.

Our Company was incorporated on March 3, 1973 at Bengaluru, Karnataka, and is part of the Maini Group. Our Company is promoted by Dr. Sudarshan Kumar Maini, Sandeep Kumar Maini, Gautam Maini and Chetan Kumar Maini.

Our Company, MMMPL and our Promoters, Dr. Sudarshan Kumar Maini and Chetan Kumar Maini were the

promoters of Reva Electric Car Company Private Limited (“RECC”), a joint venture with Amerigon Electric Vehicle Technologies Inc., which manufactured and launched India’s first commercial electric car, the “Reva”. In May 2010, our Promoters undertook the strategic sale of a controlling stake in RECC to Mahindra and Mahindra Limited and RECC has since been renamed as Mahindra Reva Electric Vehicles Private Limited.

For the Financial Year 2015, our revenue from supplying components to customers catering to automotive & industrial sector was ₹2,464.06 million, which includes revenues from supply of components to customers catering to passenger/commercial vehicles of ₹1,591.98 million and from other industries of ₹872.12 million. Further, our revenue from supply of components to customers catering to aerospace sector was ₹334.06 million. For the Financial Year 2015, we derived 55.55% and 44.45% of our revenue from the sale of products to customers outside India and customers in India, respectively.

## **Our Strengths**

### ***Long-term relationships with key customers***

We have longstanding relationships with several global Tier I Customers and OEMs. We have been suppliers to Bosch for over 40 years and Eaton for over 14 years. Our Tier I Customers and global OEMs have stringent and time consuming selection procedures for procurement of precision components, which involves review of the manufacturing expertise, manufacturing facilities, processes, raw materials, financial capabilities, logistical capabilities and multiple inspection and review of prototypes. Our long-term association with our key customers has strengthened over the years, as a result of our ability to meet their requirements and deliver on our commitments in a timely and efficient manner. We have a dedicated manufacturing facility at Nelamangala for Bosch.

We have over the years, strengthened our relationships with global Tier I Customers and OEMs by becoming a supplier of choice for precision components to them. We have been recognized and accredited by Robert Bosch GmbH as their “Preferred Supplier” for turned parts and machined parts in 2010 and for machined parts in 2015. We were also awarded the “Best Supplier Award” by Bosch in recognition of our superior quality and outstanding performance for the India region, during the year 2014. We were awarded the “Best Supplier – Lean & Fast” award in 2015 by GE Aviation for the aerospace sector.

### ***One stop solution provider***

We have over the last four decades, evolved from a manufacturer of precision components to a one-stop solution provider to our customers, manufacturing and supplying precision components, machined castings and forgings and sub-assemblies at multiple levels of the value chain. Our ability to use innovative, suitable, appropriate and proven technology for manufacturing precision components, coupled with our ability to understand the business requirements of our customers, has enabled us to provide our customers with end to end solutions. For instance, while we commenced supplying certain key components to Bosch, we enhanced our technology and skills over the years to become their preferred supplier for turned and machined parts. Similarly, our relationship with another large Tier I Customer began with supply of non – critical components five years ago, and we have since progressed to supply high precision components such as the GDI pump body and variety of AMT parts.

We have the in-house capability to engage with a customer at various stages of production development including design, validation, testing and delivery. Our service offerings provide us multiple entry points during the life cycle of our customers’ products, across the design and manufacturing matrix, thereby deepening and expanding our existing customer arrangements. Our one stop shop status allows us to be a key or preferred supplier to many of our customers, not restricted to the supply of a single product, but in relation to various products and solutions.

### ***Advanced manufacturing processes, engineering expertise and quality assurance***

We combine modern manufacturing technology and engineering expertise with frugal manufacturing processes, to deliver quality products in a cost efficient manner. Our manufacturing systems are customizable to handle large production volumes and the fungibility of our infrastructure, enables us to use our machinery for manufacturing various precision components, without incurring substantial operational costs or time.

We believe that our specialized manufacturing processes, coupled with our technological and engineering expertise, have enabled us to penetrate the advanced technological market. For instance, we have executed a letter of intent dated April 20, 2015 with a large Tier I Customer, to provide parts for the manufacture of the

AMT systems. AMT is based on an electronic control unit and a hydraulic system that supervises the use of clutch and gear shifting, allowing the driver to change gears without using the clutch, either sequentially or fully automatically. This technology is relatively new to India, both in terms of manufacturing and consumption.

Similarly, we manufacture the GDI pump body part for a large Tier I Customer. The GDI pump is a pump with a single piston mechanically operated with a flow rate control by means of an electromagnetic actuator. It enables automobile manufacturers to meet fuel economy and emission standards across the globe. The advanced machines used for the manufacture of these parts include twin spindle CNC turning centers, high-end HMCs, VMCs, TMCs and sophisticated testing equipments.

We have a dedicated team of engineers along with a well-equipped dimensional inspection and calibration laboratory. We believe that our engineering expertise and technology driven manufacturing processes have enabled us to deliver our products to our customers in accordance with their designs and specifications, in a cost effective manner without compromising on quality.

We continuously strengthen our engineering expertise by providing in-house training to our workforce, in order to diversify and update their skill sets and keep them updated with the latest changes in manufacturing technologies and processes. This training is especially critical while dealing with high precision components in the automotive & industrial and aerospace sectors, in order to identify processes which minimize costs through the most efficient deployment of our technological and human resources.

In order to ensure quality control and manufacture components with minimal defects, we identify error-proofing mechanisms in the machine at the initial stages of a new component production cycle for special purpose machines as well as conventional machines. This is achieved through the study of process cycles for each component, identification of processes that would lead to defects and the installation of error proofing tools such as auto sensors, jigs and fixtures. For example, in order to eliminate manual inspection and errors; we introduced an online auto gauging system, which, in addition to eliminating errors, also improved productivity. These measures are instrumental in ensuring that the products manufactured by us meet quality specifications and prevent manufacturing errors and defects.

#### ***Global delivery service model***

We have a global delivery service model for supplying products to our customers, which includes local delivery, logistical support and direct export through third party warehousing facilities located in the USA, Sweden and Germany. We maintain a safety stock at each of these warehousing facilities, which ensures that additional products are available in case of any contingencies. This model allows us to ensure timely delivery of products to our customers. Our global delivery service model is one of the key factors based on which we believe that global Tier I Customers and OEMs choose us as their supplier of choice for precision components.

We believe our global delivery service model has contributed significantly in strengthening our relationships with our key customers, by enabling us to serve multiple delivery locations and provide multiple delivery options, with flexible lead times and minimum costs. We are also able to internally consolidate our shipments into container loads, thereby managing our cost and timelines. Warehouse sales contributed to 34.46%, 35.66% and 34.48% of our revenue from operations in Financial Year 2015, Financial Year 2014 and Financial Year 2013, respectively.

#### ***Skilled, experienced and qualified workforce and senior management***

We have a skilled and technically qualified trade union workforce of around 550 employees, of whom a substantial number have been employed with our Company for more than 10 years. Our training module enables our workforce to gain experience and enhance their skills and capabilities, thereby, enabling them to progress from one level to another, across business verticals and sectors. Our workforce's inter-disciplinary training enables them to be as fungible a resource to our business as our manufacturing technology and processes. Our technical capabilities are further enhanced by personnel trained in and certified for specialized process, such as 'non-destructive testing', for which we employ an in-house ASNT Level-3 certified, Boeing certified, and Honeywell Source Certified Agent (SCA) approved employee.

Our senior management team comprising of our key employees having extensive experience in the precision components industry, including but not limited to operations, finance, business development, quality assurance, customer relationship and human resource management.

Our founder and Promoter, Dr. Sudarshan Kumar Maini has over 45 years of experience in the precision manufacturing industry. Our Director, Sandeep Kumar Maini and our Managing Director, Gautam Maini each have over 25 years of experience in the precision manufacturing industry. We believe that we benefit significantly from the industry experience of our Promoters. Our Promoters' market understanding, entrepreneurial vision and years of experience in the industry have been the major drivers of our Company's growth. We leverage the understanding and the experience of our senior management in successfully managing our operations and growth.

For details of our management and key management personnel, see "Our Management" on page 124.

### ***Consistent financial performance***

We have established a strong track record of growth and financial performance with steady cash flows from our operations. Between Financial Year 2011 and Financial Year 2015, our revenue increased at a CAGR of 11.66%, our EBITDA at a CAGR of 7.62% and our profit after tax increased at a CAGR of 15.80%. CAGR information above relating to total revenue, EBITDA and profit after tax are based on our Restated Financial Information. Our revenue from operations in Financial Years 2015, 2014 and 2013 was ₹2,798.12 million, ₹2,583.62 million and ₹1,953.47 million, respectively, with revenue from customers catering to automotive & industrial sector accounting for 88.06%, 88.32% and 88.35% respectively which includes customers catering to passenger/commercial vehicles accounting for 64.44%, 54.00% and 56.89% respectively and customers catering to other industries accounting for 23.91%, 34.33% and 31.17% respectively. Further our revenue from customers catering to aerospace sector accounts for 11.94%, 11.68% and 11.65% respectively. Our EBITDA in Financial Years 2015, 2014 and 2013 was ₹304.64 million, ₹323.63 million and ₹212.26 million, respectively, while our profit after tax in such periods was ₹105.95 million, ₹119.01 million and ₹46.81 million, respectively. As on March 31, 2015, our reserves and surplus was ₹668.67 million while our net worth was ₹673.62 million. Our debt to equity ratio as on March 31, 2015 was 0.86. Our strong balance sheet and positive operating cash flows enable us to fund our strategic initiatives, pursue opportunities for growth and manage unanticipated cash flow variations.

### **Our Strategies**

#### ***Strong focus on exports***

We intend to leverage on our global delivery service model by continuing to focus on tailor-made precision components and processes designed to suit our customers' preferences. We believe that this model will enable us to become the supplier of choice in the global precision components industry. Our existing relationships and our ability to deliver components on a timely basis, and, in certain cases, our 'preferred supplier' status, enables us to follow our existing customers to newer geographical locations and to establish a presence in such locations. We propose to expand our delivery model to new geographies to ensure timely delivery of precision components to our customers at their manufacturing facilities in the most cost-efficient manner. This will reduce delays in delivery of our components to our customers' warehouses and manufacturing facilities. In addition, we also maintain a safety stock of components at each of these warehousing facilities, which ensures that additional components are available in case of any contingencies. We believe that our global delivery model is one of the key factors that our customers take into consideration while choosing us as their supplier of choice for precision components. As on March 31, 2015, our exports contributed to 53.11% of our revenues from operation. Over the years, we have enhanced our capabilities to cater to the requirements of our customers, and leverage on our export business.

#### ***Moving up the value chain***

Our forward integration allows us to penetrate into the diversified requirements of our customers and thus expand our business verticals to different sectors and requirements of our customers. We currently manufacture precision components ranging from components, machined castings and forgings, which are supplied as-is to our customers and sub-assemblies, which are a combination of several simple precision components. Over the years, we have focused on moving up this value chain of complexity and specialization by enhancing our manufacturing capabilities to produce complex precision components, as well as advanced sub-assemblies of consistently increasing complexity and precision, as we have done for Bosch and several other customers in the past. As our technological capabilities evolve, we intend to increase our focus on high-margin complex precision components and sub-assemblies while relying on our large and reliable base of suppliers for simpler precision manufacturing components and processes. Further, this strategy will deepen and expand our global

clientele.

With an emphasis on increasing our scale of operations to cater to the diversified and increasing requirements of our customers, we propose to expand our manufacturing facilities to newer locations at Jigani and Nelamangala in Bengaluru. In furtherance of this objective, we have taken on lease a manufacturing facility in Jigani, Bengaluru and propose to commence commercial production by Financial Year 2016. We had acquired 15.78 acres of land in Nelamangala, Bengaluru with the objective of establishing a new manufacturing facility and have now applied for requisite regulatory approvals. We propose to utilize ₹169.87 million out of the Net Proceeds raised towards construction of a new building for a manufacturing facility at Nelamangala.

#### ***Localisation of manufacture of critical high precision components***

We believe that our advanced manufacturing processes, coupled with our technological and engineering expertise has enabled us to penetrate the advanced technological market and cater to the requirements of globally renowned customers. This capability to manufacture critical precision products enables us to reach out to existing Tier I Customers and OEMs' in India who currently import such products, thereby reducing their cost of sourcing the product from outside India. For instance, Bosch imported nozzle holder body components to India till 2013. In 2013 we started producing and supplying nozzle holder body components for Bosch, thereby substantially cutting their import costs. Further, a larger Tier I Customer imports AMT parts to cater to its customers in India. In 2015, relying on our capability to deliver the same product in accordance with their specifications in a timely manner, they have engaged us to manufacture and supply a certain volume of AMT parts to meet their requirements in India.

We believe that we have a key advantage over our competitors in understanding the product, quality and customer requirements in a timely and cost effective manner and are well positioned to be the manufacturer and supplier of choice for Tier I Customers and OEM suppliers for critical or high precision components in India.

#### ***Increased focus on aerospace sector***

We forayed into the aerospace sector in 2005, and have since developed several strengths including offset support with licenses, structured training for technicians and implementation of PLM software (AEROLEAN). Aerospace is a technology intensive sector, and we believe that our technology and skill sets are suited to the requirements of manufacturers in the aerospace sector for high precision, intricate machined products. Further, we believe that the fungibility of our infrastructure enables us to use a blend of advanced machinery for high precision aerospace products, without incurring substantial additional operational costs or time. At the same time, advanced manufacturing processes developed for our aerospace sector also enable us to move up the value chain of specialization and complexity in our automotive & industrial sectors.

Over the years, by virtue of our experience and efficiency in the aerospace sector, we have made our aerospace vertical into an independent business unit. The technology and the skill sets used by us in the automotive & industrial sectors with certain modifications are helpful in the aerospace sector, thus giving us an opportunity to leverage the usage of the automotive & industrial sector expertise into the aerospace sector, while adhering to the stringent standards of aerospace industry.

Our inspection facility located at Bommasandra Industrial Area is NADCAP certified for non-destructive testing for aerospace sector. In addition, this facility is also certified by SNECMA, GE Aviation, Boeing and Eaton for catering to their specific requirements.



## SUMMARY OF FINANCIAL INFORMATION

The following tables set forth summary financial information derived from the Restated Financial Information of our Company. The Restated Financial Information have been prepared in accordance with the Companies Act, Indian GAAP and restated in accordance with the SEBI ICDR Regulations and presented under the “Financial Statements” on page F-1. The summary financial information presented below should be read in conjunction with the Restated Financial Information, the notes thereto and “Financial Statements” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on pages F-1 and 150, respectively.

### SUMMARY STATEMENT OF ASSETS AND LIABILITIES, AS RESTATED

(Amounts in ₹ million)

Particulars	Year ended				
	31 March 2015	31 March 2014	31 March 2013	31 March 2012	31 March 2011
<b>Equity and liabilities</b>					
<i>Shareholders’ funds</i>					
Share capital	14.80	14.80	14.80	14.80	14.80
Reserves and surplus	668.67	506.99	387.98	341.17	390.80
	<b>683.47</b>	<b>521.79</b>	<b>402.78</b>	<b>355.97</b>	<b>405.60</b>
<i>Non-current liabilities</i>					
Long-term borrowings	46.76	87.77	89.88	31.29	23.44
Deferred tax liabilities (net)	-	-	-	6.44	14.52
Long-term provisions	53.44	30.21	31.10	20.24	18.87
	<b>100.20</b>	<b>117.98</b>	<b>120.98</b>	<b>57.97</b>	<b>56.83</b>
<i>Current liabilities</i>					
Short-term borrowings	477.27	522.09	426.80	383.23	425.61
Trade payables	307.70	277.87	210.13	190.09	244.17
Other current liabilities	143.95	138.29	120.07	102.16	79.54
Short-term provisions	77.48	119.59	70.60	200.28	41.82
	<b>1,006.40</b>	<b>1,057.84</b>	<b>827.60</b>	<b>875.76</b>	<b>791.14</b>
<b>Total</b>	<b>1,790.07</b>	<b>1,697.61</b>	<b>1,351.36</b>	<b>1,289.70</b>	<b>1,253.57</b>
<b>Assets</b>					
<i>Non-current assets</i>					
Fixed assets					
Tangible assets	547.85	514.96	469.32	471.08	456.59
Intangible assets	7.35	3.33	4.50	6.65	8.30
Deferred tax assets (net)	4.59	5.84	0.11	-	-
Non-current investments	0.02	8.57	8.57	8.57	8.57
Long-term loans and advances	45.75	51.29	35.05	31.91	32.89
Other non-current assets	1.73	4.38	4.06	7.42	10.15
	<b>607.29</b>	<b>588.37</b>	<b>521.61</b>	<b>525.63</b>	<b>516.50</b>
<i>Current assets</i>					
Inventories	479.01	547.66	379.07	374.02	302.67
Trade receivables	486.99	420.72	350.30	298.66	335.99
Cash and cash equivalents	4.67	3.93	4.42	25.68	1.71
Short-term loans and advances	212.11	136.93	95.96	65.71	96.70
	<b>1,182.78</b>	<b>1,109.24</b>	<b>829.75</b>	<b>764.07</b>	<b>737.07</b>
<b>Total</b>	<b>1,790.07</b>	<b>1,697.61</b>	<b>1,351.36</b>	<b>1,289.70</b>	<b>1,253.57</b>

**SUMMARY STATEMENT OF PROFIT AND LOSS, AS RESTATED**

(Amounts in ₹million)

Particulars	Year ended				
	31 March 2015	31 March 2014	31 March 2013	31 March 2012	31 March 2011
<b>Revenue</b>					
Revenue from operations					
Sale of products	2,870.85	2,647.77	2,014.10	1,913.07	1,817.63
Less : Excise duty	(143.23)	(142.60)	(107.97)	(80.61)	(92.65)
	2,727.62	2,505.17	1,906.13	1,832.46	1,724.98
Sale of services	7.74	2.84	2.09	10.15	4.47
Other operating revenues	62.76	75.61	45.25	54.75	80.47
Revenue from operations	2,798.12	2,583.62	1,953.47	1,897.36	1,809.92
Other income	62.48	2.24	18.69	13.05	30.05
<b>Total revenue</b>	<b>2,860.60</b>	<b>2,585.86</b>	<b>1,972.16</b>	<b>1,910.41</b>	<b>1,839.97</b>
<b>Expenses</b>					
Cost of materials consumed	1,486.45	1,414.21	947.16	974.72	929.23
Changes in inventories of work-in-progress and finished goods	(2.44)	(136.04)	20.58	(62.79)	(2.42)
Employee benefits expense	516.71	436.54	366.93	326.75	288.96
Finance cost	48.40	46.88	53.48	56.61	65.25
Depreciation and amortisation	94.95	93.62	88.29	80.92	71.64
Other expenses	555.24	547.52	425.23	416.31	397.07
<b>Total expenses</b>	<b>2,699.31</b>	<b>2,402.73</b>	<b>1,901.67</b>	<b>1,792.52</b>	<b>1,749.73</b>
<b>Profit before tax</b>	<b>161.29</b>	<b>183.13</b>	<b>70.49</b>	<b>117.89</b>	<b>90.24</b>
<b>Tax expense</b>					
Current tax	53.11	69.85	30.23	47.65	17.52
Deferred tax charge/(credit)	2.23	(5.73)	(6.55)	(8.08)	13.79
	<b>55.34</b>	<b>64.12</b>	<b>23.68</b>	<b>39.57</b>	<b>31.31</b>
<b>Net profit after tax, as restated</b>	<b>105.95</b>	<b>119.01</b>	<b>46.81</b>	<b>78.32</b>	<b>58.93</b>
<b>Earnings per equity share of ₹ 100 each</b>					
Basic and Diluted	716.05	804.31	316.36	529.31	398.27

**STATEMENT OF CASH FLOWS, AS RESTATED**
*(Amounts in ₹million)*

Particulars	Year ended				
	31 March 2015	31 March 2014	31 March 2013	31 March 2012	31 March 2011
<b>A. Cash flow from operating activities</b>					
Profit before tax	<b>161.29</b>	<b>183.13</b>	<b>70.49</b>	<b>117.89</b>	<b>90.24</b>
Depreciation and amortisation	94.95	93.62	88.29	80.92	71.64
Loss/(gain) on sale of fixed assets	(1.86)	1.04	0.41	(0.14)	0.54
Provisions for obsolete inventory	-	6.31	4.32	4.22	3.43
Provision for doubtful advances	-	-	-	2.82	0.55
Deposits, loans and advances written off	0.94	-	-	-	1.43
Provision for doubtful receivables	2.24	-	0.51	1.13	4.90
Bad debts	1.59	0.41	-	-	3.19
Net profit on sale of investments	(10.18)	-	-	-	-
Unrealised loss/(gain) on fair valuation of derivatives	-	6.32	(13.53)	10.94	(26.01)
Liabilities no longer required, written back	-	-	(0.33)	(6.30)	(1.81)
Unrealised foreign exchange gain / (loss)	(26.72)	17.16	0.98	6.80	1.24
Interest income	(0.84)	(0.96)	(0.74)	(0.56)	(0.94)
Interest expense	48.40	46.88	53.48	56.61	65.25
<b>Operating profit before working capital changes</b>	<b>269.81</b>	<b>353.91</b>	<b>203.88</b>	<b>274.33</b>	<b>213.65</b>
Decrease / (increase) in trade receivables	(73.82)	(76.76)	(53.93)	43.06	(130.73)
Decrease / (increase) in inventories	68.65	(174.90)	(9.37)	(75.57)	(23.08)
Decrease / (increase) in loans and advances	(21.05)	(42.30)	(20.81)	28.46	(17.48)
Increase / (decrease) in trade payables	29.76	68.41	20.52	(48.47)	49.29
Increase / (decrease) in current liabilities	16.97	(13.10)	4.10	14.89	11.51
Increase in provisions	29.91	0.70	13.95	3.45	4.68
<b>Cash generated from operations</b>	<b>320.23</b>	<b>115.96</b>	<b>158.34</b>	<b>240.15</b>	<b>107.84</b>
Direct taxes paid (net)	(105.70)	(29.39)	(38.14)	(27.15)	(15.94)
<b>Net cash generated from operating activities</b>	<b>214.53</b>	<b>86.57</b>	<b>120.20</b>	<b>213.00</b>	<b>91.90</b>
<b>B. Cash flow from investing activities</b>					
Purchase of tangible and intangible assets	(135.52)	(148.54)	(82.68)	(92.37)	(86.22)
Proceeds from sale of tangible assets	2.76	2.13	0.10	0.22	0.93
Proceeds from sale of discontinued operation	-	-	-	-	52.72
Proceeds from sale of investment in subsidiaries (net)	18.73	-	-	-	-
Interest received	1.04	1.22	0.85	0.23	0.84
Movement in bank deposits and margin money	2.65	(0.32)	3.36	2.73	(0.71)
<b>Net cash (used in) investing activities</b>	<b>(110.34)</b>	<b>(145.51)</b>	<b>(78.37)</b>	<b>(89.19)</b>	<b>(32.44)</b>

Particulars	Year ended				
	31 March 2015	31 March 2014	31 March 2013	31 March 2012	31 March 2011
<b>C. Cash flow from financing activities</b>					
Proceeds from term loan	19.22	80.13	99.18	50.00	50.00
Repayment of term loan	(65.75)	(48.53)	(43.66)	(42.15)	(40.50)
Proceeds from short term borrowings, net	5.07	83.95	43.59	(74.75)	24.33
Loans taken from related parties	-	-	20.00	19.40	-
Loans repaid to related parties	(19.40)	(15.00)	(5.00)	-	(32.08)
Interest paid	(42.60)	(41.54)	(49.88)	(52.34)	(62.55)
Interim dividend	-	-	(110.09)	-	-
Dividend distribution tax	-	-	(17.86)	-	-
<b>Net cash generated from/(used in) financing activities</b>	<b>(103.46)</b>	<b>59.01</b>	<b>(63.72)</b>	<b>(99.84)</b>	<b>(60.80)</b>
<b>Net increase/(decrease) in cash and bank balances (A+B+C)</b>	<b>0.73</b>	<b>0.07</b>	<b>(21.89)</b>	<b>23.97</b>	<b>(1.34)</b>
<b>Cash and bank balances at the beginning of the year</b>	<b>3.93</b>	<b>4.42</b>	<b>25.68</b>	<b>1.71</b>	<b>2.66</b>
Effect of exchange rate changes on cash and cash equivalents held	0.01	(0.56)	0.63	-	0.39
<b>Cash and cash equivalents as at the end of the period</b>	<b>4.67</b>	<b>3.93</b>	<b>4.42</b>	<b>25.68</b>	<b>1.71</b>

## THE OFFER

The following table summarises the Offer details:

<b>Equity Shares Offered</b>	
Offer of Equity Shares <sup>(1)</sup>	Up to [●] Equity Shares, aggregating up to ₹[●] million
<i>of which</i>	
Fresh Issue <sup>(2)</sup>	Up to [●] Equity Shares, aggregating up to ₹500 million
Offer for Sale <sup>(3) (4)</sup>	Up to 3,030,000 Equity Shares, aggregating up to ₹[●] million
A) QIB portion <sup>(5)</sup>	[●] Equity Shares
<i>of which:</i>	
Anchor Investor Portion	Up to [●] Equity Shares
Balance available for allocation to QIBs other than Anchor Investors (assuming Anchor Investor Portion is fully subscribed)	[●] Equity Shares
<i>of which:</i>	
Available for allocation to Mutual Funds only (5% of the QIB Portion excluding the Anchor Investor Portion)	[●] Equity Shares
B) Non-Institutional Portion <sup>(6)</sup>	Not less than [●] Equity Shares
C) Retail Portion <sup>(6)</sup>	Not less than [●] Equity Shares
<b>Pre and post Offer Equity Shares</b>	
Equity Shares outstanding prior to the Offer	9,321,795 Equity Shares
Equity Shares outstanding after the Offer	[●] Equity Shares
<b>Use of Net Proceeds</b>	See “Objects of the Offer” on page 75 for information about the use of the proceeds from the Fresh Issue. Our Company will not receive any proceeds from the Offer for Sale

Allocation to all categories, except the Anchor Investor Portion and the Retail Portion, if any, shall be made on a proportionate basis. For further details, see “Offer Procedure - Basis of Allotment” on page 252.

<sup>(1)</sup> Our Company will be seeking an approval from the Foreign Investment Promotion Board, Department of Economic Affairs (FIPB Unit), Ministry of Finance for the issue of Equity Shares by the Company and transfer of Equity Shares by the Selling Shareholders to non-residents under the Offer

<sup>(2)</sup> The Fresh Issue has been authorized by a resolution of our Board of Directors dated September 10, 2015 and a resolution of our Shareholders in the EGM dated September 18, 2015

<sup>(3)</sup> The Selling Shareholders have each consented to participate in the Offer for Sale in the following manner: (i) Dr. Sudarshan Kumar Maini has consented to offer up to 1,000,000 Equity Shares, (ii) Reva Maini has consented to offer up to 100,000 Equity Shares, (iii) Sandeep Kumar Maini has consented to offer up to 930,000 Equity Shares, (iv) Gautam Maini has consented to offer up to 500,000 Equity Shares, and (v) Chetan Kumar Maini has consented to offer up to 500,000 Equity Shares, each by way of letters dated September 25, 2015. The Equity Shares being offered by the Selling Shareholders in the Offer, have been held by them for a period of at least one year prior to the filing of this Draft Red Herring Prospectus with SEBI and are eligible for being offered for sale in the Offer, and to the extent that such Equity Shares have resulted from a bonus issue, the bonus issue has been of Equity Shares held for a period of at least one year prior to the filing of the Draft Red Herring Prospectus and issued by capitalizing the securities premium account of our Company and accordingly, are eligible for being offered for sale in the Offer

<sup>(4)</sup> 3,678,255 Equity Shares held by Dr. Sudarshan Kumar Maini, 2,362,374 Equity Shares held by Sandeep Kumar Maini and 1,044,099 Equity Shares held by Gautam Maini (“Pledged Shares”) representing 76% of pre-Offer Equity Share capital have been pledged as security for a loan availed by MMMPL, Sandeep Kumar Maini and Gautam Maini from ABFL. ABFL, pursuant to a letter dated September 21, 2015 has undertaken to release the pledge on all the Pledged Shares, prior to filing the Red Herring Prospectus with the RoC

<sup>(5)</sup> Our Company and the Selling Shareholders, in consultation with the BRLMs may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors. In the event of under-subscription in the Anchor Investor Portion, the remaining Equity Shares shall be added to the QIB Portion. 5% of the QIB Portion (excluding Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders, including Mutual Funds, subject to valid Bids being received at or above the Offer Price. However, if the aggregate demand from Mutual Funds is less than [●] Equity Shares, the balance Equity Shares available for allotment in the Mutual Fund Portion will be added to the QIB Portion and allocated proportionately to the QIB Bidders (other

than Anchor Investors) in proportion to their Bids. For details, see "Offer Procedure" on page 211. Allocation to all categories shall be made in accordance with SEBI ICDR Regulations

<sup>(6)</sup> Subject to valid Bids being received at or above the Offer Price, under-subscription, if any, in any category except the QIB Portion, would be allowed to be met with spill over from any other category or combination of categories at the discretion of our Company and the Selling Shareholders in consultation with the BRLMs and the Designated Stock Exchange

## GENERAL INFORMATION

### Registered office

#### Maini Precision Products Limited

B-165, 3<sup>rd</sup> Cross

1<sup>st</sup> Stage

Peenya Industrial Estate

Bengaluru 560 058

Karnataka, India

Tel: +91 80 4072 4000

Fax: +91 80 4127 2500

E-mail: gkm@mainimail.com

Website: www.mainiprecisionproducts.com

Corporate Identification Number: U27201KA1973PLC002307

Registration Number: 002307

### Address of the RoC

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

#### Registrar of Companies

“E” Wing, 2nd Floor

Kendriya Sadana

Koramangala

Bengaluru 560 034

Karnataka, India

### Board of Directors

The Board of our Company comprises the following:

Name	Designation	DIN	Address
Dr. Kewal Krishan Nohria	Chairman and Independent Director	00060015	11, Aryavartha, N D Road, Mumbai 400 026, Maharashtra, India
Dr. Sudarshan Kumar Maini	Executive Director	01567044	Maini Sadan, No.38, Lavelle Road, 7 <sup>th</sup> Cross, Bengaluru 560 001, Karnataka, India
Sandeep Kumar Maini	Executive Director	01568787	G-101, Lyndhurst, No.3, Walton Road, Museum Road, Cubbon Park, Bengaluru 560 001, Karnataka, India
Gautam Maini	Managing Director	00667616	Flat No. 103-104, Silvercrest Apartments, No.13, Resthouse Road, Bengaluru 560 001, Karnataka, India
Tarak Bhikhalal Madhani	Non-Executive Non-Independent Director	00215657	22-A-42, Brindavan, Thane 400 601, Maharashtra, India
Hemang Harish Raja	Independent Director	00040769	4/D, Rashmi Apartments, 11, Carmichael Road, Mumbai 400 026, Maharashtra, India
Shubha Kulkarni	Independent Director	03551350	No. 14, DA Costa Layout, Cooke Town, 1 <sup>st</sup> Cross, near Coffee Day, near old ICICI, Bengaluru 560 084, Karnataka, India

For further details of our Directors, see “Our Management” on page 124.

### Company Secretary and Compliance Officer

#### Neevrat Sharma

Maini Precision Products Limited

B-165, 3<sup>rd</sup> Cross

1<sup>st</sup> Stage

Peenya Industrial Estate

Bengaluru 560 058

Karnataka, India

Tel: +91 80 4072 4006

Fax: +91 80 4127 2500  
E-mail: compliance.officer@mainimail.com

### **Chief Financial Officer**

#### **V Sridhar**

Maini Precision Products Limited  
B-165, 3<sup>rd</sup> Cross  
1<sup>st</sup> Stage  
Peenya Industrial Estate  
Bengaluru 560 058  
Karnataka, India  
Tel: + 91 80 4072 4005  
Fax: +91 80 4127 2500  
E-mail: v.sridhar@mainimail.com

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

All grievances relating to the non-ASBA process may be addressed to the Registrar to the Offer, giving full details such as name of the sole or first Bidder, Bid cum Application Form number, Bidders DP ID, Client ID, PAN, date of the Bid cum Application Form, address of the Bidder, number of the Equity Shares applied for, Bid Amount paid on submission of the Bid cum Application Form and the name and address of the Syndicate Member at the Specified Locations or Registered Broker where the Bid cum Application Form was submitted by the ASBA Bidder.

All grievances relating to the ASBA process may be addressed to the Registrar to the Offer with a copy to the relevant SCSB and the Syndicate Members at the Specified Locations or the Registered Brokers with whom the Bid cum Application Form was submitted. In addition to the information indicated above, the ASBA Bidder should also specify the Designated Branch or the collection centre of the SCSB or the address of the centre of the Syndicate Member at the Specified Locations or the Registered Brokers at the Broker Centres where the Bid cum Application Form was submitted by the ASBA Bidder.

Further, with respect to the Bid cum Application Forms submitted with the Registered Brokers, the investor shall also enclose the acknowledgment from the Registered Broker in addition to the documents/information mentioned hereinabove.

### **Selling Shareholders**

1. Dr. Sudarshan Kumar Maini
2. Reva Maini
3. Sandeep Kumar Maini
4. Gautam Maini
5. Chetan Kumar Maini

For details of shares held by our Selling Shareholders, see “Capital Structure” on page 62.

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#### **Book Running Lead Managers**

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

ICICI Centre  
H.T. Parekh Marg  
Churchgate, Mumbai 400 020  
Maharashtra, India  
Tel : +91 22 2288 2460  
Fax : +91 22 2282 6580  
Email: mppl.ipo@icicisecurities.com  
Investor grievance email: customercare@icicisecurities.com  
Website: www.icicisecurities.com  
Contact Person: Anurag Byas / Amit Joshi  
SEBI Registration No.: INM000011179

##### **IIFL Holdings Limited**

8<sup>th</sup> Floor, IIFL Centre  
Kamala City, Senapati Bapat Marg  
Lower Parel (West), Mumbai 400 013  
Maharashtra, India  
Tel: +91 22 4646 4600  
Fax: +91 22 2493 1073  
Email: maini.ipo@iiflcap.com  
Investor grievance email: ig.ib@iiflcap.com  
Website: www.iiflcap.com  
Contact Person: Sachin Kapoor/ Kunur Bavishi  
SEBI Registration No.: INM000010940



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**Syndicate Members**

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**Indian Legal Counsel to our Company**

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**ALMT Legal**  
2 Lavelle Road  
Bengaluru 560 001  
Karnataka, India  
Tel: + 91 80 4016 0000  
Fax: +91 80 4016 0001

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**Indian Legal Counsel to the BRLMs**

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

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**Auditors to our Company**

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**Walker Chandiok & Co LLP**  
Chartered Accountants  
WINGS First Floor  
16/1, Cambridge Road  
Ulsoor, Bengaluru 560 008  
Karnataka, India  
Tel: +91 80 4243 0700  
Fax no: +91 80 4126 1228  
Email: Sanjay.Banthia@in.gt.com  
Firm Registration No.: 001076N/N500013  
Peer Review No.: 005781

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**Registrar to the Offer**

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**Link Intime India Private Limited**  
C-13, Pannalal Silk Mills Compound  
L.B.S. Marg  
Bhandup (West)  
Mumbai 400 078  
Maharashtra, India  
Tel: +91 22 6171 5400  
Fax: +91 22 2596 0329  
E-mail: mppl.ipo@linkintime.co.in  
Website: www.linkintime.co.in  
Contact Person: Shanti Gopalkrishnan  
SEBI Registration No.: INR000004058

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**Bankers to the Offer and/or Escrow Collection Banks**

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**Refund Bankers**

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**Bankers to our Company**

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**ICICI Bank Limited**  
No.5, 2nd floor  
ICICI Bank, 80 feet road  
Koramangala 7<sup>th</sup> block  
Bengaluru 560 095  
Karnataka, India  
Tel: +91 80 6713 8805  
Fax: +91 80 4112 4604  
Email: ananth.meshach@icicibank.com  
Website: www.icicibank.com  
Contact Person: Ananth Meshach

**Kotak Mahindra Bank Limited**  
No.22, 3<sup>rd</sup> floor  
MG Road  
Bengaluru 560 001  
Karnataka, India  
Tel: +91 80 2500 5421  
Fax: +91 80 2500 5484  
Email: BaldeepKumar.S@kotak.com  
Website: www.kotak.com  
Contact Person: Baldeep Singh

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**HDFC Bank Limited**

8/24, Salco Centre  
Richmond Road  
Bengaluru 560 025  
Karnataka, India  
Tel: +91 80 6663 3049  
Fax: +91 80 6663 3138  
Email: shilpa.ganesh@hdfcbank.com/  
avinash.lakshmikanth@hdfcbank.com  
Website: www.hdfcbank.com  
Contact Person: Shilpa K Ganesh/Avinash Lakshmikanth

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### Self Certified Syndicate Banks

The list of banks that have been notified by SEBI to act as the SCSBs for the ASBA process is provided on the website of SEBI at <http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries>. For details of the Designated Branches which shall collect Bid cum Application Forms from the ASBA Bidders, please refer to the above-mentioned link. Further, the branches of the SCSBs where the Syndicate at the Specified Locations could submit the Bid cum Application Form are provided on the aforementioned website of SEBI.

### Registered Brokers

Bidders can submit Bid cum Application Forms in the Offer using the stock broker network of the Stock Exchanges, i.e., through the Registered Brokers at the Broker Centres. The list of the Registered Brokers, including details such as postal address, telephone number and e-mail address, is provided on the websites of the BSE and the NSE at [http://www.bseindia.com/Markets/PublicIssues/brokercentres\\_new.aspx?expandable=3](http://www.bseindia.com/Markets/PublicIssues/brokercentres_new.aspx?expandable=3) and [http://www.nseindia.com/products/content/equities/ipos/ipo\\_mem\\_terminal.htm](http://www.nseindia.com/products/content/equities/ipos/ipo_mem_terminal.htm), respectively, as updated from time to time. In relation to ASBA Bids submitted to the Registered Brokers at the Broker Centres, the list of branches of the SCSBs at the Broker Centres named by the respective SCSBs to receive deposits of the Bid cum Application Forms from the Registered Brokers will be available on the website of the SEBI ([www.sebi.gov.in](http://www.sebi.gov.in)) and updated from time to time.

### Experts

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

Our Company has received written consent from the Statutory Auditors namely, Walker Chandiook & Co LLP, to include its name as an expert under Section 26 of the Companies Act, 2013 in this Draft Red Herring Prospectus in relation to the report dated September 24, 2015 on the Restated Financial Information of our Company and the statement of tax benefits dated September 24, 2015, included in this Draft Red Herring Prospectus and such consent has not been withdrawn up to the time of delivery of this Draft Red Herring Prospectus. As the Equity Shares in the Offer will not be registered under the Securities Act, any references to the term “expert” herein and the Auditor’s consent to be named as an “expert” to the Offer are not in the context of a registered offering of securities under the Securities Act.

### Monitoring Agency

In terms of Regulation 16 of the SEBI ICDR Regulations, we are not required to appoint a monitoring agency since the Fresh Issue size is not in excess of ₹5,000 million.

### Appraising Entity

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

### Inter-se allocation of Responsibilities:

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

Sr. No	Activity	Responsibility	Co-ordinator
1.	Capital structuring, positioning strategy and due diligence of our Company including its operations/management/business plans/legal etc. Drafting and design of the Draft Red Herring Prospectus and of statutory advertisements including a memorandum containing salient features of the Prospectus. The BRLMs shall ensure compliance with stipulated requirements and completion of prescribed formalities with the Stock Exchanges, RoC and SEBI including finalisation of Prospectus and RoC filing	I-Sec, IIFL	I-Sec
2.	Drafting and approval of all statutory advertisements	I-Sec, IIFL	I-Sec
3.	Drafting and approval of all publicity material other than statutory advertisements as mentioned above including corporate advertising, brochures, etc.	I-Sec, IIFL	IIFL
4.	Appointment of Intermediaries - Registrar to the Offer, printers and Banker(s) to the Offer (including co-ordinating all agreements to be entered with such parties)	I-Sec, IIFL	IIFL

Sr. No	Activity	Responsibility	Co-ordinator
5.	Appointment of Intermediaries - advertising agency (including co-ordinating all agreements to be entered with such parties)	I-Sec, IIFL	I-Sec
6.	Non-Institutional and retail marketing of the Offer, which will cover, <i>inter alia</i> : <ul style="list-style-type: none"> <li>Finalising media, marketing and public relations strategy</li> <li>Finalising centres for holding conferences for brokers, etc.</li> <li>Follow-up on distribution of publicity and Offer material including form, the Prospectus and deciding on the quantum of the Offer material</li> <li>Finalising collection centres</li> </ul>	I-Sec, IIFL	IIFL
7.	Domestic and International institutional marketing of the Offer, which will cover, <i>inter alia</i> : <ul style="list-style-type: none"> <li>Institutional marketing strategy</li> <li>Finalizing the list and division of domestic and institutional investors for one-to-one meetings</li> <li>Finalizing domestic and international road show and investor meeting schedule</li> <li>Marketing and road-show presentation and preparation of frequently asked questions for the road show team</li> </ul>	I-Sec, IIFL	I-Sec
8.	Coordination with Stock-Exchanges for book building software, bidding terminals and mock trading	I-Sec, IIFL	IIFL
9.	Managing the book and finalization of pricing in consultation with the Company	I-Sec, IIFL	I-Sec
10.	Post-bidding activities, including management of escrow accounts, co-ordination of non-institutional allocation, announcement of allocation and dispatch of refunds to Bidders, etc. The post-Offer activities will involve essential follow-up steps, including finalisation of trading, dealing of instruments and demat of delivery of shares with the various agencies connected with the work such as the Registrars to the Offer, the Bankers to the Offer, the bank handling refund business and the SCSBs. The BRLMs shall be responsible for ensuring that these agencies fulfill their functions and discharge this responsibility through suitable agreements with the Company  Payment of the applicable Securities Transaction Tax (“STT”) on sale of unlisted equity shares by the Selling Shareholders under the offer for sale included in the Offer to the Government and filing of the STT return by the prescribed due date as per Chapter VII of Finance (No. 2) Act, 2004	I-Sec, IIFL	IIFL

### Credit Rating

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

### Trustees

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

### Book Building Process

The book building, in the context of the Offer, refers to the process of collection of Bids from investors on the basis of the Red Herring Prospectus within the Price Band, which will be decided by our Company and the Selling Shareholders in consultation with the BRLMs, and advertised in [•] edition of [•], [•] edition of [•] and [•] edition of [•], which are widely circulated English, Hindi and Kannada newspapers respectively (Kannada being the regional language of Karnataka, where our Registered Office is located) at least five Working Days prior to the Bid/Offer Opening Date. The Offer Price shall be determined by our Company and the Selling Shareholders in consultation with the BRLMs after the Bid/Offer Closing Date. The principal parties involved in the Book Building Process are:

- our Company;
- the Selling Shareholders;
- the BRLMs;
- the Syndicate Members;

- the SCSBs;
- the Registered Brokers;
- the Registrar to the Offer; and
- the Escrow Collection Bank(s).

In terms of Rule 19(2)(b)(i) of the SCRR, this is an Offer for at least 25% of the post-Offer paid-up equity share capital of our Company. The Offer is being made through the Book Building Process, in compliance with Regulation 26(1) of the SEBI ICDR Regulations, wherein not more than 50% of the Offer shall be available for allocation on a proportionate basis to QIBs, provided that our Company and the Selling Shareholders in consultation with the BRLMs may allocate up to 60% of the QIB Category to Anchor Investors on a discretionary basis. 5% of the QIB Category (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Category shall be available for allocation on a proportionate basis to all QIB Bidders (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. Further, not less than 15% of the Offer shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Offer shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price. All potential Bidders, other than Anchor Investors, may participate in the Offer through an ASBA process providing details of their respective bank account which will be blocked by the SCSBs. QIBs (except Anchor Investors) and Non-Institutional Bidders are mandatorily required to utilise the ASBA process to participate in the Offer. Anchor Investors are not permitted to participate in the Offer through ASBA Process. Under subscription if any, in any category, except in the QIB category, would be allowed to be met with spill over from any other category or a combination of categories at the discretion of our Company and the Selling Shareholders in consultation with the BRLMs and the Designated Stock Exchange. For further details, see “Offer Procedure” on page 211.

**QIBs (excluding Anchor Investors) and Non-Institutional Bidders can participate in the Offer only through the ASBA process and Retail Individual Bidders have the option to participate through the ASBA process. Anchor Investors are not permitted to participate through the ASBA process.**

**In accordance with the SEBI ICDR Regulations, QIBs Bidding in the QIB Portion and Non-Institutional Bidders Bidding in the Non-Institutional Portion are not allowed to withdraw or lower the size of their Bids (in terms of the quantity of the Equity Shares or the Bid Amount) at any stage. Retail Individual Bidders can revise their Bids during the Bid/Offer Period and withdraw their Bids until finalisation of the Basis of Allotment. Further, Anchor Investors cannot withdraw their Bids after the Anchor Investor Bid/Offer Period. Allocation to the Anchor Investors will be on a discretionary basis. For further details, see “Offer Procedure” on page 211.**

Our Company and the Selling Shareholders will comply with the SEBI ICDR Regulations and any other ancillary directions issued by SEBI for the Offer. In this regard, our Company and the Selling Shareholders have appointed the BRLMs to manage the Offer and procure Bids for the Offer.

**The process of Book Building under the SEBI ICDR Regulations is subject to change from time to time and the investors are advised to make their own judgment about investment through this process prior to submitting a Bid in the Offer.**

**Steps to be taken by Bidders for Bidding:**

1. Check eligibility for making a Bid (see “Offer Procedure – Who Can Bid?” on page 212);
2. Ensure that you have a demat account and the demat account details are correctly mentioned in the Bid cum Application Form;
3. Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by courts, who, in terms of a SEBI circular dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, and (ii) Bids by persons resident in the State of Sikkim, who, in terms of the SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, for Bids of all values, ensure that you have mentioned your PAN allotted under the Income Tax Act in the Bid cum Application Form. In accordance with the SEBI

ICDR Regulations, the PAN would be the sole identification number for participants transacting in the securities market, irrespective of the amount of transaction (see “Offer Procedure” on page 211);

4. Bids by Anchor Investors shall be submitted only to the members of the Syndicate;
5. Ensure that the Bid cum Application Form is duly completed as per the instructions given in the Red Herring Prospectus and in the Bid cum Application Form;
6. Bids by QIBs (except Anchor Investors) and the Non-Institutional Bidders shall be submitted only through the ASBA process;
7. Bids by non-ASBA Bidders will have to be submitted to the Syndicate (or their authorised agents) at the Bidding centers or the Registered Brokers at the Broker Centers; and
8. Bids by ASBA Bidders will have to be submitted to the Designated Branches or to the Syndicate at the Specified Locations or the Registered Brokers at the Broker Centres in physical form. It may also be submitted in electronic form to the Designated Branches of the SCSBs only. ASBA Bidders should ensure that the ASBA Accounts have adequate credit balance at the time of submission to the SCSB or the Syndicate or the Registered Broker to ensure that the Bid cum Application Form submitted by the ASBA Bidders is not rejected and ensure that the SCSB where the ASBA Account (as specified in the Bid cum Application Form) is maintained has named at least one branch at the Specified Location or the Broker Centre for the members of the Syndicate or the Registered Broker, respectively, to deposit Bid cum Application Forms (a list of such branches is available at the website of the SEBI at <http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries> and updated from time to time).

For further details on the method and procedure for Bidding, see “Offer Procedure” on page 211.

Notwithstanding the foregoing, the Offer is also subject to obtaining (i) the final approval of the RoC after the Prospectus is filed with the RoC, and (ii) final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment.

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

*Investors should note that this example is solely for illustrative purposes and is not specific to the Offer; it also excludes Bidding by Anchor Investors or under the ASBA process.*

Bidders can bid at any price within the price band. For instance, assume a price band of ₹20 to ₹24 per share, issue size of 3,000 equity shares and receipt of five bids from bidders, details of which are shown in the table below. A graphical representation of the consolidated demand and price would be made available at Bidding centres during the Bidding period. The illustrative book given below shows the demand for the equity shares of the issuer company at various prices and is collated from bids received from various investors.

<b>Bid Quantity</b>	<b>Bid Amount (₹)</b>	<b>Cumulative Quantity</b>	<b>Subscription</b>
500	24	500	16.70%
1,000	23	1,500	50.00%
1,500	22	3,000	100.00%
2,000	21	5,000	166.70%
2,500	20	7,500	250.00%

The price discovery is a function of demand at various prices. The highest price at which the issuer is able to issue the desired number of equity shares is the price at which the book cuts off, i.e., ₹22.00 in the above example. The issuer, in consultation with the book running lead managers, will finalise the issue price at or below such cut-off price, i.e., at or below ₹22.00. All bids at or above this issue price and cut-off bids are valid bids and are considered for allocation in the respective categories.

### **Underwriting Agreement**

After the determination of the Offer Price and allocation of Equity Shares, but prior to the filing of the Prospectus with the RoC, our Company and the Selling Shareholders will enter into an Underwriting Agreement with the Underwriters for the Equity Shares proposed to be offered through the Offer. It is proposed that pursuant to the terms of the Underwriting Agreement, the BRLMs will be responsible for bringing in the amount

devolved in the event that the Syndicate Members do not fulfil their underwriting obligations. The Underwriting Agreement is dated [●]. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriters will be several and will be subject to certain conditions specified therein.

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

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

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

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

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

Allocation among the Underwriters may not necessarily be in proportion to their underwriting commitment.

Notwithstanding the above table, the Underwriters shall be severally responsible for ensuring payment with respect to the Equity Shares allocated to investors procured by them. In the event of any default in payment, the respective Underwriter, in addition to other obligations defined in the Underwriting Agreement, will also be required to procure purchases for or purchase of the Equity Shares to the extent of the defaulted amount in accordance with the Underwriting Agreement. The Underwriting Agreement has not been executed as on the date of this Draft Red Herring Prospectus and will be executed after the determination of the Offer Price and allocation of Equity Shares, but prior to the filing of the Prospectus with the RoC.

## CAPITAL STRUCTURE

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

(In ₹, except share data)

		Aggregate value at face value	Aggregate value at Offer Price
<b>A</b>	<b>AUTHORIZED SHARE CAPITAL<sup>(1)</sup></b>		
	12,000,000 Equity Shares of face value of ₹10 each	120,000,000	
	<b>Total</b>	<b>120,000,000</b>	
<b>B</b>	<b>ISSUED, SUBSCRIBED AND PAID-UP CAPITAL BEFORE THE OFFER</b>		
	9,321,795 Equity Shares of face value of ₹10 each	93,217,950	
	<b>Total</b>	<b>93,217,950</b>	
<b>C</b>	<b>PRESENT OFFER IN TERMS OF THIS DRAFT RED HERRING PROSPECTUS<sup>(2)</sup></b>		
	Fresh Issue of up to [●] Equity Shares aggregating to ₹500 million <sup>(3)</sup>	[●]	500,000,000
	Offer for Sale of up to 3,030,000 Equity Shares <sup>(4)(5)</sup>	30,300,000	[●]
<b>D</b>	<b>SECURITIES PREMIUM ACCOUNT</b>		
	Before the Offer	226,886,735	
	After the Offer	[●]	
<b>F</b>	<b>ISSUED, SUBSCRIBED AND PAID-UP CAPITAL AFTER THE OFFER</b>		
	[●] Equity Shares		[●]

(1) For details in relation to the changes in the authorised share capital of our Company, see "History and Certain Corporate Matters" on page 119

(2) Our Company will be seeking an approval from the Foreign Investment Promotion Board, Department of Economic Affairs (FIPB Unit), Ministry of Finance for the issue of Equity Shares by the Company and transfer of Equity Shares by the Selling Shareholders to non-residents under the Offer

(3) The Fresh Issue has been authorized by a resolution of our Board of Directors dated September 10, 2015 and a resolution of our Shareholders in the EGM dated September 18, 2015

(4) For details of authorisations received for the Offer for Sale, see "The Offer" on page 52. The Equity Shares being offered by the Selling Shareholders in the Offer, have been held by them for a period of at least one year prior to the filing of this Draft Red Herring Prospectus with SEBI and are eligible for being offered for sale in the Offer

(5) 3,678,255 Equity Shares held by Dr. Sudarshan Kumar Maini, 2,362,374 Equity Shares held by Sandeep Kumar Maini and 1,044,099 Equity Shares held by Gautam Maini ("Pledged Shares") representing 76% of pre-Offer Equity Share capital have been pledged as security for a loan availed by MMMPL, Sandeep Kumar Maini and Gautam Maini from ABFL. ABFL, pursuant to a letter dated September 21, 2015 has undertaken to release the pledge on all the Pledged Shares, prior to filing the Red Herring Prospectus with the RoC

### Notes to the Capital Structure

#### 1. Equity Share Capital History of our Company

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

Date of Allotment	No. of Equity Shares Allotted	Face Value (₹)	Issue price per Equity Share (₹)	Nature of consideration	Nature of transaction	Cumulative Number of Equity Shares	Cumulative Paid-up Equity Share Capital (₹)
March 3, 1973	20	100	100	Cash	Subscription to the Memorandum <sup>(1)</sup>	20	2,000
March 4, 1974	380	100	100	Cash	Allotment <sup>(2)</sup>	400	40,000

Date of Allotment	No. of Equity Shares Allotted	Face Value (₹)	Issue price per Equity Share (₹)	Nature of consideration	Nature of transaction	Cumulative Number of Equity Shares	Cumulative Paid-up Equity Share Capital (₹)
April 21, 1975	600	100	100	Cash	Allotment <sup>(3)</sup>	1,000	100,000
July 4, 1986	1,000	100	-	Other than cash	Bonus issue in the ratio of one Equity Share for every one fully paid-up Equity Share held <sup>(4)</sup>	2,000	200,000
September 4, 1986	1,000	100	100	Cash	Allotment <sup>(5)</sup>	3,000	300,000
January 10, 1987	2,000	100	100	Cash	Allotment <sup>(6)</sup>	5,000	500,000
January 16, 1989	5,000	100	-	Other than cash	Bonus issue in the ratio of one Equity Share for one fully paid-up Equity Share held <sup>(7)</sup>	10,000	1,000,000
November 5, 1999	39,000	100	-	Other than cash	Bonus issue in the ratio of 39 Equity Shares for every 10 Equity Shares held <sup>(8)</sup>	49,000	4,900,000
March 4, 2003	49,000	100	-	Other than cash	Bonus issue in the ratio of one Equity Share for one fully paid-up Equity Share held <sup>(9)</sup>	98,000	9,800,000
March 15, 2005	1,995	100	-	Other than cash	Merger of Karnataka Electronics with our Company <sup>(10)</sup>	99,995	9,999,500
May 23, 2007	3,165	100	7,922	Cash	Allotment <sup>(11)</sup>	103,160	10,316,000
June 4, 2007	37,498	100	-	-	Conversion of Preference Shares to Equity Shares <sup>(12)</sup>	140,658	14,065,800
February 22, 2008	7,307	100	100	Cash	Rights issue in the ratio of one Equity Share for 14 Equity Shares held <sup>(13)</sup>	147,965	14,796,500
<i>Pursuant to Shareholders' resolution dated August 14, 2015 each Equity Share of ₹100 each was subdivided into 10 Equity Shares of ₹10 each, thereby reconfiguring the total issued paid up equity share capital of our Company to ₹14,796,500 divided into 1,479,650 Equity Shares of ₹10 each</i>							
August 16, 2015	7,842,145	10	-	Other than cash	Bonus issue in the ratio of 5.3 Equity Shares for 1 Equity Share held <sup>(14)</sup>	9,321,795	93,217,950

<sup>(1)</sup> Allotment of 10 Equity Shares each to Dr. Sudarshan Kumar Maini and Reva Maini

<sup>(2)</sup> Allotment of 200 Equity Shares to Dr. Sudarshan Kumar Maini, 60 Equity Shares to Reva Maini, 35 Equity Shares to Sandeep Kumar Maini, 35 Equity Shares to Gautam Maini and 50 Equity Shares to Chetan Kumar Maini

<sup>(3)</sup> Allotment of 400 Equity Shares to Dr. Sudarshan Kumar Maini, 104 Equity Shares to Reva Maini, 12 Equity Shares to Sandeep Kumar Maini, 12 Equity Shares to Gautam Maini and 72 Equity Shares to Chetan Kumar Maini

<sup>(4)</sup> Bonus Issue of 510 Equity Shares to Dr. Sudarshan Kumar Maini, 35 Equity Shares to Reva Maini, 150 Equity Shares to Sandeep Kumar Maini, 150 Equity Shares to Gautam Maini, 150 Equity Shares to Chetan Kumar Maini and five Equity Shares to Kesara Devi Maini

<sup>(5)</sup> Allotment of 510 Equity Shares to Dr. Sudarshan Kumar Maini, 35 Equity Shares to Reva Maini, 150 Equity Shares to Sandeep Kumar Maini, 150 Equity Shares to Gautam Maini, 150 Equity Shares to Chetan Kumar Maini and five Equity Shares to Kesara Devi Maini

<sup>(6)</sup> Allotment of 1,020 Equity Shares to Dr. Sudarshan Kumar Maini, 70 Equity Shares to Reva Maini, 300 Equity Shares to Sandeep Kumar Maini, 300 Equity Shares to Gautam Maini, 300 Equity Shares to Chetan Kumar Maini and 10 Equity Shares to Kesara Devi Maini

<sup>(7)</sup> Bonus issue of 2,550 shares to Dr. Sudarshan Kumar Maini, 175 Equity Shares to Reva Maini, 750 Equity Shares to Sandeep Kumar Maini, 750 shares to Gautam Maini, 750 Equity Shares to Chetan Kumar Maini and 25 Equity Shares to Kesara Devi Maini

<sup>(8)</sup> Bonus issue of 19,890 Equity Shares to Dr. Sudarshan Kumar Maini, 1,365 Equity Shares to Reva Maini, 5,850 Equity Shares to



Sandeep Kumar Maini, 5,850 Equity Shares to Gautam Maini, 5,850 shares to Chetan Kumar Maini and 195 Equity Shares to Kesara Devi Maini

- (9) Bonus issue of 24,990 Equity Shares to Dr. Sudarshan Kumar Maini, 1,960 Equity Shares to Reva Maini, 7,350 Equity Shares to Sandeep Kumar Maini, 7,350 Equity Shares to Gautam Maini and 7,350 Equity Shares to Chetan Kumar Maini
- (10) Allotment of 695 Equity Shares to Reva Maini and 1,300 Equity Shares to Vippen Sareen pursuant to the merger of the Karnataka Electronics, a partnership firm, with our Company
- (11) Allotment of 3,165 Equity Shares to HKK Investors Limited
- (12) Allotment of 37,498 Equity Shares to AMHL pursuant to conversion of 37,498 preference shares allotted to them
- (13) Rights issue of 3,445 Equity Shares to Dr. Sudarshan Kumar Maini, 311 Equity Shares to Reva Maini, 1,105 Equity Shares to Sandeep Kumar Maini, 1,105 Equity Shares to Gautam Maini, 1,105 Equity Shares to Chetan Kumar Maini, 93 Equity Shares to Vippen Sareen and 143 Equity Shares to MFT
- (14) Bonus issue of 3,617,621 Equity Shares to Dr. Sudarshan Kumar Maini, 247,086 Equity Shares to Reva Maini, 1,987,394 Equity Shares to Sandeep Kumar Maini, 878,369 Equity Shares to Gautam Maini, 878,316 Equity Shares to Chetan Kumar Maini, 73,829 Equity Shares to Vippen Sareen, 113,791 Equity Shares to MFT and 45,739 Equity Shares to AMHL

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

Date of Allotment	No. of Preference Shares Allotted	Face Value (₹)	Issue price per Preference Share (₹)	Nature of Consideration	Nature of Transaction	Cumulative Number of Preference Shares	Cumulative Paid-up Preference Share Capital (₹)
July 12, 2005	37,498	100	7,200.38	Cash	Allotment	37,498*	270,000,000

\* 37,498 preference shares issued to AMHL were converted into 37,498 Equity Shares on June 4, 2007. As on date of filing this Draft Red Herring Prospectus there are no outstanding preference shares

(c) The table below sets forth the details of the Equity Shares issued by our Company at a price which may be lower than the Offer Price during a period of one year preceding the date of this Draft Red Herring Prospectus.

Date of Allotment	No. of Equity Shares	Face Value (₹)	Issue price (₹)	Nature of Consideration	Reason for Allotment	Allottees
August 16, 2015	7,842,145	10	-	Other than cash	Bonus issue	All Shareholders of our Company

2. Except as disclosed above, our Company has not issued any shares to members of our Promoter Group in the one year preceding the date of this Draft Red Herring Prospectus.

### 3. Issue of Shares in the last two preceding years

For details of issue of Equity Shares by our Company in the last two preceding years, see “Capital Structure – Share Capital History of our Company” on page 62.

### 4. Issue of Equity Shares for consideration other than cash

Except as stated above, our Company has not issued any Equity Shares for consideration other than cash or out of revaluation of reserves.

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

As on the date of this Draft Red Herring Prospectus, our Promoters hold 8,750,700 Equity Shares, equivalent to 93.87% of the issued, subscribed and paid-up Equity Share capital of our Company.

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

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

Name of the Promoter	Date of allotment/ Transfer	Nature of transaction	No. of Equity Shares	Nature of consideration	Face value per Equity Share (₹)	Issue Price/Transfer Price per Equity Share (₹)	Percentage of the pre- Offer capital (%)	Percentage of the post- Offer capital (%)
Dr. Sudarshan Kumar Maini	March 3, 1973	Subscription to the memorandum	10	Cash	100	100	0.00*	[●]
	March 4, 1974	Allotment	200	Cash	100	100	0.02	[●]
	April 21, 1975	Allotment	400	Cash	100	100	0.04	[●]
	September 1, 1981	Transferred to Sandeep Kumar Maini	(100)	Cash	100	239.19	(0.01)	[●]
	July 4, 1986	Bonus issue	510	-	100	-	0.05	[●]
	September 4, 1986	Allotment	510	Cash	100	100	0.05	[●]
	January 10, 1987	Allotment	1,020	Cash	100	100	0.11	[●]
	January 10, 1989	Bonus Issue	2,550	-	100	-	0.27	[●]
	November 5, 1999	Bonus Issue	19,890	-	100	-	2.13	[●]
	March 4, 2003	Bonus issue	24,990	-	100	-	2.68	[●]
	June 30, 2005	Transferred to MFT	(1,740)	Cash	100	100	(0.19)	[●]
	March 17, 2008	Rights issue	3,445	Cash	100	100	0.37	[●]
	October 31, 2012	Transferred by Sandeep Kumar Maini	16,572	-	100	-	1.78	[●]
	August 16, 2015 <sup>(1)</sup>	Bonus issue	3,617,621	-	10	-	38.81	[●]
<b>Sub Total (A)</b>			<b>4,300,191</b>				<b>46.13</b>	<b>[●]</b>
Sandeep Kumar Maini	March 4, 1974	Allotment	35	Cash	100	100	0.00*	[●]
	April 21, 1975	Allotment	12	Cash	100	100	0.00*	[●]
	September 1, 1981	Transferred by Dr. Sudarshan Kumar Maini	100	Cash	100	239.19	0.01	[●]
	September 1, 1981	Transferred by Reva Maini	3	Cash	100	239.19	0.00*	[●]
	July 4, 1986	Bonus issue	150	-	100	-	0.02	[●]
	September 4, 1986	Allotment	150	Cash	100	100	0.02	[●]
	January 10, 1987	Allotment	300	Cash	100	100	0.03	[●]
	January 10, 1989	Bonus	750	-	100	-	0.08	[●]
	November 5, 1999	Bonus	5,850	-	100	-	0.63	[●]
	March 4, 2003	Bonus	7,350	-	100	-	0.79	[●]
	March 17, 2008	Right issue	1,105	Cash	100	100	0.12	[●]
	April 16, 2008	Transferred by HKK Investors	767	-	100	6,687.89	0.08	[●]
	September 4, 2012	Transferred by AMHL	5,296	-	100	26,292.19	0.57	[●]
	October 31, 2012	Transferred by AMHL	32,202	-	100	20,122.97	3.45	[●]

Name of the Promoter	Date of allotment/ Transfer	Nature of transaction	No. of Equity Shares	Nature of consideration	Face value per Equity Share (₹)	Issue Price/Transfer Price per Equity Share (₹)	Percentage of the pre- Offer capital (%)	Percentage of the post- Offer capital (%)
	October 31, 2012	Transferred to Dr. Sudarshan Maini Kumar	(16,572)	-	100	-	(1.78)	[●]
	August 16, 2015 <sup>(1)</sup>	Bonus issue	1,987,394	-	10	-	21.32	[●]
<b>Sub Total (B)</b>			<b>2,362,374</b>				<b>25.34</b>	<b>[●]</b>
Gautam Maini	March 4, 1974	Allotment	35	Cash	100	100	0.00*	[●]
	April 21, 1975	Allotment	12	Cash	100	100	0.00*	[●]
	September 1, 1981	Transferred by Reva Maini	103	Cash	100	239.19	0.01	[●]
	July 4, 1986	Bonus issue	150	-	100	-	0.02	[●]
	September 4, 1986	Allotment	150	Cash	100	100	0.02	[●]
	January 10, 1987	Allotment	300	Cash	100	100	0.03	[●]
	January 10, 1989	Bonus issue	750	-	100	-	0.08	[●]
	November 5, 1999	Bonus issue	5,850	-	100	-	0.63	[●]
	March 4, 2003	Bonus issue	7,350	-	100	-	0.79	[●]
	March 17, 2008	Rights issue	1,105	Cash	100	100	0.12	[●]
	April 16, 2008	Transferred by HKK Investors Limited	768	Cash	100	6,687.89	0.08	[●]
	August 16, 2015 <sup>(1)</sup>	Bonus issue	878,369	-	10	-	9.42	[●]
	<b>Sub Total (C)</b>			<b>1,044,099</b>				<b>11.20</b>
Chetan Kumar Maini	March 4, 1974	Allotment	50	Cash	100	100	0.01	[●]
	April 21, 1975	Allotment	72	Cash	100	100	0.01	[●]
	September 1, 1981	Transferred by Reva Maini	28	Cash	100	239.19	0.00*	[●]
	July 4, 1986	Bonus issue	150	-	100	-	0.02	[●]
	September 4, 1986	Allotment	150	Cash	100	100	0.02	[●]
	January 10, 1987	Allotment	300	Cash	100	100	0.03	[●]
	January 10, 1989	Bonus issue	750	-	100	-	0.08	[●]
	November 5, 1999	Bonus issue	5,850	-	100	-	0.63	[●]
	March 4, 2003	Bonus issue	7,350	-	100	-	0.79	[●]
	March 17, 2008	Right issue	1,105	Cash	100	100	0.12	[●]
	April 16, 2008	Transferred by HKK Investors Limited	767	Cash	100	6,687.89	0.08	[●]
	August 16, 2015 <sup>(1)</sup>	Bonus issue	878,316	-	10	-	9.42	[●]
	<b>Sub Total (D)</b>			<b>1,044,036</b>				<b>11.20</b>
<b>Total</b>			<b>8,750,700</b>				<b>93.87</b>	<b>[●]</b>

Name of the Promoter	Date of allotment/ Transfer	Nature of transaction	No. of Equity Shares	Nature of consideration	Face value per Equity Share (₹)	Issue Price/Transfer Price per Equity Share (₹)	Percentage of the pre- Offer capital (%)	Percentage of the post- Offer capital (%)
(A)+(B)+ (C)+(D)								

\* Less than 0.01 percent

- (1) Pursuant to Shareholders' resolution dated August 14, 2015 each Equity Share of ₹ 100 each was subdivided into 10 Equity Shares of ₹10 each, thereby increasing the total issued paid up share capital of our Company to ₹ 14,796,500 divided into 1,479,650 Equity Shares of ₹ 10 each

All the Equity Shares held by our Promoters were fully paid-up on the respective dates of acquisition of such Equity Shares. Our Promoters have confirmed to our Company and the BRLMs that the Equity Shares held by our Promoters which shall be locked-in for three years as Promoters' contribution have been financed from their personal funds and no loans or financial assistance from any bank or financial institution has been availed by them for this purpose.

Except as disclosed below, our Promoters have not pledged any of the Equity Shares that they hold in our Company:

Name of the Promoter	Number of shares held	Number of shares pledged	Percentage of their shareholding in our Company	Name of the Pledgee
Dr. Sudarshan Kumar Maini	4,300,191	3,678,255	86%	ABFL*
Gautam Maini	1,044,099	1,044,099	100%	ABFL*
Sandeep Kumar Maini	2,362,374	2,362,374	100%	ABFL*

\* 3,678,255 Equity Shares held by Dr. Sudarshan Kumar Maini, 2,362,374 Equity Shares held by Sandeep Kumar Maini and 1,044,099 Equity Shares held by Gautam Maini ("Pledged Shares") representing 76% of pre-Offer Equity Share capital have been pledged as security for a loan availed by MMMPL, Sandeep Kumar Maini and Gautam Maini from ABFL. ABFL, pursuant to a letter dated September 21, 2015 has undertaken to release the pledge on all the Pledged Shares, prior to filing the Red Herring Prospectus with the RoC

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

Name of the Shareholder	Total Equity Shares	Percentage (%) of Pre-Offer Capital
<b>Promoters</b>		
Dr. Sudarshan Kumar Maini	4,300,191	46.13
Sandeep Kumar Maini	2,362,374	25.34
Gautam Maini	1,044,099	11.20
Chetan Kumar Maini	1,044,036	11.20
<b>Total Holding of the Promoters (A)</b>	<b>8,750,700</b>	<b>93.87</b>
<b>Promoter Group</b>		
Reva Maini	293,706	3.15
MFT	135,261	1.45
<b>Total holding of the Promoter Group (other than Promoters) (B)</b>	<b>428,967</b>	<b>4.60</b>
<b>Total Holding of Promoters and Promoter Group (A+B)</b>	<b>9,179,667</b>	<b>98.47</b>

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

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

- (ii) As on the date of this Draft Red Herring Prospectus, our Promoters hold 8,750,700 Equity Shares.
- (iii) Details of the Equity Shares to be locked-in for three years are as follows:

Name	Date of Transaction and when made fully paid-up	Nature of Transaction	No. of Equity Shares	Face Value (₹)	Issue/acquisition price per Equity Share (₹)	No. of Equity Shares Eligible for lock-in	Percent age of post-Offer paid-up capital (%)	Date up to which the Equity shares are subject to lock-in
Dr. Sudarshan Kumar Maini*	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]
Gautam Maini*	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]
Chetan Kumar Maini	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]
<b>Total</b>						[•]	[•]	[•]

\* 3,678,255 Equity Shares held by Dr. Sudarshan Kumar Maini, 2,362,374 Equity Shares held by Sandeep Kumar Maini and 1,044,099 Equity Shares held by Gautam Maini (“Pledged Shares”) representing 76% of pre-Offer Equity Share capital have been pledged as security for a loan availed by MMMPL, Sandeep Kumar Maini and Gautam Maini from ABFL. ABFL, pursuant to a letter dated September 21, 2015 has undertaken to release the pledge on all the Pledged Shares, prior to filing the Red Herring Prospectus with the RoC.

- (iv) The minimum Promoters’ contribution has been brought in to the extent of not less than the specified minimum lot and from the persons defined as ‘promoter’ under the SEBI ICDR Regulations. Our Company undertakes that the Equity Shares that are being locked-in are not ineligible for computation of Promoters’ contribution in terms of Regulation 33 of SEBI ICDR Regulations.
- (v) In this connection, we confirm the following:
- The Equity Shares offered for Promoters’ contribution (a) have not been acquired in the last three years for consideration other than cash and revaluation of assets or capitalisation of intangible assets; or (b) bonus shares out of revaluation reserves or unrealised profits of our Company or bonus shares issued against Equity Shares which are otherwise ineligible for computation of Promoters’ contribution;
  - All the Equity Shares of our Company held by the Promoters are in dematerialised form; and
  - ABFL, pursuant to a letter dated September 21, 2015 has undertaken to release the pledge on all the shares of our Promoters pledged with them prior to filing the Red Herring Prospectus with the RoC.

(d) *Other lock-in requirements:*

- (i) Pursuant to Regulation 37 of SEBI ICDR Regulations, in addition to the 20% of the fully diluted post-Offer shareholding of our Company held by our Promoters and locked in for three years as specified above, the entire pre-Offer equity share capital of our Company, shall be locked-in for a period of one year except for (1) the Equity Shares being offered by the Selling Shareholders in the Offer for Sale; and (2) Equity Shares held by AMHL, which is an FVCI registered with SEBI.
- (ii) Pursuant to Regulation 39 of the SEBI ICDR Regulations, the Equity Shares held by our Promoters which are locked-in for a period of one year from the date of Allotment may be pledged only with scheduled commercial banks or public financial

institutions as collateral security for loans granted by such banks or public financial institutions, provided that such pledge of the Equity Shares is one of the terms of the sanction of such loans.

- (iii) The Equity Shares held by our Promoters which are locked-in may be transferred to and among the Promoter Group or to any new promoter or persons in control of our Company, subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with the Takeover Regulations, as applicable.
- (iv) The Equity Shares held by persons other than our Promoters and locked-in for a period of one year from the date of Allotment in the Offer may be transferred to any other person holding the Equity Shares which are locked-in, subject to the continuation of the lock-in in the hands of transferees for the remaining period and compliance with the Takeover Regulations.
- (v) Any Equity Shares allotted to Anchor Investors under the Anchor Investor Portion shall be locked-in for a period of 30 days from the date of Allotment.

## 6. Selling Shareholder's Shareholding in our Company

As on the date of this Draft Red Herring Prospectus, the Selling Shareholders hold 9,044,406 Equity Shares, constituting 97.02% of the issued, subscribed and paid-up Equity Share capital of our Company.

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

Name of the Selling Shareholder	No. of Equity Shares	Percentage of the pre- Offer capital (%)
Dr. Sudarshan Kumar Maini	4,300,191	46.13
Sandeep Kumar Maini	2,362,374	25.34
Gautam Maini	1,044,099	11.20
Chetan Kumar Maini	1,044,036	11.20
Reva Maini	293,706	3.15
<b>Total</b>	<b>9,044,406</b>	<b>97.02</b>

## 7. Shareholding Pattern of our Company

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

Category code	Category of shareholder	Pre-Offer					Post-Offer						
		Number of shareholders	Total number of shares	Number of shares held in dematerialised form	Total shareholding as a % of total number of shares		Shares Pledged or otherwise encumbered	Number of shareholders	Total number of shares	Number of shares held in dematerialised form	Total shareholding as a % of total number of shares		Shares Pledged or otherwise encumbered
					As a % of (A + B)	As a % of (A + B + C)					As a % of (A + B)	As a % of (A + B + C)	
(A)	Promoters and Promoter Group												
(1)	Indian												
(a)	Individuals/ Hindu Undivided Family	5	9,044,406	9,044,406	97.02	97.02	7,084,728	[•]	[•]	[•]	[•]	[•]	[•]
(b)	Central Government/ State Government(s)	-	-	-	-	-	-	[•]	[•]	[•]	[•]	[•]	[•]
(c)	Bodies Corporate	-	-	-	-	-	-	[•]	[•]	[•]	[•]	[•]	[•]
(d)	Financial Institutions/ Banks	-	-	-	-	-	-	[•]	[•]	[•]	[•]	[•]	[•]

Category code	Category of shareholder	Pre-Offer					Post-Offer						
		Number of shareholders	Total number of shares	Number of shares held in dematerialised form	Total shareholding as a% of total number of shares		Shares Pledged or otherwise encumbered	Number of shareholders	Total number of shares	Number of shares held in dematerialised form	Total shareholding as a% of total number of shares		Shares Pledged or otherwise encumbered
					As a% of (A + B)	As a% of (A + B + C)					As a% of (A + B)	As a% of (A + B + C)	
(e)	Any Other (specify)	1	135,261	0	1.45	1.45	0	[•]	[•]	[•]	[•]	[•]	[•]
	<b>Sub-Total (A)(1)</b>	6	9,179,667	9,044,406	98.48	98.48	7,084,728	[•]	[•]	[•]	[•]	[•]	[•]
(2)	<b>Foreign</b>												
(a)	Individuals (Non-Resident Individuals/ Foreign Individuals)	-	-	-	-	-	-	[•]	[•]	[•]	[•]	[•]	[•]
(b)	Bodies Corporate	-	-	-	-	-	-	[•]	[•]	[•]	[•]	[•]	[•]
(c)	Institutions	-	-	-	-	-	-	[•]	[•]	[•]	[•]	[•]	[•]
(d)	Qualified Foreign Investor	-	-	-	-	-	-	[•]	[•]	[•]	[•]	[•]	[•]
(e)	Any Other (specify)	-	-	-	-	-	-	[•]	[•]	[•]	[•]	[•]	[•]
	<b>Sub-Total (A)(2)</b>	-	-	-	-	-	-	[•]	[•]	[•]	[•]	[•]	[•]
	<b>Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)</b>	6	9,179,667	9,044,406	98.48	98.48	7,084,728	[•]	[•]	[•]	[•]	[•]	[•]
(B)	<b>Public shareholding</b>												
(I)	<b>Institutions</b>	-	-	-	-	-	-	[•]	[•]	[•]	[•]	[•]	[•]
(a)	Mutual Funds/ UTI	-	-	-	-	-	-	[•]	[•]	[•]	[•]	[•]	[•]
(b)	Financial Institutions/ Banks	-	-	-	-	-	-	[•]	[•]	[•]	[•]	[•]	[•]
(c)	Central Government/ State Government(s)	-	-	-	-	-	-	[•]	[•]	[•]	[•]	[•]	[•]
(d)	Venture Capital Funds	-	-	-	-	-	-	[•]	[•]	[•]	[•]	[•]	[•]
(e)	Insurance Companies	-	-	-	-	-	-	[•]	[•]	[•]	[•]	[•]	[•]
(f)	Foreign Institutional Investors	-	-	-	-	-	-	[•]	[•]	[•]	[•]	[•]	[•]
(g)	Foreign Venture Capital Investors	1	54,369	-	0.58	0.58	-	[•]	[•]	[•]	[•]	[•]	[•]
(h)	Qualified Foreign Investor	-	-	-	-	-	-	[•]	[•]	[•]	[•]	[•]	[•]
(i)	Any Other (specify)	-	-	-	-	-	-	[•]	[•]	[•]	[•]	[•]	[•]
(i)(a)	Foreign Body Corporate	-	-	-	-	-	-	[•]	[•]	[•]	[•]	[•]	[•]
(i)(b)	Private Trust	-	-	-	-	-	-	[•]	[•]	[•]	[•]	[•]	[•]
	<b>Sub-Total (B)(1)</b>	1	54,369	-	0.58	0.58	-	[•]	[•]	[•]	[•]	[•]	[•]
(2)	<b>Non-institutions</b>												

Category code	Category of shareholder	Pre-Offer					Post-Offer						
		Number of shareholders	Total number of shares	Number of shares held in dematerialised form	Total shareholding as a% of total number of shares		Shares Pledged or otherwise encumbered	Number of shareholders	Total number of shares	Number of shares held in dematerialised form	Total shareholding as a% of total number of shares		Shares Pledged or otherwise encumbered
					As a% of (A + B)	As a% of (A + B + C)					As a% of (A + B)	As a% of (A + B + C)	
(a)	Bodies Corporate						-	[•]	[•]	[•]	[•]	[•]	[•]
(b)	Individuals												
(i)	Individual shareholders holding nominal share capital up to ₹1 lakh.						-	[•]	[•]	[•]	[•]	[•]	[•]
(ii)	Individual shareholders holding nominal share capital in excess of ₹1 lakh.	1	87,759	87,759	0.94	0.94	-	[•]	[•]	[•]	[•]	[•]	[•]
(c)	Any Other (specify)												
	<b>Sub-Total (B)(2)</b>	1	87,759	87,759	0.94	0.94	-	[•]	[•]	[•]	[•]	[•]	[•]
	<b>Total Public Shareholding (B) = (B)(1)+(B)(2)</b>	2	142,128	87,759	1.52	1.52	-	[•]	[•]	[•]	[•]	[•]	[•]
	<b>TOTAL (A)+(B)</b>	8	9,321,795	9,132,165	100.00	100.00	7,084,728	[•]	[•]	[•]	[•]	[•]	[•]
(C)	Shares held by Custodians and against which Depository Receipts have been issued												
(1)	Promoter and Promoter Group	-	-	-	-	-	-	[•]	[•]	[•]	[•]	[•]	[•]
(2)	Public	-	-	-	-	-	-	[•]	[•]	[•]	[•]	[•]	[•]
	<b>TOTAL (A)+(B)+(C)</b>	8	9,321,795	9,132,165	100.00	100.00	7,084,728	[•]	[•]	[•]	[•]	[•]	[•]

\* Certain Equity Shares held by MFT, a member of our Promoter Group, are currently in physical form and will be dematerialized prior to the filing of the Red Herring Prospectus.

8. There are no public Shareholders holding more than 1% of the pre-Offer paid up Equity Share capital of our Company as on the date of filing of this Draft Red Herring Prospectus.

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

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

Sl. No.	Name of the Shareholder	No. of Equity Shares	Percentage (%)
1.	Dr. Sudarshan Kumar Maini	4,300,191	46.13
2.	Sandeep Kumar Maini	2,362,374	25.34
3.	Gautam Maini	1,044,099	11.20



Sl. No.	Name of the Shareholder	No. of Equity Shares	Percentage (%)
4.	Chetan Kumar Maini	1,044,036	11.20
5.	Reva Maini	293,706	3.15
6.	MFT	135,261	1.45
7.	Vippen Sareen	87,759	0.94
8.	AMHL	54,369	0.58
	<b>Total</b>	<b>9,321,795</b>	<b>100.00</b>

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

Sl. No.	Name of the Shareholder	No. of Equity Shares	Percentage (%)
1.	Dr. Sudarshan Kumar Maini	4,300,191	46.13
2.	Sandeep Kumar Maini	2,362,374	25.34
3.	Gautam Maini	1,044,099	11.20
4.	Chetan Kumar Maini	1,044,036	11.20
5.	Reva Maini	293,706	3.15
6.	MFT	135,261	1.45
7.	Vippen Sareen	87,759	0.94
8.	AMHL	54,369	0.58
	<b>Total</b>	<b>9,321,795</b>	<b>100.00</b>

- (c) The top eight Shareholders two years prior to the date of filing of this Draft Red Herring Prospectus are as follows:

Sl. No.	Name of the Shareholder	No. of Equity Shares	Percentage (%)
1.	Dr. Sudarshan Kumar Maini	68,257	46.13
2.	Sandeep Kumar Maini	37,498	25.34
3.	Gautam Maini	16,573	11.20
4.	Chetan Kumar Maini	16,572	11.20
5.	Reva Maini	4,662	3.15
6.	MFT	2,147	1.45
7.	Vippen Sareen	1,393	0.94
8.	AMHL	863	0.58
	<b>Total</b>	<b>147,965</b>	<b>100.00</b>

10. Set out below are details of the Equity Shares held by our Directors and Key Management Personnel in our Company:

Name	No. of Equity Shares	Pre-Offer (%)	Post-Offer (%)
Dr. Sudarshan Kumar Maini	4,300,191	46.13	[●]
Sandeep Kumar Maini	2,362,374	25.34	[●]
Gautam Maini	1,044,099	11.20	[●]

11. The BRLMs and their respective associates do not hold any Equity Shares in our Company as on the date of this Draft Red Herring Prospectus.
12. Except as disclosed above, our Promoters, Promoter Group or Directors have not purchased/subscribed or sold any securities of our Company within three years immediately preceding the date of filing this Draft Red Herring Prospectus with the SEBI which in aggregate is equal to or greater than 1% of pre-Offer capital of our Company.
13. There will not be any further issue of Equity Shares, whether by way of issue of bonus Equity Shares, preferential allotment, rights issue or in any other manner during the period commencing from submission of this Draft Red Herring Prospectus with the SEBI until the Equity Shares have been listed on the Stock Exchanges.
14. Our Company has not allotted any Equity Shares pursuant to any scheme approved under Sections 391 to 394 of the Companies Act, 1956.

15. Our Company has not made any public issue of any kind or class of securities since its incorporation.
16. Except as disclosed above, our Company has not made any rights issue of any kind or class of securities since its incorporation.
17. No payment, direct or indirect in the nature of discount, commission and allowance or otherwise shall be made either by us or our Promoters to the persons who receive Allotment.
18. Our Company presently does not have any employee stock option plan.
19. Except as disclosed above, none of the members of our Promoter Group, our Promoters or our Directors and their immediate relatives have purchased or sold any securities of our Company during the period of six months immediately preceding the date of filing of this Draft Red Herring Prospectus with the SEBI.
20. As of the date of the filing of this Draft Red Herring Prospectus, the total number of our Shareholders is eight.
21. Neither our Company nor our Directors have entered into any buy-back and/or standby arrangements for purchase of Equity Shares from any person. Further, the BRLMs have not made any buy-back and/or standby arrangements for purchase of Equity Shares from any person.
22. All Equity Shares issued pursuant to the Offer will be fully paid up at the time of Allotment and there are no partly paid up Equity Shares as on the date of this Draft Red Herring Prospectus.
23. In terms of Rule 19(2)(b)(i) of the SCRR, this is an Offer for at least 25% of the post-Offer paid-up equity share capital of our Company. The Offer is being made through the Book Building Process, in compliance with Regulation 26(1) of the SEBI ICDR Regulations, wherein not more than 50% of the Offer shall be available for allocation on a proportionate basis to QIBs, provided that our Company and the Selling Shareholders in consultation with the BRLMs may allocate up to 60% of the QIB Category to Anchor Investors on a discretionary basis. 5% of the QIB Category (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Category shall be available for allocation on a proportionate basis to all QIB Bidders (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. Further, not less than 15% of the Offer shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Offer shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price. All potential Bidders, other than Anchor Investors, may participate in the Offer through an ASBA process providing details of their respective bank account which will be blocked by the SCSBs. QIBs (except Anchor Investors) and Non-Institutional Bidders are mandatorily required to utilise the ASBA process to participate in the Offer. Anchor Investors are not permitted to participate in the Offer through ASBA Process. Under subscription if any, in any category, except in the QIB category, would be allowed to be met with spill over from any other category or a combination of categories at the discretion of our Company and the Selling Shareholders in consultation with the BRLMs and the Designated Stock Exchange. For further details, see "Offer Procedure" on page 211.
24. Any oversubscription to the extent of 10% of the Offer can be retained for the purposes of rounding off to the nearer multiple of minimum allotment lot.
25. Except the sale of Equity Shares in the Offer for Sale by the Selling Shareholders, our Promoters, Promoter Group and Group Entities will not participate in the Offer.
26. Our Promoters have entered into an agreement to buy Equity Shares from AMHL. For details, see "History and Certain Corporate Matters" on page 119.
27. There have been no financing arrangements whereby our Promoters, Promoter Group, our Directors, and their relatives have financed the purchase by any other person of securities of our Company, other than in the normal course of the business during a period of six months preceding the date of filing of this Draft Red Herring Prospectus.

28. Our Company presently does not intend or propose to alter its capital structure for a period of six months from the Bid/Offer Opening Date, by way of split or consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into or exchangeable, directly or indirectly for Equity Shares) whether on a preferential basis or by way of issue of bonus shares or on a rights basis or by way of further public issue of Equity Shares or qualified institutions placements or otherwise. Provided, however, that the foregoing restrictions do not apply to the issuance of any Equity Shares under the Offer.
29. Our Company shall comply with such disclosure and accounting norms as may be specified by SEBI from time to time.
30. Our Company shall ensure that transactions in the Equity Shares by our Promoters and the Promoter Group between the date of filing of the Red Herring Prospectus with RoC and the date of closure of the Offer shall be intimated to the Stock Exchanges within 24 hours of such transaction.
31. No person connected with the Offer, including, but not limited to, the BRLMs, the members of the Syndicate, our Company, the Directors, the Promoters, members of our Promoter Group and Group Entities, shall offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise to any Bidder for making a Bid.
32. There are no outstanding convertible securities or any other right which would entitle any person any option to receive Equity Shares, as on the date of this Draft Red Herring Prospectus.

## OBJECTS OF THE OFFER

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

### Offer for Sale

Our Company will not receive any proceeds from the Offer for Sale.

### Requirement of Funds

Our Company proposes to utilise the Net Proceeds towards funding the following objects:

1. Construction of a new building for a manufacturing facility at Nelamangala;
2. Purchase of machinery;
3. Part pre-payment of debt; and
4. General corporate purposes (collectively, referred to herein as the “Objects”).

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

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

### Offer Proceeds and Net Proceeds

The details of the proceeds of the Offer are summarised in the table below:

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

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

### Utilization of Net Proceeds

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

Particulars	Amount (in ₹ million)
Construction of a new building for a manufacturing facility at Nelamangala	169.87
Purchase of machinery	124.06
Part pre-payment of debt	100.00
General corporate purposes <sup>(1)</sup>	[●]
<b>Total Net Proceeds</b>	<b>[●]</b>

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

The fund requirements for the Objects are based on internal management estimates, quotations received from vendors and have not been appraised by any bank or financial institution.

### Schedule of Implementation and Deployment of Net Proceeds

The Net Proceeds are currently expected to be deployed in accordance with the schedule set forth below:

Particulars	Total estimated costs	Amount to be funded from the Net Proceeds	(in ₹ million)	
			Estimated Utilisation of Net Proceeds	
			Financial Year 2017	Financial Year 2018
Construction of a new building for a manufacturing facility at Nelamangala	169.87	169.87	135.00	34.87
Purchase of machinery	124.06	124.06	124.06	-

Particulars	Total estimated costs	Amount to be funded from the Net Proceeds	Estimated Utilisation of Net Proceeds	
			Financial Year 2017	Financial Year 2018
Pre-payment of debt	100.00	100.00	100.00	-
General corporate purposes	[•]	[•]	[•]	[•]
<b>Total</b>	[•]	[•]	[•]	[•]

### Means of Finance

We intend to finance all the Objects entirely from the Net Proceeds. Accordingly, we confirm that there is no requirement to make firm arrangements of finance under Regulation 4(2)(g) of the SEBI ICDR Regulations through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised through the Offer.

Given the dynamic nature of our business, we may have to revise our funding requirements and deployment on account of a variety of factors such as our financial condition, business and strategy and external factors such as market conditions, competitive environment and interest or exchange rate fluctuations, which may not be within the control of our management. This may entail rescheduling or revising the planned expenditure and funding requirements, including the expenditure for a particular purpose at the discretion of our management. If the actual utilisation towards any of the Objects is lower than the proposed deployment such balance will be used for general corporate purposes to the extent that the total amount to be utilized towards general corporate purposes will not exceed 25% of the proceeds from the Fresh Issue in accordance with Regulation 4(4) of the SEBI ICDR Regulations. In case of a shortfall in raising requisite capital from the Net Proceeds or an increase in the total estimated costs of the Objects of the Offer, we may explore a range of options including utilising our internal accruals and seeking additional debt from existing and future lenders which we could repay from the Net Proceeds. We believe that such alternate arrangements would be available to fund any such shortfalls. Further, 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 purposes for which funds are being raised in the Offer.

The above fund requirements are based on internal management estimates and have not been appraised by any bank or financial institution and are based on quotations received from vendors and suppliers, which are subject to change in the future. These are based on current conditions and are subject to revisions in light of changes in external circumstances or costs, or our financial condition, business or strategy. For further details of factors that may affect these estimates, see “Risk Factors” on page 16.

### Details of the Objects of the Fresh Issue

#### 1. Construction of a new building for a manufacturing facility at Nelamangala

In furtherance of our strategy to leverage on our global delivery service model, coupled with our twin growth objectives of moving up the value chain and becoming a preferred manufacturer of critical precision products in India, we propose to scale up, expand and modernize our existing manufacturing facilities in Bengaluru, Karnataka. In this regard, we intend to utilise a portion of the Net Proceeds of the Offer aggregating to ₹169.87 million for setting up of a new building for a manufacturing facility.

The cost for setting up of the new building will primarily comprise of the following activities. The total estimated costs for setting up of the new building for the manufacturing facility are set forth below:

Particulars	Total estimated costs	Amount to be funded from the Net Proceeds (in ₹ million)
External Works	17.43	17.43
Building works	84.11	84.11
Infrastructure	35.51	35.51
Fit-out works	15.14	15.14
Statutory works liaison	2.31	2.31
Project consultancy	10.41	10.41
Contingency	4.95	4.95

Particulars	Total estimated costs	Amount to be funded from the Net Proceeds (in ₹ million)
<b>Total</b>	<b>169.87</b>	<b>169.87</b>

The quotation received from SMLXL Architecture and Urban Design Private Limited (“SMLXL”) is valid as of the date of this Draft Red Herring Prospectus.

We intend to construct the new building for our proposed new facility in Nelamangala, on 15 acres 31 gunta of land owned by us. As per the development plan approved by our Company, we intend to construct a new facility with a built up area of 42,000 sq. ft. The remaining parcels of land may be used by our Company for its future expansions.

The development plan for the proposed new building has been certified by an independent architect firm, SMLXL, through certificate dated September 24, 2015 and our Company has acknowledged and confirmed the proposal through our letter dated September 25, 2015. The land demarcated for setting up the proposed building as per the development plan, is free from any kind of disputes/ litigations. The proposed land has been hypothecated as security for the working capital facilities obtained by us from ICICI Bank Limited and Kotak Mahindra Bank Limited. For further details see “Financial Indebtedness” on page 175. The certificate issued by SMLXL dated September 24, 2015 and the letter issued by our Company dated September 25, 2015, have been included in the section “Material Contracts and Documents for Inspection” on page 273 of this Draft Red Herring Prospectus. We are in the process of obtaining all the necessary approvals for constructing the proposed building and to get the development plan sanctioned.

Our Promoters or Directors have no interest in the proposed procurements, as stated above.

We have received quotes from various suppliers for the activities mentioned in the quotations received from the SMLXL. However, we have not entered into any definitive agreements with them and there can be no assurance that they will be engaged to eventually provide these services. If we engage someone other than these suppliers, such architect’s estimates and actual costs for the services may differ from the current estimates. For further details, see “Risk Factors” on page 16 of this Draft Red Herring Prospectus.

#### ***Methodology for computation of estimated costs***

##### ***a) External works and building works***

The particulars of land formation, building works and infrastructure for our proposed facility and the break up of the cost involved are as follows:

Sl. No.	Particulars	Cost (in ₹ million)
<b><i>External Works</i></b>		
1.	Land formation, berms, earthfill	3.25
2.	UG tank, OHT, water body	3.15
3.	Compound wall	5.48
4.	Roads (Infrastructure)	5.56
<b>Sub Total</b>		<b>17.43</b>
<b><i>Building works</i></b>		
1.	Civil & PHE works	38.72
2.	PEB works	36.41
3.	Miscellaneous works	8.99
<b>Sub Total</b>		<b>84.11</b>
<b>Total</b>		<b>101.55</b>

b) *Infrastructures and Fit-out works*

The particulars of furniture, fixtures, communication and security systems, computers and necessary softwares, the break up of the cost involved and details of the quotations received from suppliers are as follows:

Sl. No.	Particulars	Cost (in ₹ million)
1.	Electrical and DG works	27.12
2.	Water & sewage treatment	3.69
3.	Fire detection and suppression works	4.70
	<b>Sub Total</b>	<b>35.51</b>
4.	Interior fit-out works	15.14
	<b>Sub Total</b>	<b>15.14</b>
	<b>Total</b>	<b>50.65</b>

c) *Statutory works liaison*

The particulars of statutory works liaison aggregating to ₹2.31 million comprise of licensing fee payable to regional regulatory bodies including the Bangalore Water Supply and Sewage Board (“**BWSSB**”), Karnataka Industrial Areas Development Board (“**KIADB**”) and the Thymagondlu Panchayath, Nelamangala Taluk, Bengaluru.

d) *Project Consultancy*

The particulars of consultancy fees to be paid are as follows:

Sl. No.	Particulars	Cost (in ₹ million)
1.	Design consultancy	6.07
2.	Project management	4.34
	<b>Sub Total</b>	<b>10.41</b>

e) *Contingencies*

We have estimated ₹4.95 million towards contingency expenses at 3% of the estimated cost of our proposed plant, comprising of (a) external works and building works; (b) infrastructure; (c) fit out works; (d) statutory work liaison; and (e) project consultancy, to be incurred by our Company during the development of our proposed plant, during Financial Years 2017 and 2018.

*Schedule of implementation:*

Based on management estimate, the schedule of implementation is as provided below:

Activity	Estimated date of completion
Design stage	May 2016
Tender documentation stage	July 2016
Construction phase	February 2017
Post construction phase	April 2017

## 2. Purchase of machinery

We propose to utilise ₹124.06 million out of the Net Proceeds towards purchase of machinery, which includes cylindrical grinding machines, horizontal machining centers and autoloader. However, the specific number and nature of the machinery to be purchased by our Company will depend on our business requirements, which are dynamic and may evolve with the passage of time.

An indicative list of the machinery proposed to be purchased by our Company, along with the details of the quotations obtained by us from the vendors is set out in the following table:

(in ₹ million)

Sr. No.	Description of the Equipment	Purchase Quantity	Unit Cost	Total Amount	Details Related to the Quotation Obtained	
					Name of the Vendor	Date of the Quotation
1.	CNC Vertical Machining Center Model "Acer"	4	3.08	12.32	ACE Manufacturing Systems Limited	August 3, 2015
						August 3, 2015
						August 6, 2015
						August 7, 2015
2.	CNC Vertical Machining Center Model "MCV-400"	1	4.16	4.16	ACE Manufacturing Systems Limited	August 8, 2015
3.	CNC Cylindrical Grinding Machine model SM 63	1	7.26	7.26	Micromatic Grinding Technologies Limited	June 5, 2015
4.	Horizontal Machining Center with Professional 5	1	19.23*	19.23*	Makino Asia PTE Limited	August 25, 2015
5.	Roboturn 6T Slant Bed Super Precision Double Head CNC Turning Center (A2-6 Spindles)	3	7.20	21.60	Marshall Machines (P) Limited	August 2, 2015
6.	ECM Deburring	1	4.25	4.25	Vamtec Machines & Automation Private Limited	August 12, 2015
7.	Bush Pressing Machine	1	2.61	2.61	Orbital Systems (Bombay) Private Limited	August 26, 2015
8.	Drilling SPM	1	1.20	1.20	Sun Manufacturing Solutions	August 3, 2015
9.	SPM suitable for pump body 01F18150056R2 – pre deburring operation	1	0.88	0.88		
10.	"Citizen" Brand Guide Bush Type Sliding Headstock CNC Automatic Lathe with Fanuc Controller	1	4.20	4.20	Yamazaki Machinery & Tools India Private Limited	August 18, 2015
11.	Mycenter – HX400G Horizontal Machining Center	1	10.74*	10.74*	Kitamura Machinery Co. Limited	August 10, 2015
12.	Zeiss 3D CNC CMM model Contura G2 7/10/6 RDS with VAST XXT TL3 probe system	1	4.41	4.41	Carl Zeiss India (Bangalore) Private Limited	August 20, 2015
13.	Makino HMC a51	1	9.43	9.43	Kennametal India Limited	April 25, 2015
14.	Ace Slant Bed CNC Lathe Super Jobber LM Elite	4	2.90	11.60	Ace Designers Limited	September 3, 2015
						September 4, 2015
						September 5, 2015
15.	Special Purpose Planetary Deburring Machine	1	2.15	2.15	Grind Master Machines Private Limited	August 6, 2015
16.	CNC Autoloader for Eaton FAS shaft (Ace-Jobber Junior – OP 10)	1	0.55	0.55	Synetics Automation Solutions Private Limited	July 12, 2015
17.	CNC Autoloader for Eaton FAS shaft (ACE Super Jobber – OP20 & OP30)	3	0.50	1.50		
18.	CNC Autoloader for Eaton FAS shaft (Taichung Machine – OP10)	1	0.77	0.77		
19.	CNC Autoloader for Eaton FAS shaft (ACE Super Jobber – OP20)	1	0.74	0.74		
20.	CNC Autoloader for Eaton FAS shaft (ACE Super Jobber &	2	0.74	1.47		July 27, 2015



Sr. No.	Description of the Equipment	Purchase Quantity	Unit Cost	Total Amount	Details Related to the Quotation Obtained	
					Name of the Vendor	Date of the Quotation
	Lokesh TL200 – OP30)					
21.	Robotic machine tending cell for bearing housing – 01F18220109	1	1.46	1.46		August 28, 2015
22.	Auto door for 2 CNCs and 1 VMC	2	0.13	0.27		
23.	Robotic machine tending cell for bearing housing – 01F18220084	1	1.29	1.29		
<b>Total</b>				<b>124.06</b>		

\* Conversion rate as of September 24, 2015, 100 JPY = 55.08 INR. (Source: www.rbi.gov.in)

Brief particulars of the machinery listed above are as follows:

- (i) *CNC Vertical Machining Center*: These are specialized machines for operations such as drilling, tapping, milling for hot forgings, bar stock material and turned parts. They can be programmed, stored and recalled at any point of time and enable a high level of accuracy in the manufacturing process. While they typically operate in three axes, we have the capability to add a rotary table to perform operations in the fourth and fifth axes. These machines are placed in a cellular form to have better flow of material and better control on cycle time.
- (ii) *CNC Cylindrical Grinding Machine*: These machines are specialized to do operations such as the outer dia (OD) of components for turned parts from bar stock of iron and steel. Multiple processes can be performed at a single setting thereby reducing the usage of other manual machines. They can be programmed, stored and recalled at any point of time and enable a high level of accuracy in the manufacturing process. These machines typically operate in two axes, and are also placed in a cellular form.
- (iii) *Horizontal Machining Centers*: These machines are specialized in drilling, tapping, milling for hot forgings, bar stock material on turned parts. The operating spindle in these is horizontal and operates in three axes. These are also placed in a cellular form to optimize manpower and manufacturing timings.
- (iv) *Double Head CNC Turning Center*: These machines specialize in turning, forgings, casting bar stock material and turned parts. The double head functionality enables the manufacturer to load and unload components at the same time without stopping the machine or the manufacturing process.
- (v) *ECM Deburring*: Machined parts and products typically carry projections in the form of burrs which reduce the precision in the finished product. ECM Deburring machines comprise of a fixtures and electrodes where deburring is required. The burred area is then treated with an electrolyte solution, and the electrochemical reaction enables the deburring, thereby making the finished product more precise.
- (vi) *Bush Pressing Machines*: Machines dedicated to the specific operation of press bushing in a manufacturing assembly.
- (vii) *Special Purpose Machines*: Specialized machines designed to take the load of multiple operations of drilling and boring in a single process, thereby enabling higher volumes of precision products. These machines are optimized for both batch and mass production, and require minimal maintenance.
- (viii) *Lathe Machines*: These machines perform operations such as turning, boring, thread cutting, tapping and grooving. These are programmable, and optimized for both batch and mass production.
- (ix) *Coordinate Measuring Machines*: Inspection machines used to inspect critical dimensions in a three dimensional mode. These can be programmed to provide the customer detailed drawings,

and enable the accuracy of precision products to be displayed and examined in a comprehensive manner.

- (x) *Robotic Machine Tending Cell*: Machines specialized to perform the internal dia (ID) and outer dia (OD) processes with the help of a four machines spindle arm handled by a robotic arm to produce a high volume of precision components with the desired accuracy.

For the purposes of purchasing the above mentioned machinery, we have received quotations from various vendors as detailed above, which are valid as on the date of this Draft Red Herring Prospectus. However, we have not entered into any definitive agreements with any of these vendors and there can be no assurance that the same vendors would be engaged to eventually supply the machinery or at the same costs. The quantity of machinery to be purchased is based on the estimates of our management.

Our Company shall have the flexibility to deploy such machinery at our existing and future units, according to the business requirements of such units and based on the estimates of our management.

Our Promoters or Directors have no interest in the proposed procurements, as stated above.

### 3. Part Pre-payment of debt

Our Company has entered into certain financing arrangements with banks and financial institutions such as ICICI Bank Limited, Kotak Mahindra Bank Limited, Tata Capital Financial Services Limited and ABFL. For details of these financing arrangements including the terms and conditions, see “Financial Indebtedness” on page 175. As on August 31, 2015, the amounts outstanding from the loan agreements entered into by our Company were ₹670.32 million.

Our Company proposes to utilise an estimated amount of ₹100.00 million from the Net Proceeds towards pre-payment/repayment in full or in part of the following borrowings availed by our Company. The selection of borrowings proposed to be pre-paid from our facilities provided is based on various factors, including (i) any conditions attached to the borrowings restricting our ability to prepay the borrowings and time taken to fulfil, or obtain waivers for fulfilment of, such requirements, (ii) receipt of consents for prepayment from the respective lenders, (iii) terms and conditions of such consents and waivers, (iv) levy of any prepayment penalties and the quantum thereof, (v) provisions of any law, rules, regulations governing such borrowings, and (vi) other commercial considerations including, among others, the interest rate on the loan facility, the amount of the loan outstanding and the remaining tenor of the loan.

#### (a) Term loan availed from Kotak Mahindra Bank Limited (“Kotak”)

Our Company has availed term loan facilities from Kotak aggregating to a total of ₹118.00 million pursuant to a sanction letter dated January 24, 2015. The relevant terms of the facility are set out below:

Particulars	Details
<b>Amount Sanctioned</b>	₹118.00 million
<b>Purpose</b>	Towards expansion projects of our Company
<b>Rate of interest</b>	<i>Term Loan I</i> : Base rate + 2.50% p.a <i>Term Loan II</i> : Base rate + 1.95% p.a
<b>Repayment Schedule</b>	<i>Term Loan I</i> : Repayable in 42 monthly instalments of ₹2.36 million with first instalment commencing from January 31, 2013  <i>Term Loan II</i> : Repayable in 36 monthly instalments of ₹2.52 million with a moratorium of 6 months and the first instalment commencing from June 30, 2014
<b>Prepayment penalty</b>	NA
<b>Amount Outstanding as of August 31, 2015</b>	₹82.02 million

#### (b) Term loan facilities availed from Tata Capital Services Limited (“TCFSL”)

Our Company has availed term loan facilities from TCFSL aggregating to a total of ₹100.00 million

pursuant to a sanction letter dated July 1, 2015 and the loan agreement dated July 21, 2015. The relevant terms of the said facility are set out below:

<b>Particulars</b>	<b>Details</b>
<b>Amount Sanctioned</b>	₹100.00 million
<b>Purpose</b>	For the purchase of machinery
<b>Rate of interest</b>	6.25% p.a below LTLR, subject to a minimum of 11.50% p.a
<b>Repayment Schedule</b>	After six months from the date of first tranche disbursement, principal amount shall be repayable in 48 equal monthly instalments  Interest to be paid on monthly basis on every month from the date of first disbursement till maturity
<b>Prepayment penalty</b>	2% flat on the amount to be prepaid
<b>Amount Outstanding as of August 31, 2015</b>	₹100.00 million

P. Dilip Kumar & Associates, chartered accountants, have certified through a letter dated September 28, 2015 that our Company had utilized the aforementioned loans for the purpose for which they were raised.

We believe that such pre-payment towards partial pre-payment will help reduce our outstanding indebtedness and debt servicing costs and enable utilization if the internal accruals for further investments in business growth and expansion. In addition, we believe that this would improve our ability to raise further resources in the future to fund potential business development opportunities.

Some of our loan agreements provide for the levy of pre-payment penalties or premiums. We will take such provisions into consideration while deciding the loans to be pre-paid from the Net Proceeds. Payment of such pre-payment penalty, if any, shall be out of the Net Proceeds. In the event that Net Proceeds are insufficient for the said payment of pre-payment penalty, such payment shall be made from the internal accruals of our Company. We may be required to provide notice to some of our lenders prior to repayment/ pre-payment.

Given the nature of the borrowing and the terms of pre-payment, the aggregate outstanding loan amounts may vary from time to time. 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 pre-paid or further draw down prior to the completion of the Offer, we may utilize the Net Proceeds towards pre-payment of such additional indebtedness.

#### **4. General Corporate Purposes**

We, in accordance with the policies set up by our Board, will have flexibility in utilizing the balance Net Proceeds, if any, for general corporate purposes, subject to such utilisation not exceeding 25% of the Gross Proceeds from the Fresh Issue in accordance with Regulation 4(4) of the SEBI ICDR Regulations, including but not restricted towards strategic initiatives and acquisitions, funding initial stages of equity contribution towards our projects, working capital requirements, part or full debt repayment/prepayment of our Company, strengthening of our marketing capabilities and towards repayment and prepayment penalty or premium on loans as may be applicable.

In case of variations in the actual utilization of funds designated for the purposes set forth above, increased fund requirements for a particular purpose may be financed by surplus funds, if any, which are not applied to the other purposes, set out above.

In addition to the above, our Company may utilise the Net Proceeds towards other expenditure (in the ordinary course of business) considered expedient and approved periodically by the Board. Our management, in response to the competitive and dynamic nature of the industry, will have the discretion to revise its business plan from time to time and consequently our funding requirement and deployment of funds may also change. This may also include rescheduling the proposed utilization of Net Proceeds and increasing or decreasing expenditure for a particular object, i.e., the utilization of Net Proceeds. In case of a shortfall in Net Proceeds, our management may explore a range of options including utilizing our internal accruals or seeking debt from future lenders. Our management expects that such alternate arrangements would be available to fund any such shortfall. Our management, in accordance with the policies of our Board, will have flexibility in utilizing the proceeds earmarked for

general corporate purposes. In the event that we are unable to utilize the entire amount that we have currently estimated for use out of Net Proceeds in a Financial Year, we will utilize such unutilized amount in the next Financial Year.

### Interim use of Net Proceeds

Pending utilization of the Net Proceeds for the purposes described above, in accordance with the SEBI ICDR Regulations, our Company shall deposit the funds only in one or more Scheduled Commercial Banks included in the Second Schedule of Reserve Bank of India Act, 1934.

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

### Bridge Financing Facilities

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

### Offer Expenses

The total Offer related expenses are estimated to be approximately ₹[●] million. The Offer related expenses consist of listing fees, underwriting fees, selling commission, fees payable to the BRLMs, legal counsel, Registrar to the Offer, Bankers to the Offer including processing fee to the SCSBs for processing Bid cum Application Forms submitted by ASBA Bidders procured by the Members of the Syndicate and submitted to SCSBs, brokerage and selling commission payable to Registered Brokers, printing and stationary expenses, advertising and marketing expenses and all other incidental expenses for listing the Equity Shares on the Stock Exchanges. All expenses in relation to the Offer other than listing fees (which will be borne by the Company) shall be paid by and shared between the Company and the Selling Shareholders in proportion to the Equity Shares contributed to the Offer in accordance with applicable law. However, for ease of operations, expenses of the Selling Shareholders may, at the outset, be borne by the Company on behalf of the Selling Shareholders, and the Selling Shareholders agree that they will reimburse the Company all such expenses. The break-up for the estimated Offer expenses are as follows:

Activity	Amount <sup>(1)</sup> (in ₹ million)	As a % of total estimated Offer related expenses <sup>(1)</sup>	As a % of Offer size <sup>(1)</sup>
Payment to BRLMs (including underwriting commission, brokerage and selling commission)	[●]	[●]	[●]
Commission and processing fees for SCSBs <sup>(2)</sup>	[●]	[●]	[●]
Brokerage and selling commission for Registered Brokers	[●]	[●]	[●]
Registrar to the Offer	[●]	[●]	[●]
Other advisers to the Offer	[●]	[●]	[●]
Bankers to the Offer	[●]	[●]	[●]
Others:	[●]	[●]	[●]
i. Listing fees;			
ii. Printing and stationary expenses;			
iii. Advertising and marketing; and			
iv. Miscellaneous.			
<b>Total estimated Offer expenses</b>	[●]	[●]	[●]

<sup>(1)</sup> Will be completed after finalisation of the Offer Price.

<sup>(2)</sup> SCSBs will be entitled to a processing fee of ₹[●] per Bid cum Application Form for processing the Bid cum Application Forms procured by the members of the Syndicate or the Registered Brokers and submitted to the SCSBs

### Monitoring Utilization of Funds

As this is a Fresh Issue for less than ₹5,000 million, we are not required to appoint a monitoring agency for the purpose of the Offer in terms of Regulation 16 of the SEBI ICDR Regulations. Our Board will monitor the utilization of Net Proceeds through its Audit Committee.

Pursuant to Clause 49 of the Equity Listing Agreement, our Company shall on a quarterly basis disclose to the

Audit Committee the uses and application of the Net Proceeds. The Audit Committee shall make recommendations to our Board for further action, if appropriate. Our Company shall, on an annual basis, prepare a statement of funds utilised for purposes other than those stated in this Draft Red Herring Prospectus and place it before the Audit Committee. Such disclosure shall be made only till such time that all the Net Proceeds have been utilised in full. The statement shall be certified by the statutory auditors of our Company. Furthermore, in accordance with clause 43A of the Equity Listing Agreement, our Company shall furnish to the Stock Exchanges on a quarterly basis, a statement including material deviations, if any, in the utilization of the Net Proceeds of the Offer from the objects of the Offer as stated above. The information will also be published in newspapers simultaneously with the interim or annual financial results, after placing the same before the Audit Committee. We will disclose the utilization of the Net Proceeds under a separate head along with details in our balance sheet(s) until such time as the Net Proceeds remain unutilized clearly specifying the purpose for which such Net Proceeds have been utilized.

### **Variation in Objects**

In accordance with Sections 13(8) and 27 of the Companies Act, 2013, our Company shall not vary the objects of the Fresh Issue without our Company being authorised to do so by the Shareholders by way of a special resolution through a postal ballot. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution shall specify the prescribed details as required under the Companies Act. Such postal ballot notice shall simultaneously be published in the newspapers, one in English and one in Kannada, the vernacular language of the jurisdiction where our Registered and Corporate Office is situated. Our Promoters will be required to provide an exit opportunity to such shareholders who do not agree to the above stated proposal, at a price as may be prescribed by SEBI, in this regard.

### **Other Confirmations**

No part of the Net Proceeds will be paid by our Company as consideration to our Promoters, our Board of Directors, our Key Management Personnel or Group Entities.

## BASIS FOR OFFER PRICE

The Offer Price will be determined by our Company in consultation with the Selling Shareholders and BRLMs, on the basis of assessment of market demand for the Equity Shares offered through the Book Building Process and on the basis of quantitative and qualitative factors as described below. The face value of the Equity Shares is ₹10 each and the Offer Price is [●] times the Floor Price and [●] times the Cap Price of the Price Band. Investors should also refer to “Our Business”, “Risk Factors” and “Financial Statements” on pages 103, 16 and F-1, respectively, to have an informed view before making an investment decision.

### Qualitative Factors

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

- Long term relationships with key customers;
- One stop solution provider;
- Advanced manufacturing processes, engineering expertise and quality assurance;
- Global delivery service model;
- Skilled, experienced and qualified workforce and senior management; and
- Consistent financial performance.

For further details, see “Our Business - Our Strengths” on page 104.

### Quantitative Factors

The information presented below relating to our Company is based on the Restated Financial Information prepared in accordance with Indian GAAP and the Companies Act, 1956 and restated in accordance with the SEBI ICDR Regulations. For details, see “Financial Statements” on page F-1.

Note:

The accounting ratios shown below are after taking into account the impact of the following corporate actions completed post March 31, 2015:

- Pursuant to Shareholders’ resolution dated August 14, 2015 each Equity Share of ₹100 each was subdivided into 10 Equity Shares of ₹10 each, thereby reconfiguring the total issued paid up share capital of our Company to ₹14,796,500 divided into 1,479,650 Equity Shares of ₹10 each.
- On August 16, 2015, pursuant to the provisions of the Companies Act, 2013, the Shareholders approved the bonus issue and allotment of 53 Equity Shares of ₹10 each for every 10 Equity Shares of ₹10 each held by the Shareholders as on the date of the meeting and accordingly a sum of ₹78.42 million has been capitalised out of the Company’s securities premium account outstanding as on that date and transferred to the share capital account towards issue of fully paid-up bonus shares pursuant to which the paid-up equity share capital of our Company has increased from ₹14.80 million to ₹93.22 million and the balance in the securities premium account reduced to ₹226.89 million.

Accordingly, Basic and Diluted earnings per share have been adjusted for the periods presented below in line with the Accounting Standard (AS-20).

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

#### A. Basic and Diluted Earnings Per Share (“EPS”):

Financial Year ended	Basic and Diluted	
	EPS (in ₹)	Weight
March 31, 2013	5.02	1
March 31, 2014	12.77	2
March 31, 2015	11.37	3
<b>Weighted Average</b>	<b>10.78</b>	

Notes:

- (i) Earnings per share calculations have been done in accordance with Accounting Standard 20 - "Earnings per Share" issued by the ICAI.
- (ii) The basic earnings per share has been arrived as net profit/ (loss) after tax, as restated attributable to Shareholders divided by the weighted average number of shares outstanding for the year/ period.
- (iii) The diluted earnings per share has been arrived as net profit/ (loss) after tax, as restated divided by the weighted average number of diluted equity shares outstanding during the year/ period.

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

- 1) P/E based on basic EPS for the year ended March 31, 2015:

Particulars	P/E at the Floor Price	P/E at the Cap Price
P/E based on basic EPS	[●]	[●]
P/E based on weighted average basic EPS	[●]	[●]

- 2) P/E based on diluted EPS for the year ended March 31, 2015:

Particulars	P/E at the Floor Price	P/E at the Cap Price
P/E based on diluted EPS	[●]	[●]
P/E based on weighted average diluted EPS	[●]	[●]

**Industry Peer Group P/E ratio**

Dynamatic Technologies Limited is the only listed public industry peer of our Company. If calculated on a consolidated basis for the year ended March 31, 2015, the P/E ratio is 53.64.

**C. Average Return on Net Worth ("RoNW")**

Financial Year ended	RoNW (%)	Weight
March 31, 2013	11.91	1
March 31, 2014	23.25	2
March 31, 2015	15.73	3
<b>Weighted Average</b>	<b>17.60</b>	

Note:

- (i) Return of net worth (%) = Net profit / (loss) after tax, as restated / Net worth as restated as at year or period end.

**D. Minimum Return on Increased Net Worth after Offer needed to maintain Pre-Offer EPS for the year ended March 31, 2015**

- 1) Based on Basic EPS:

At the Floor Price – [●] based on the Restated Financial Information.

At the Cap Price – [●] based on the Restated Financial Information.

- 2) Based on Diluted EPS:

At the Floor Price – [●] based on the Restated Financial Information.

At the Cap Price – [●] based on the Restated Financial Information.

**E. Net Asset Value ("NAV") per Equity Share**

Financial year ended/ Period ended	NAV (₹)	Weight
March 31, 2013	42.15	1
March 31, 2014	54.92	2
March 31, 2015	72.26	3
<b>Weighted Average</b>	<b>61.46</b>	

Financial year ended/ Period ended	NAV (₹)	Weight
Offer Price	[●]	[●]
After the Offer	[●]	[●]

**F. Comparison with Listed Industry Peers**

Name of the company	Revenue from operations (in ₹ million)	Face Value per Equity Share (₹)	P/E	EPS (Basic and Diluted) (₹)	Return on Net Worth (%)	Net Asset Value/ Share (₹)
<b>Dynamic Technologies Limited</b>						
<i>Consolidated</i>	16,288.30	10	53.64	47.28	11.38	396.84
<i>Standalone</i>	4,565.30	10	73.01	34.74	7.66	433.44

Notes:

- (i) All financials are for the financial year ending March 31, 2015
- (ii) Net Income indicates the Profit after Taxes and Exceptional Items
- (iii) P/E ratio is calculated as closing share price (September 18, 2015, BSE) \* Equity Shares Outstanding (as on March 31, 2015) / Net Income (as defined above)
- (iv) EPS is as reported in the audit report filed with the stock exchanges
- (v) Net Worth includes Equity Share Capital and Reserves & Surplus
- (vi) RoNW is calculated as Net Income (as defined above) / Closing Net Worth (as defined above)
- (vii) NAV per share is calculated as Net Worth / Equity Shares Outstanding (both as on March 31, 2015)

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

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

Investors should read the above mentioned information along with “Risk Factors” and “Financial Statements” on pages 16 and F-1, respectively, to have a more informed view. The trading price of the Equity Shares of our Company could decline due to the factors mentioned in “Risk Factors”, and you may lose all or part of your investment.



## STATEMENT OF TAX BENEFITS

### Independent Auditors' report on Statement of Tax Benefits

To  
**The Board of Directors**  
Maini Precision Products Limited  
B-165, Peenya Industrial Estate  
1st Stage, 3rd Cross  
Bangalore- 560058

Dear Sirs,

#### **Sub: Statement of possible special direct tax benefits available to Maini Precision Products Limited and its shareholders**

We refer to the proposed initial public offering (the 'issue') of equity shares (the 'Equity Shares') of Maini Precision Products Limited ("the Company") and enclose the statement showing the current position of tax benefits available to the Company and to its shareholders as per the provisions of the Income-tax Act, 1961 ('the IT Act').

This statement is provided for general information purposes only and each investor is advised to consult its own tax consultant with respect to specific income tax implications arising out of participation in the issue.

Unless otherwise specified, sections referred below are sections of the IT Act. The benefits set out below are subject to conditions specified therein read with the Income-tax Rules, 1962 presently in force.

The Wealth-tax Act, 1957 has been abolished with effect from 1 April 2015 and as such we have not commented on the same.

The benefits outlined in the enclosed statement based on the information and particulars provided by the Company are neither exhaustive nor conclusive.

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;
- the conditions prescribed for availing the benefits have been / would be met with; and
- the revenue authorities / courts will concur with the views expressed herein.

Our views expressed in the statement enclosed are based on the facts and assumptions indicated above. 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.

This report has been issued solely at the request of the Company for use in connection with the proposed Initial Public Offering of the equity shares by the Company and this report or extracts thereof may accordingly be used in the offer document, to be filed with the Bombay Stock Exchange Limited (BSE), the National Stock Exchange Limited (NSE), Securities and Exchange Board of India (SEBI), Registrar of Companies, Karnataka (ROC) or may be shared with and relied on as necessary by the Company's Merchant Bankers, ICICI Securities Limited and IIFL Holdings Limited, duly appointed in this regard or any other regulatory authority in connection with the issue of the equity shares and it is not to be used, circulated, quoted, or otherwise referred to for any other purpose without our prior written consent.

For Walker Chandiok & Co LLP  
Chartered Accountants  
Firm Registration No. 001076N / N500013

**Sanjay Banthia**  
Partner  
Membership No.: 061068  
Bangalore  
24 September 2015

## **STATEMENT OF SPECIAL DIRECT TAX BENEFITS AVAILABLE TO MAINI PRECISION PRODUCTS LIMITED ("THE COMPANY") AND ITS SHAREHOLDERS**

### **1 Special tax benefits available to the Company**

There are no special tax benefits available to the Company under the provisions of the Income-tax Act, 1961 ("IT Act").

### **2 Special tax benefits available to the Shareholders**

The Finance Act, 2015 amended provisions in respect of applicability of Minimum Alternate Tax (MAT) to foreign companies having certain income. Consequently, income received on account of capital gains from transfer of securities, interest, royalty or fees for technical services accruing or arising to a foreign company would be excluded from the chargeability of MAT, if normal tax payable on such income is less than 18.5%. Further, expenditure, if any, debited to the Statement of Profit and Loss account, corresponding to such income shall also be added back to the book profit for the purpose of computation of MAT.

#### **Notes**

1. All the above benefits are as per the current tax law and will be available only to the sole / first named holder in case the shares are held by the joint holders.
2. In view of the individual nature of tax consequences, each investor is advised to consult his/her own tax advisor with respect to specific tax consequences of his/her participation in the scheme.

*We have not commented on 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 OUR COMPANY

### INDUSTRY OVERVIEW

*The information in this section is derived from various publicly available sources, government publications and other industry sources. Unless specifically indicated otherwise, the information in this section has been derived from the following sources: the report titled “World Factbook – Economy Overview by CIA”, Ministry of Finance, Department of Economic Affairs - Economic Division; India Brand Equity Foundation; Monthly Economic Report dated July 2015 by Department of Heavy Industry, Ministry of Heavy Industries & Public Enterprises, Government of India; ACMA and Make in India website of Government of India. The information in this section has not been independently verified by us, the Book Running Lead Managers, or their respective legal, financial or other advisors, and no representation is made as to the accuracy of this information. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured and accordingly, investment decisions should not be based on such information. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. Accordingly, investors should not place undue reliance on this information.*

#### **World Economy Overview**

The international financial crisis of 2008-09 led to the first downturn in global output since 1946 and presented the world with a major new challenge: determining what mix of fiscal and monetary policies to follow to restore growth and jobs, while keeping inflation and debt under control. Financial stabilization and stimulus programs that started in 2009-11, combined with lower tax revenues in 2009-10, required most countries to run large budget deficits. Treasuries issued new public debt - totalling USD 9.1 trillion since 2008 - to pay for the additional expenditures. To keep interest rates low, most central banks monetized that debt, injecting large sums of money into their economies - between December 2008 and December 2013 the global money supply increased by more than 35%. Governments are now faced with the difficult task of spurring current growth and employment without saddling their economies with so much debt that they sacrifice long-term growth and financial stability. When economic activity picks up, central banks will confront the difficult task of containing inflation without raising interest rates so high they snuff out further growth.

Fiscal and monetary data for 2013 are currently available for 180 countries, which together account for 98.5% of World GDP. Of the 180 countries, 82 pursued unequivocally expansionary policies, boosting government spending while also expanding their money supply relatively rapidly - faster than the world average of 3.1%; 28 followed restrictive fiscal and monetary policies, reducing government spending and holding money growth to less than the 3.1% average; and the remaining 70 followed a mix of counterbalancing fiscal and monetary policies, either reducing government spending while accelerating money growth, or boosting spending while curtailing money growth.

In 2013, for many countries the drive for fiscal austerity that began in 2011 abated. While 5 out of 6 countries slowed spending in 2012, only 1 in 2 countries slowed spending in 2013. About 1 in 3 countries actually lowered the level of their expenditures. The global growth rate for government expenditures increased from 1.6% in 2012 to 5.1% in 2013, after falling from a 10.1% growth rate in 2011. On the other hand, nearly 2 out of 3 central banks tightened monetary policy in 2013, decelerating the rate of growth of their money supply, compared with only 1 out of 3 in 2012. Roughly 1 of 4 central banks actually withdrew money from circulation, an increase from 1 out of 7 in 2012. Growth of the global money supply slowed from 8.7% in 2009 and 10.4% in 2010 to 5.2% in 2011, 4.6% in 2012, and 3.1% in 2013. Several notable shifts occurred in 2013. By cutting government expenditures and expanding money supplies, the US and Canada moved against the trend in the rest of the world. France reversed course completely. Rather than reducing expenditures and money as it had in 2012, it expanded both. Germany reversed its fiscal policy, sharply expanding federal spending, while continuing to grow the money supply. South Korea shifted monetary policy into high gear, while maintaining a strongly expansionary fiscal policy. Japan, however, continued to pursue austere fiscal and monetary policies.

Austere economic policies have significantly affected economic performance. The global budget deficit narrowed to roughly USD 2.7 trillion in 2012 and USD 2.1 trillion in 2013, or 3.8% and 2.5% of World GDP, respectively. But growth of the world economy slipped from 5.1% in 2010 and 3.7% in 2011, to just 3.1% in 2012, and 2.9% in 2013.

Countries with expansionary fiscal and monetary policies achieved significantly higher rates of growth, higher growth of tax revenues, and greater success reducing the public debt burden than those countries that chose contractionary policies. In 2013, the 82 countries that followed a pro-growth approach achieved a median GDP growth rate of 4.7%, compared to 1.7% for the 28 countries with restrictive fiscal and monetary policies, a difference of 3 percentage points. Among the 82, China grew 7.7%, Philippines 6.8%, Malaysia 4.7%, Pakistan and Saudi Arabia 3.6%, Argentina 3.5%, South Korea 2.8%, and Russia 1.3%, while among the 28, Brazil grew 2.3%, Japan 2.0%, South Africa 2.0%, Netherlands -0.8%, Croatia -1.0%, Iran -1.5%, Portugal -1.8%, Greece -3.8%, and Cyprus -8.7%.

Faster GDP growth and lower unemployment rates translated into increased tax revenues and a less cumbersome debt burden. Revenues for the 82 expansionary countries grew at a median rate of 10.7%, whereas tax revenues fell at a median rate of 6.8% for the 28 countries that chose austere economic policies. Budget balances improved for about three-quarters of the 28, but, for most, debt grew faster than GDP, and the median level of their public debt as a share of GDP increased 9.1 percentage points, to 59.2%. On the other hand, budget balances deteriorated for most of the 82 pro-growth countries, but GDP growth outpaced increases in debt, and the median level of public debt as a share of GDP increased just 1.9%, to 39.8%.

The world recession has suppressed inflation rates - world inflation declined 1.0 percentage point in 2012 to about 4.1% and 0.2 percentage point to 3.9% in 2013. In 2013 the median inflation rate for the 82 pro-growth countries was 1.3 percentage points higher than that for the countries that followed more austere fiscal and monetary policies. Overall, the latter countries also improved their current account balances by shedding imports; as a result, current account balances deteriorated for most of the countries that pursued pro-growth policies. Slow growth of world income continued to hold import demand in check and crude oil prices fell. Consequently, the dollar value of world trade grew just 1.3% in 2013.

Beyond the current global slowdown, the world faces several long-standing economic challenges. The addition of 80 million people each year to an already overcrowded globe is exacerbating the problems of pollution, waste-disposal, epidemics, water-shortages, famine, over-fishing of oceans, deforestation, desertification, and depletion of non-renewable resources. The nation-state, as a bedrock economic-political institution, is steadily losing control over international flows of people, goods, services, funds, and technology. The introduction of the euro as the common currency of much of Western Europe in January 1999, while paving the way for an integrated economic powerhouse, has created economic risks because the participating nations have varying income levels and growth rates, and hence, require a different mix of monetary and fiscal policies. Governments, especially in Western Europe, face the difficult political problem of channelling resources away from welfare programs in order to increase investment and strengthen incentives to seek employment. Because of their own internal problems and priorities, the industrialized countries are unable to devote sufficient resources to deal effectively with the poorer areas of the world, which, at least from an economic point of view, are becoming further marginalized. The terrorist attacks on the US on 11 September 2001 accentuated a growing risk to global prosperity - the diversion of resources away from capital investments to counter-terrorism programs.

Despite these vexing problems, the world economy also shows great promise. Technology has made possible further advances in a wide range of fields, from agriculture, to medicine, alternative energy, metallurgy, and transportation. Improved global communications have greatly reduced the costs of international trade, helping the world gain from the international division of labour, raise living standards, and reduce income disparities among nations. Much of the resilience of the world economy in the aftermath of the financial crisis resulted from government and central bank leaders around the globe working in concert to stem the financial onslaught, knowing well the lessons of past economic failures. (Source: *The World Factbook – Economy Overview* <https://www.cia.gov/library/publications/the-world-factbook/fields/2116.html#54>)

### **Indian Economy Overview**

India's economy has witnessed a significant growth in the recent past, growing by 7.3% in 2015 as against 6.9% in 2014. The size of the Indian economy is estimated to be ₹129.57 trillion (US\$2.01 trillion) in 2014. It is estimated that India will witness a GDP growth rate of 7.5% in 2016, due to improved investor confidence, lower food prices and policy reforms. (Source: *India Brand Equity Foundation*, <http://www.ibef.org/economy/indian-economy-overview>)

The growth rate of GDP at constant (2011-12) market prices is estimated at 7.3 percent in 2014-15 (Provisional Estimates). The growth of Gross Value Added (GVA) at basic prices for agriculture & allied sectors, industry sector and services sector are estimated at 0.2%, 6.1% and 10.2% respectively in 2014-15 as compared to the

corresponding rates of 3.7%, 4.5% and 9.1% respectively in 2013-14. IIP grew by 3.2 percent in the 1<sup>st</sup> quarter (Q1) of 2015-16.

Current Account Deficit (CAD) narrowed sharply to USD 27.9 billion (1.3% of GDP) in 2014-15 from USD 32.4 billion (1.7% of GDP) in the previous year. Net invisibles' earning was placed at USD 116.2 billion in 2014-15 as against USD 115.2 billion over the previous year. Net capital inflows, however, increased to USD 89.3 billion (4.4% of GDP) in 2014-15 from USD 47.9 billion (2.6% of GDP) in 2013 owing largely to higher net inflows of FDI, portfolio investment and NRI deposits.

Foreign Exchange Reserves stood at USD 353.5 billion at end of July 2015, as compared to USD 356.0 billion at end-June 2015. India's external debt remains within manageable limits as indicated by the external debt-GDP ratio of 23.8% at end-March 2015 vis-a-vis 23.6% at end-March 2014. External debt stock stood at USD 475.8 billion at end-March 2015 recording an increase of 6.6% over the level at end-March 2014. Short-term external debt was USD 84.7 billion at end-March 2015, showing a decline of 7.6% over the level at end-March 2014. Long-term debt accounted for 82.2% of total external debt at end-March 2015.

Global commodity prices declined in the 2<sup>nd</sup> quarter of 2015 due to ample supplies and weak demand, especially in industrial commodities. (Source: *Monthly Economic Report – July 2015 – Ministry of Finance, Department of Economic Affairs, Economic Division, www.mof.gov.in*)

### ***Inflation***

The headline Wholesale Price Index (WPI) inflation remained negative for the ninth month in a row and reached a low of 4.1% in July 2015 from 2.4% in June 2015. Food inflation declined to 1.4% from 1.9% in the previous month.

## **Indian Automotive and Auto Component Industry**

### ***Introduction***

The automotive industry in India is one of the main pillars of the economy. With strong backward and forward linkages, it is a key driver of growth. Liberalization and conscious policy interventions over the past few years created a vibrant, competitive market, and brought several new players, resulting in capacity expansion in automobile industry and generation of huge employment. (Source: *Department of Heavy Industry, Ministry of Heavy Industries & Public Enterprises, Government of India, www.dhi.nic.in*)

The contribution of this sector to the National GDP rose from 2.77% in 1992-93 to about 7.1% now. It provides direct and indirect employment to over 19 million people. India is fast turning into a global automotive hub. The sector has displayed an uneven growth trajectory over the last few years, with a slow-down in 2007-08, then showing marginal recovery, both in terms of sales as well as in production next year, that led to a dramatic increase of 25-27% in 2009-10 and 2010-13. However, for the last two financial years in continuation, the industry has gone into recession. Barring the scooter/two wheelers segment, each and every other vehicle segment showed negative growth in the year 2013-14, commercial vehicles being the most affected with 21% growth in production and passenger vehicles showing a growth of 4.6% indicating reduced demand among the common people who would have aspired to buy a passenger car. Even commercial passenger carriers have shown negative growth in production to the tune of 19.86% directly impacting the growth of public transportation. After a capacity creation of ₹22 billion in 2011-12, the automotive industry is now suffering from excess capacity and suppressed demand leading to lay-offs. Some of the areas causing distress in the automotive sector are: slowdown in economic growth, high cost of vehicle finance, high interest rates, high fuel prices, high inflation and negative market sentiments, increase in the commodity prices, high customs duty on alloy steel, aluminium alloy and secondary aluminium alloy, high rate of service tax and excise duty, high and varied rate of road taxes in the states or low growth of export markets. (Source: *Department of Heavy Industry, Ministry of Heavy Industries & Public Enterprises, Government of India, www.dhi.nic.in*)

Ministry of Heavy Industries and Public Enterprises has been consistently taking up the matter of providing some kind of stimulus package with prompt fiscal and other measures to put the industry back on track. As a result, in the interim budget for the year 2014-15, reduction in excise duty in case of cars, two wheelers and truck chassis was announced. Further, some other measures are urgently required to be taken, such as, removal of customs duty of raw materials such as steel or aluminium, revisit of CENVAT rules, review of import policy, duty draw back schemes, excise and customs rules, direct tax benefit to promote automotive R&D, and, above all, containing inflation and control of interest rates to make loans more affordable to the people. Immediate

steps are required so that the Indian Auto Industry once again becomes the engine of growth of the Indian manufacturing sector. (Source: Department of Heavy Industry, Ministry of Heavy Industries & Public Enterprises, Government of India, [www.dhi.nic.in](http://www.dhi.nic.in))

The Indian auto industry is one of the largest in the world with an annual production of 23.37 million vehicles in Financial Year 2015, following a growth of 8.68% over the last year, while contributing to 7.1% of the country's gross domestic product.

An expanding middle class, a young population, and an increasing interest of the companies in exploring the rural markets have made the two wheelers segment (with 81% market share) the leader of the Indian automobile market. The overall passenger vehicle segment has 13% market share. India is also a substantial auto exporter, with solid export growth expectations for the near future. In Financial Year 2015, automobile exports grew by 15% over the last year. Various initiatives by the Government of India and the major automobile players in the Indian market is expected to make India a leader in the Two Wheeler and Four Wheeler market in the world by 2020. (Source: India Brand Equity Foundation, [www.ibef.org](http://www.ibef.org))

### **Market Size**

The sales of Passenger Vehicles grew 3.9% in Financial Year 2015 over the same period last year. Within the Passenger Vehicles segment, Passenger Cars and Utility Vehicles registered a growth of 4.99% and 5.30% respectively.

The sales of Two Wheelers, Three Wheelers, Passenger Carriers, and Goods Carriers registered a growth of 8.09%, 10.80%, 12.16% and 5.27% respectively in Financial Year 2015, over the same period last year.

As per data provided by Society of Indian Automobile manufacturers, the Indian Auto industry produced a total 7.8 million vehicles in April-July 2015 as against 7.7 million in April-July 2014, thereby indicating a growth of 1.8% year-on-year.

Domestic Sales of Passenger Vehicles increased 7.46% in April-July 2015 year-on-year. Among Passenger Vehicles, cars grew 10.7% while Utility Vehicles and Vans declined by 0.32% and 1.43% respectively. Overall Commercial Vehicles segment registered 5.63% growth. Medium & Heavy Commercial Vehicles (M&HCVs) reported strong growth of 24.9% while Light Commercial Vehicles declined by 5.24 percent. Three Wheelers sales fell by 8.41 percent, while sales of Passenger Carriers and Goods Carriers fell by 9.25% and 4.5% respectively during the 4-month period.

In April-July 2015, overall automobile exports increased 8.6% year-on-year. Passenger Vehicles, Commercial Vehicles, Three Wheelers and Two Wheelers reported increase of 2.94%, 24.37%, 28.96% and 6.33% respectively during the period. (Source: India Brand Equity Foundation, <http://www.ibef.org/industry/india-automobiles.aspx>)

### **Investments**

To match production with demand, many automakers have started to invest heavily in various segments in the industry in the last few months. The industry has attracted foreign direct FDI worth USD 13.48 billion during the period April 2000 to June 2015, according to the data released by Department of Industrial Policy and Promotion. (Source: India Brand Equity Foundation, [www.ibef.org](http://www.ibef.org))

### **Government Initiatives**

The Government of India encourages foreign investment in the automobile sector and allows 100% FDI under the automatic route. Excise duty on small cars, scooters, motorcycles and commercial vehicles was reduced in February last year from 12% to 8% to boost the 'Make in India' initiative of the Indian government.

Some of the major initiatives taken by the Government of India are:

- (a) Promotion of eco-friendly cars in the country i.e. CNG based vehicle, hybrid vehicle, electric vehicle and also made mandatory of 5% ethanol blending in petrol.
- (b) The government has formulated a Scheme for Faster Adoption and Manufacturing of Electric and Hybrid Vehicles in India, under the National Electric Mobility Mission 2020 to encourage the progressive induction of reliable, affordable and efficient electric and hybrid vehicles in the country.

- (c) The Automobile Mission Plan for the period 2006–2016, designed by the government is aimed at accelerating and sustaining growth in this sector. Also, the well-established Regulatory Framework under the Ministry of Shipping, Road Transport and Highways, plays a part in providing a boost to this sector.
- (d) In the Union budget of 2015-16, the Government has announced to provide credit of ₹850,000 crores (US\$ 127.6 billion) to farmers, to boost the tractors segment.

(Source: India Brand Equity Foundation, [www.ibef.org](http://www.ibef.org))

### Road Ahead

The vision of Automobile Mission Plan 2006-2016 sees India, “to emerge as the destination of choice in the world for design and manufacture of automobiles and auto components with output reaching a level of USD 145 billion; accounting for more than 10% of the GDP and providing additional employment to 25 million people by 2016.” The Japanese automaker Maruti Suzuki expects the Indian passenger car market to reach four million units by 2020, up from 1.8 million units in 2013-14. (Source: India Brand Equity Foundation, [www.ibef.org](http://www.ibef.org))

The automobile industry in India is expected to be the world’s third largest by 2016, with the country currently being the world’s second largest two-wheeler manufacturer. Two-wheeler production is projected to rise from 18.5 million in Financial Year 2015 to 34 million by Financial Year 2020. Furthermore, passenger vehicle production is expected to increase to 10 million in Financial Year 2020 from 3.2 million in Financial Year 2015. (Source: India Brand Equity Foundation, [www.ibef.org](http://www.ibef.org))

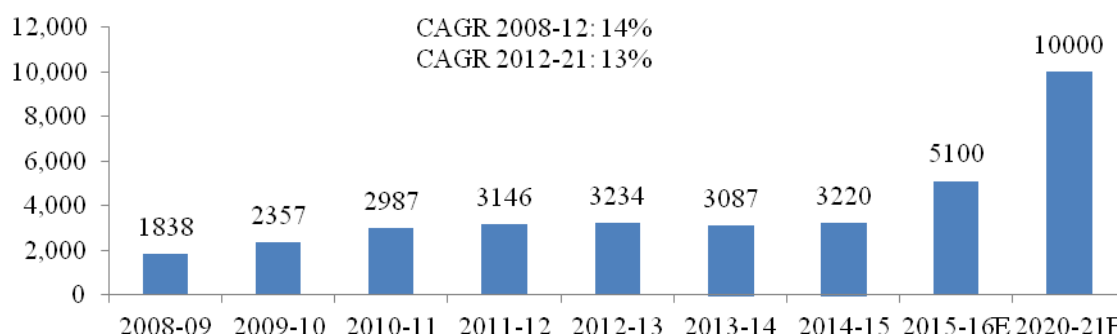
Automobile exports grew at a CAGR of 14.65% during 2010-15. Passenger Vehicles, Commercial Vehicles, Three Wheelers and Two Wheelers grew by 6.89%, 13.77%, 18.69% and 16.60% CAGR during 2010-15. Two wheelers accounted for the largest share of exports at 69.4% in Financial Year 2015. Passenger vehicles comprised a sizeable 16.7% of overall exports. Exports of three wheeler vehicles registered around 11.1% share in exports in Financial Year 2015. (Source: India Brand Equity Foundation, [www.ibef.org](http://www.ibef.org))

The government aims to develop India as a global manufacturing as well as a R&D hub. It has set up National Automotive Testing and R&D Infrastructure Project (NATRIP) centres as well as a National Automotive Board to act as facilitator between the government and the industry. Alternative fuel has the potential to provide for the country’s energy demand in the auto sector as the CNG distribution network in India is expected to rise to 250 cities in 2018 from 125 cities in 2014. Also, the luxury car market could register high growth and is expected to reach 150,000 units by 2020. (Source: India Brand Equity Foundation, [www.ibef.org](http://www.ibef.org))

The automotive sector is expected to generate up to USD 300 billion in annual revenue by 2026, contributing over 12% to the nation’s gross domestic product and creating 65 million more jobs, shows a document prepared jointly by the industry and government. The Automobile Mission Plan 2006-2016 projects India’s automotive industry to grow to over 70 million units a year by 2026, taking it into the league of China and the US. The Automobile Mission Plan is aimed at mapping the progress of the country’s automobile industry and setting its goals over the next decade. Around 23 million vehicles were produced in India in the year ended on March 31, 2015. The industry is estimated to be worth USD 74 billion now. (Source: India Brand Equity Foundation, [www.ibef.org](http://www.ibef.org))

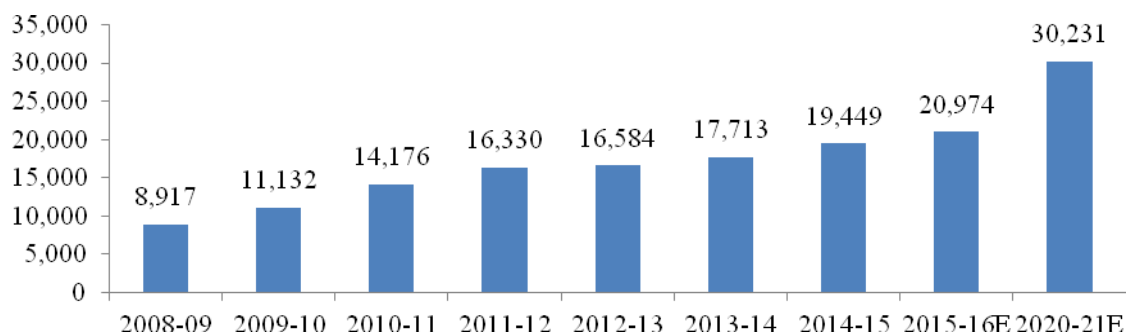
According to the Automotive Component Manufacturer’s Association, growth in production of passenger vehicles, two and three wheelers and commercial vehicles is expected to be as follows:

### Passenger Vehicles Production (‘000 units)

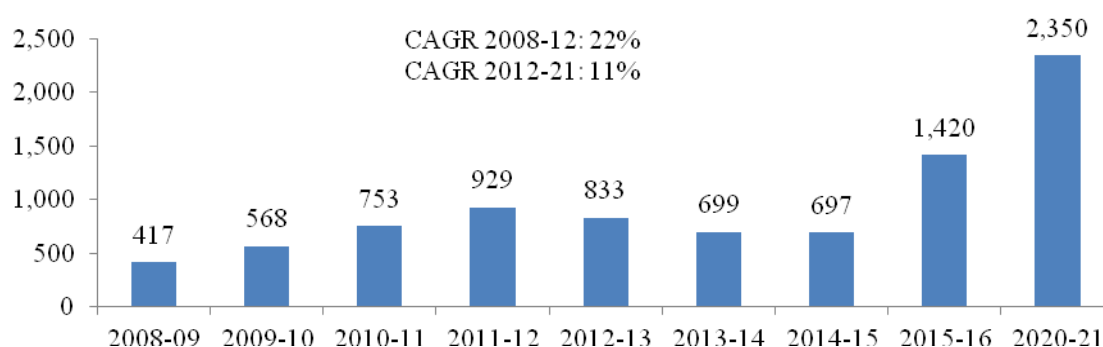


Figures for financial year – April to March

### Growth of Two and Three Wheelers ('000 units)



### Growth of Commercial Vehicles ('000 units)



## Auto component Industry in India

### Introduction

India is becoming an emerging global hub for sourcing auto components. It is geographically closer to key automotive markets like the ASEAN, Japan, Korea and Europe and is the fourth largest producer of steel in the world and is slated to become the second largest steel producer by 2015. The cost of making steel is significantly lower than competitive nations. Several global Tier I suppliers have announced plans to increase procurement from their Indian subsidiaries.

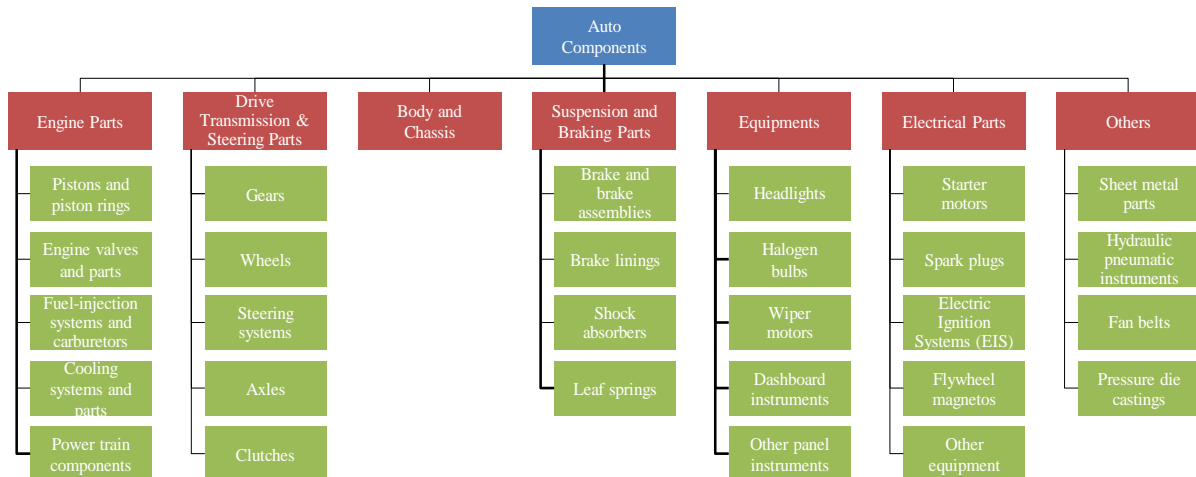
The auto component market in India had a turnover of USD 39.7 billion in 2012–13 and the growth is expected to reach USD 115 billion by 2020-21. The Auto Component market estimated to become the third largest in the world by 2016, accounting for more than 5% of global vehicle sales. It is expected to become the fourth largest automobiles producer globally by 2020 after China, US and Japan. The exports of auto components increased at a CAGR of 17% during 2008-13, reaching USD 9.7 billion in 2012-13. The growth of global OEM sourcing from India and the increased indigenisation of global OEMs is turning the country into a preferred designing and manufacturing base. (Source: Government of India, website [www.makeinindia.gov.in](http://www.makeinindia.gov.in))

The Indian auto-components industry has experienced healthy growth over the last few years. Some of the factors attributable to this include: a buoyant end-user market, improved consumer sentiment and return of adequate liquidity in the financial system. The revival of the auto industry was initially driven by the fiscal stimulus programme of the government.

The auto-components industry accounts for almost seven per cent of India's GDP and employs as many as 19 million people, both directly and indirectly. A stable government framework, increased purchasing power, large domestic market, and ever-increasing development in infrastructure have made India a favourable destination for investment.

The Indian auto Industry can be broadly divided into 6 major categories (as detailed in the chart below) each category requiring different level of technical and manufacturing capabilities which differ vastly, so does the industry landscape for each product category.



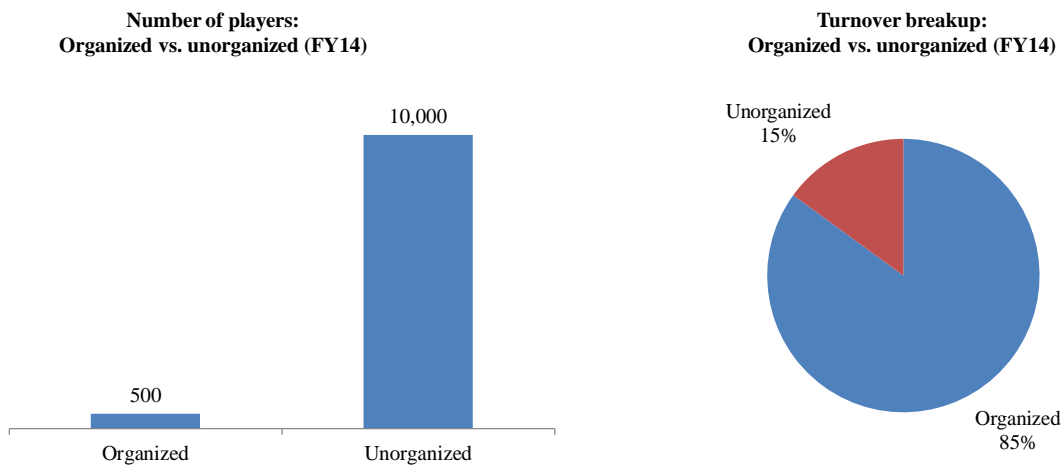


(Source: India Brand Equity Foundation, [www.ibef.org](http://www.ibef.org))

### Market Size

The Indian auto-components industry can be broadly classified into the organised and unorganised sectors. The organised sector caters to the OEMs and consists of high-value precision instruments while the unorganised sector comprises low-valued products and caters mostly to the aftermarket category.

OEMs prefer to have one major supplier and other secondary source supplier, this help OEM's mitigate risk from a single source also keeps a competitive pressure on the OEM.



(Source: India Brand Equity Foundation, [www.ibef.org](http://www.ibef.org))

The auto component industry is based upon the roles of its players in terms of products and manufacturing capability (as detailed in the chart below). OEM design and manufacture vehicles, Tier I suppliers like Bosch, Eaton, Magnetti Marelli act as product and system suppliers providing comprehensive solutions through their own research and development and joint product development with OEM. Tier II players provide single low technology products to either OEM or Tier I suppliers the focus on cost leadership and improving scale.

Revenues of the Indian auto-components industry grew by 11% over the past year to USD 34.7 billion in Financial Year 2015. This growth was primarily driven by healthy recovery for major OEMs in the M&HCV and Passenger Vehicle (PV) segment.

According to the ACMA, the Indian auto-components industry is expected to register a turnover of USD 66 billion by Financial Year 2016 with the likelihood to touch USD 115 billion by Financial Year 2020-21. In addition, industry exports are projected to reach USD 12 billion by Financial Year 2015-2016 and add up to

USD 30 billion by Financial Year 2020-21.



### **Investments**

The cumulative FDI inflows into the Indian automobile industry during the period April 2000 – June 2015 were recorded at USD 13.5 billion, as per data by the DIPP.

Some of the major investments made into the Indian auto components sector are as follows:

- ArcelorMittal signed a joint venture agreement with Steel Authority of India Ltd to establish an automotive steel manufacturing facility in India.
- French tyre manufacturer Michelin announced plans to produce 16,000 tonnes of truck and bus tyres from its Indian facility this year, a 45% rise from last year.
- Amtek Auto Ltd acquired Germany-based Scholz Edelstahl GmbH through its 100% Singapore-based subsidiary Amtek Precision Engineering Pte. Ltd.
- MRF Ltd plans to invest USD 679.5 million in its two factories in Tamil Nadu as part of its expansion plan.
- German luxury car maker Bayerische Motoren Werke AG’s announced it will start sourcing parts from at least seven India-based auto parts makers in response to promote ‘Make in India’.
- Hero MotoCorp is investing ₹50 billion (USD 754.9 million) in five manufacturing facilities across India, Colombia and Bangladesh, to increase its annual production capacity to 12 million units by 2020.
- Suzuki Motor Corp. is establishing a factory in Gujarat to export automobiles from India. The company aims to introduce 10 new models in India.

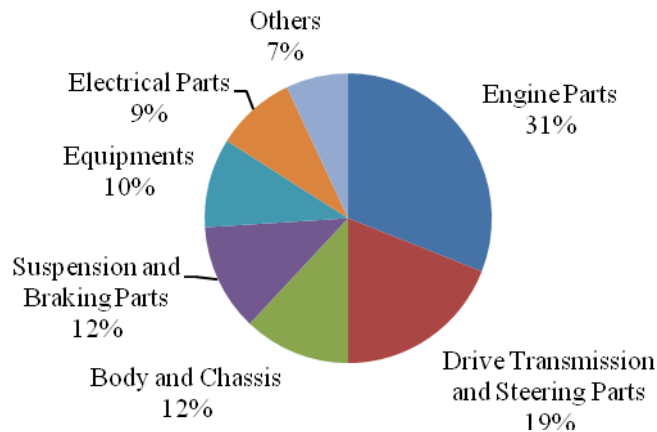
### **Government Initiatives**

The Government of India’s Automotive Mission Plan 2006–2016 has come a long way in ensuring growth for the sector. It is expected that this sector’s contribution to the GDP will reach USD 145 billion in 2016 due to the government’s special focus on exports of small cars, multi-utility vehicles (MUVs), two and three-wheelers and auto components. Separately, the deregulation of FDI in this sector has also helped foreign companies to make large investments in India.

### **Road Ahead**

The rapidly globalising world is opening up newer avenues for the transportation industry, especially while it makes a shift towards electric, electronic and hybrid cars, which are deemed more efficient, safe and reliable modes of transportation. Over the next decade, this will lead to newer verticals and opportunities for auto-component manufacturers, who would need to adapt to the change via systematic research and development.

### Comprehensive Product Range



(Source: <http://www.acma.in/industry-statistics.php>)

The Indian auto-components industry is set to become the third largest in the world by 2025. Indian auto-component makers are well positioned to benefit from the globalisation of the sector as exports potential could be increased by up to four times to USD 40 billion by 2020. (Source: <http://www.ibef.org/industry/autocomponents-india.aspx>)

### New Technologies

A big driver of growth for the auto-component industry especially in-terms of value will be new technologies that are being introduced to help improve driving experience, reduce emissions, improve safety and lower fuel consumption, driven by higher customer demand the value content of new vehicles is expected to rise.

Automated Manual Transmission is an automobile transmission system, which facilitates manual gear changes without having to use clutch, the system uses a combination of electro-hydraulic systems. The technology improves driving comfort and reduces emission.

The technology is gaining popularity across passenger vehicle segments globally; in India also the system is gaining popularity with several new cars expected to have incorporated this technology. Some of the current and upcoming cars expected to have this technology include Tata: GenX, Nano, Zest; Maruti Suzuki: Alto K10, Celerio, Wagon R, Swift, Dzire, Renault Kwid and Mahindra Quanto.

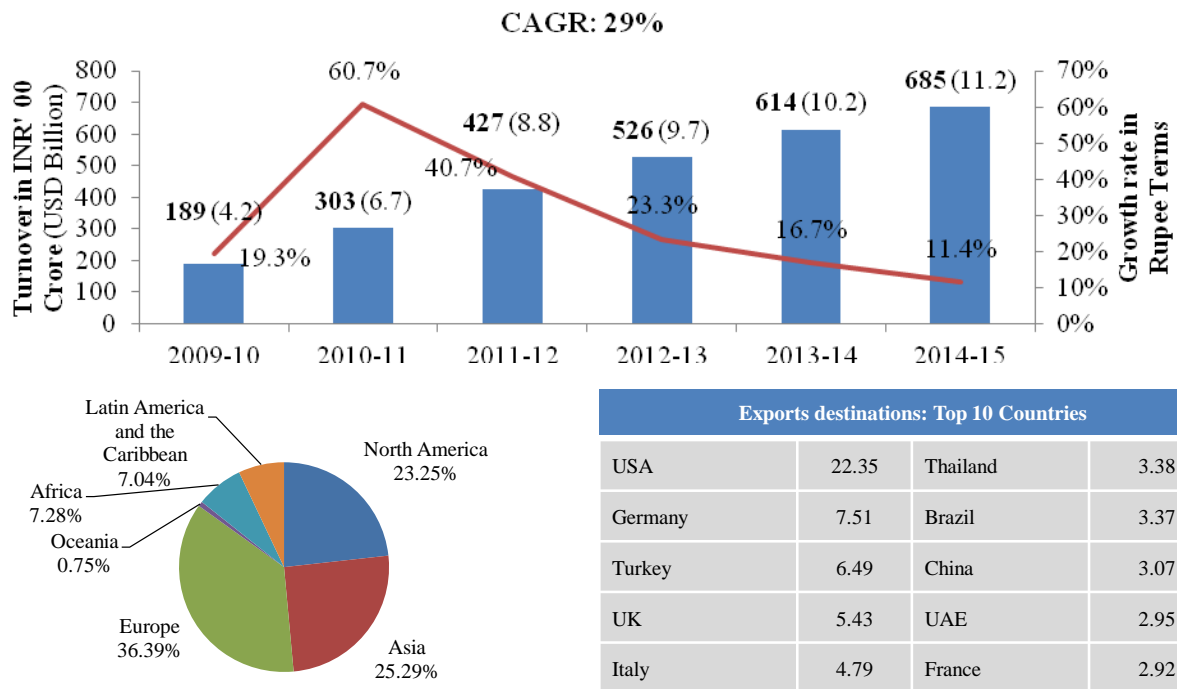
Gasoline Direct Injection Systems uses a common rail fuel line to directly inject highly pressurised fuel into the combustion chamber of each cylinder in the engine instead of multiple points used in conventional injection systems, this technology improves fuel efficiency and reduces emissions.

India is becoming a hub for auto-component exports due to its technical prowess, large talent pool and lower costs. Foreign OEMs and auto component manufacturers are entering into joint ventures and technical alliances with Indian players to harness their expertise and benefit from localisation of products.

Volvo has set-up a joint venture with Eicher motors to offer Eicher's and Volvo's products including Buses, Trucks, Engineering components and powertrain. The joint venture will manufacture most of Volvo's global medium duty engines for trucks and buses to be introduced over the next few years.

India's exports of auto components increased at a CAGR of 15% to USD 10.2 billion in the period Financial Year 2009-2014. Europe accounts for the largest share of Indian auto components exports (38.1%) followed by North America (21%) and Asia (25%). Exports could account for as much as 26% of the market by 2021.

## Exports – Auto Component Industry: 2010-15



(Source: [http://www.acma.in/docmgr/ACMA\\_Presentation/ACMA\\_Presentation.pdf](http://www.acma.in/docmgr/ACMA_Presentation/ACMA_Presentation.pdf) (ACMA Presentation))

Favourable government policies such as:

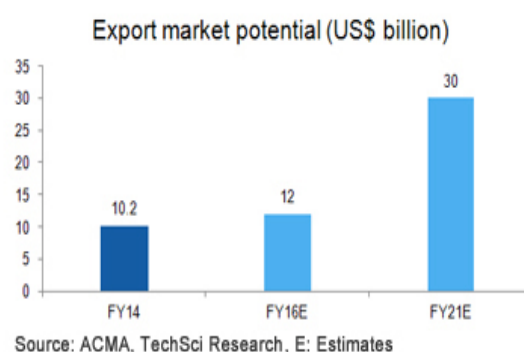
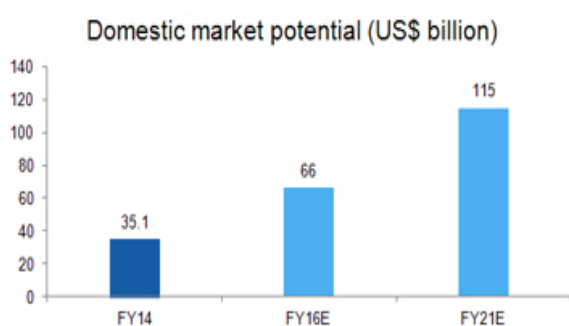
- (a) *Auto Policy 2002*: Automatic approval for 100% foreign equity investment in auto components manufacturing facilities. Manufacturing and imports in this sector are exempt from licensing and approvals.
- (b) *Automotive Mission Plan 2006-2016*: Setting up a technology modernisation fund focusing on small and medium enterprises. Establishment of automotive training institutes and auto design centres, special auto parks and virtual SEZs for auto components.
- (c) *National Automotive Testing and R&D Infrastructure Projects (NATRIPs)*: A total of USD 388.5 million is invested to enable the industry to adopt and implement global performance standards, focus on providing low-cost manufacturing and product development solutions.
- (d) *Department of Heavy Industries & Public Enterprises*: USD 200 million fund to modernise the auto components industry by providing an interest subsidy on loans and investment in new plants and equipment. Provided export benefits to intermediate suppliers of auto components against the DFRC.
- (e) *National Mission for Electric Mobility (NMEM) 2020*: The National Mission for Electric Mobility 2020 was launched on January 09, 2013 for foster adoption of electrical vehicles (EV) (including hybrid vehicles), and their manufacture in India to encourage reliable, affordable and efficient EVs that meet consumer performance and price expectations through government industry collaboration for promotion and development of indigenous manufacturing capabilities, required infrastructure, consumer awareness and technology, helping India emerge as a leader in the EVs two-wheeler and four-wheeler market in the world by 2020, with total EV sales of 6-7 Million units. It is estimated that there will be excellent demand in India for low cost EVs that are suited for safe short-distance urban commute (average 50-100 km/trip), and are rugged enough to perform reliably through the most hot climatic conditions that also see torrential monsoon rains for 3-4 months of the year.
- (f) *Pilot Projects of Electric Vehicle*: DHI is launching pilot projects on electric vehicles in Delhi and subsequently in other metros and other cities all across the country with a dual purpose of demonstrating and educating the people about the benefits of adopting clean and green mode of transportation. It will provide the viability gap funding through subvention to support the extra cost of acquisition and

operation of these vehicles by state governments or designated bodies. In the first phase, a pilot project to provide last mile connectivity to Delhi Metro by electric passenger vehicles has been approved.

- (g) *Research & Development Incentives for Industry & Private Sponsored Research:* A weighted tax deduction is given under section 35 (2AA) of the Income Tax Act. Weighted deduction of 200% is granted to assesseees for any sums paid to a national laboratory, university or institute of technology, or specified people with a specific direction and that the said sum is used for scientific research within a program approved by the prescribed authority.
- (h) *Manufacturers with In house Research & Development Centre:* Weighted tax deduction of 200% under Section 35 (2AB) of the Income Tax Act for both capital and revenue expenditure, incurred on scientific research and development. Expenditure on land and buildings is not eligible for deduction. Concessional excise duty of 6% extended to March 31, 2015 for manufacturers supplying batteries to producers of electrically operated vehicles. Exemption from basic customs duty on lithium-ion automotive batteries that are used in the manufacture of hybrid and electric vehicles.
- (i) *State Incentives:* Apart from the above, each state in India offers additional incentives for industrial projects. Incentives are in areas like subsidized land cost, relaxation in stamp duty exemption on sale and lease of land, power tariff incentives, concessional rate of interest on loans, investment subsidies, tax incentives, backward areas subsidies and special incentive packages for mega projects.
- (j) *Export Incentives:* Export promotion capital goods scheme. Duty remission scheme. Focus product scheme, special focus product scheme and focus market scheme.
- (k) *Areas based Incentives:* Incentives for units in SEZ/NIMZ as specified in respective Acts or setting up projects in special areas like the North-east region, Jammu & Kashmir, Himachal Pradesh & Uttarakhand.

A cost-effective manufacturing base keeps costs lower by 10-25% relative to operations in Europe and Latin America. India is geographically closer to key automotive markets like the Middle East and Europe. Global auto component players are increasingly adopting a dual-shore manufacturing model, using overseas facilities to manufacture few types of components and Indian facilities to manufacture the others.

(Source: <http://www.ibef.org/industry/auto-components-presentation> and <http://makeinindia.com/sector/automobile-components/>)



(Source: <http://www.ibef.org/industry/india-automobiles.aspx> and [http://www.acma.in/docmgr/ACMA\\_Presentation/ACMA\\_Presentation.pdf](http://www.acma.in/docmgr/ACMA_Presentation/ACMA_Presentation.pdf) (ACMA Presentation))

## Aerospace Sector

### Introduction

India's civil aviation industry is on a high-growth trajectory. India aims to become the third-largest aviation market by 2020 and the largest by 2030. The Civil Aviation industry has ushered in a new era of expansion, driven by factors such as low-cost carriers (LCCs), modern airports, FDI in domestic airlines, advanced IT interventions and growing emphasis on regional connectivity. India is the ninth-largest civil aviation market in the world, with a market size of around USD 16 billion. By 2020, passenger traffic at Indian airports is expected

to increase to 421 million from 190.1 million in 2015.

Domestic passenger traffic expanded at a CAGR of 11.8% over Financial Year 2006 to Financial Year 2015. It is expected to touch 209 million by Financial Year 2017. International passenger traffic posted a CAGR of 9.5% from Financial Year 2006 to Financial Year 2015 and is set to touch 60 million by Financial Year 2017.

Total freight traffic registered a CAGR of 6.7% over Financial Year 2006 to Financial Year 2015. Domestic freight traffic increased at a CAGR of 8.23% from Financial Year 2006 to Financial Year 2015 while international freight traffic rose 5.9% over the same period. In Financial Year 2015, domestic freight traffic was 0.98 million tonnes, while international freight traffic was at 1.5 million tonnes. The growth in passenger and freight traffic has been made possible by growth in total aircraft movement, which recorded a CAGR of 5.1% to Financial Year 2007 to Financial Year 2015.

### Market Size

In the second quarter of 2015, domestic air passenger traffic surged 19.2% to 20.3 million from 17 million in the corresponding period a year ago. Total passenger carried in June 2015 increased 13% year to year to 8.8 million from 7.8 million in June 2014. International and domestic passenger traffic grew 5.3% and 16%, respectively, in June 2015.

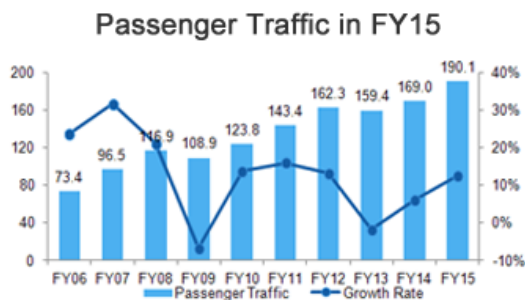
In June 2015, total freight carried rose 5.4% year to year to 222,990 tonnes vis-à-vis 211,590 tonnes in June 2014. International freight movement witnessed higher growth (7.1%) compared with domestic freight movement (2.6%). In June 2015, total aircraft movements at all Indian airports stood at 141,620, which was 8% higher than June 2014. International and domestic aircraft movements increased 6.5% and 8.4%, respectively, in June 2015. Over the next five years, domestic and international passenger traffic are expected to increase at an annual average rate of 12% and 8%, respectively, while domestic and international cargo are estimated to rise at an average annual rate of 12% and 10%, respectively.

### Government Initiatives

Government agencies project that around 500 brownfield and greenfield airports would be required by 2020. The private sector is being encouraged to become actively involved in the construction of airports through different Public Private Partnership models, with substantial state support in terms of financing, concessional land allotment, tax holidays and other incentives. The GoI envisions airport infrastructure investment of USD 11.4 billion under the Twelfth Five Year Plan (2012-17). It has opened airport sector to private participation, six airports across major cities are being developed under the PPP model. The Airports Authority of India (AAI) aims to bring around 250 airports under operation across the country by 2020.

### Road Ahead

India's aviation industry is largely untapped with huge growth opportunities, considering that air transport is still expensive for majority of the country's population, of which nearly 40% is the upwardly mobile middle class. The industry stakeholders should engage and collaborate with policy makers to implement efficient and rational decisions that would boost India's civil aviation industry. With the right policies and relentless focus on quality, cost and passenger interest, India would be well placed to achieve its vision of becoming the third-largest aviation market by 2020 and the largest by 2030. (Source: <http://www.ibef.org/industry/indian-aviation.aspx> and <http://www.ibef.org/industry/indian-airports-analysis-presentation>)



(Source: <http://www.ibef.org/industry/indian-aviation.aspx>)

### ***Rise in demand***

US plane maker Boeing Co. expects a demand for 1,740 planes in India over the next 20 years, anticipating that more people will travel by air over the course of time. The price tag for these planes is estimated at USD 240 billion. In its annual Current Market Outlook (CMO), Boeing raised its prediction for aircraft demand by 8.75% compared with 2014's forecast. In March 2014, Boeing said airlines in India will need 1,600 new aircraft, valued at USD 205 billion, in the next 20 years. Worldwide, Boeing expects a demand for 38,050 new planes over the next 20 years. India will account for 4.5% of this demand.

Domestic air traffic is on an upswing, with passenger growth rates and seat occupancy hitting a five-year high. Discretionary travel has spiked over the past six months, as fares declined 15-20%. Inbound traffic tourist arrivals grew 4.8% between January and July, is spurring passenger growth in the domestic market. According to the International Air Transport Association, air traffic in India has grown 19.4% between January and June, which is the highest amongst top seven domestic airline markets in the world, outstripping China that grew 12.3% in the same period.

According to Directorate General of Civil Aviation, domestic airlines flew 45 million passengers between January and July, compared with 37.6 million in the corresponding period last year, growth of 21%. While airline executives say low fares are driving demand in India, sector analysts see it as a sign of revival in the economy. While rating agency Moody's has cut the country's domestic growth forecast to seven per cent from 7.5%, lead economic indicators are showing early signs of a pick-up. Sales of passenger and commercial vehicles, too, are growing. But lower ticket prices, driven by lower fuel costs, are a major factor in traffic growth.

The revival in passenger volumes is being seen after slow growth from 2012-2014. In 2014, domestic carriers flew 67.3 million passengers, growth of 9.7% over 2013. In 2013, domestic air traffic had grown at 4.4% over 2012, while 2012 had seen passenger numbers decline over 2011. (Source: <http://www.ibef.org/news/indias-air-traffic-growth-ahead-of-others-in-hi>)

## OUR BUSINESS

### Overview

We are a diversified manufacturer and supplier of high precision components and assemblies, catering to a global clientele in the automotive & industrial and aerospace sectors. Our key clients include major Tier I Customers and OEMs such as Bosch, Eaton, Stanley Black & Decker and others.

We believe we are a one-stop solution provider to our clients, with a capability to manufacture a diverse range of products across sectors. Key products manufactured by us for the automotive & industrial sectors include precision components, machined castings & forgings, fuel filters and sub-assemblies used in engines, transmissions, fuel injection, turbo chargers, steering & chassis, for passenger/commercial vehicles and precision components, machined castings and forgings for other industries; and for the aerospace sector include precision components and sub-assemblies used in aero structures, aero engines and aircraft systems. During the five year period between April, 2010 and March, 2015, we manufactured and supplied over 1,121 varieties of components for automotive & industrial sector, which includes 755 varieties of components for customers catering to passenger/commercial vehicles and 366 varieties of components for other industries. Further, we manufactured and supplied over 1,196 varieties of components in the aerospace sector.

We have long-term relationships with several global Tier I Customers and OEMs. We have been suppliers to Bosch for over 40 years and Eaton for over 14 years each, and Stanley Black & Decker for over seven years respectively. We have been recognized as a “Preferred Supplier” by Robert Bosch GmbH and Eaton, for the components manufactured and supplied to them. During the Financial Year 2015, we supplied our components to 86 customers in automotive & industrial sector, which includes 60 customers catering to passenger/commercial vehicles and 26 customers catering to other industries. Further, we supplied our components to 23 customers in the aerospace sector. We have also been conferred with many awards and recognitions over the years by our clients and various industry bodies.

We believe that our manufacturing processes are robust, fungible and adaptable to our customers’ bespoke requirements and we endeavor to keep abreast with the latest technological developments. We have in-house capabilities to engage with a client at various stages of product development including design, validation, testing and delivery. We supply parts and sub-assemblies through our global delivery platform and third-party warehousing facilities situated in the USA, Sweden and Germany. During the Financial Year 2015, apart from India our components were shipped to customers in Austria, Belgium, Brazil, Canada, China, Czech Republic, France, Germany, Italy, Slovakia, Poland, South Korea, Sweden and the USA.

We benefit from a large and reliable supplier base for our raw materials and special processes, such as surface treatment and heat treatment, which enables timely manufacturing and delivery of components.

We have six manufacturing facilities and one storage facility in industrial zones in and around Bengaluru, Karnataka, having a total area of approximately 136,498 sq. ft. and 5,300 sq. ft. (built up area) respectively. Our manufacturing facilities located at Bommasandra, Nelamangala and Peenya have been duly certified for conforming to and applying international standards of quality management systems such as ISO/ TS 16949:2009 and EN 9100:2009 (technically equivalent to AS9100C and JIS Q 9100:2009); environmental management system standards - ISO14001:2004; occupational health and safety management systems - BS OHSAS 18001:2007; and specialized processes such as Non Destructive Testing by NADCAP-AS7003. We are currently in the process of setting up a new manufacturing facility at Jigani, Bengaluru and propose to commence commercial production by Financial Year 2016.

We believe that our advanced manufacturing processes coupled with our technological and engineering expertise have enabled us to provide high precision components to the advanced technological markets. Our capability to manufacture critical precision components enables us to reach out to existing Tier I Customers and OEMs in India, who currently import such components, thereby reducing their cost of sourcing component from outside India.

Our Company was incorporated on March 3, 1973 at Bengaluru, Karnataka, and is part of the Maini Group. Our Company is promoted by Dr. Sudarshan Kumar Maini, Sandeep Kumar Maini, Gautam Maini and Chetan Kumar Maini.

Our Company, MMMPL and our Promoters, Dr. Sudarshan Kumar Maini and Chetan Kumar Maini were the promoters of Reva Electric Car Company Private Limited (“RECC”), a joint venture with Amerigon Electric



Vehicle Technologies Inc., which manufactured and launched India's first commercial electric car, the "Reva". In May 2010, our Promoters undertook the strategic sale of a controlling stake in RECC to Mahindra and Mahindra Limited and RECC has since been renamed as Mahindra Reva Electric Vehicles Private Limited.

For the Financial Year 2015, our revenue from supplying components to customers catering to automotive & industrial sector was ₹2,464.06 million, which includes revenues from supply of components to customers catering to passenger/commercial vehicles of ₹1,591.98 million and from other industries of ₹872.12 million. Further, our revenue from supply of components to customers catering to aerospace sector was ₹334.06 million. For the Financial Year 2015, we derived 55.55% and 44.45% of our revenue from the sale of products to customers outside India and customers in India, respectively.

## **Our Strengths**

### ***Long-term relationships with key customers***

We have longstanding relationships with several global Tier I Customers and OEMs. We have been suppliers to Bosch for over 40 years and Eaton for over 14 years. Our Tier I Customers and global OEMs have stringent and time consuming selection procedures for procurement of precision components, which involves review of the manufacturing expertise, manufacturing facilities, processes, raw materials, financial capabilities, logistical capabilities and multiple inspection and review of prototypes. Our long-term association with our key customers has strengthened over the years, as a result of our ability to meet their requirements and deliver on our commitments in a timely and efficient manner. We have a dedicated manufacturing facility at Nelamangala for Bosch.

We have over the years, strengthened our relationships with global Tier I Customers and OEMs by becoming a supplier of choice for precision components to them. We have been recognized and accredited by Robert Bosch GmbH as their "Preferred Supplier" for turned parts and machined parts in 2010 and for machined parts in 2015. We were also awarded the "Best Supplier Award" by Bosch in recognition of our superior quality and outstanding performance for the India region, during the year 2014. We were awarded the "Best Supplier – Lean & Fast" award in 2015 by GE Aviation for the aerospace sector.

### ***One stop solution provider***

We have over the last four decades, evolved from a manufacturer of precision components to a one-stop solution provider to our customers, manufacturing and supplying precision components, machined castings and forgings and sub-assemblies at multiple levels of the value chain. Our ability to use innovative, suitable, appropriate and proven technology for manufacturing precision components, coupled with our ability to understand the business requirements of our customers, has enabled us to provide our customers with end to end solutions. For instance, while we commenced supplying certain key components to Bosch, we enhanced our technology and skills over the years to become their preferred supplier for turned and machined parts. Similarly, our relationship with another large Tier I Customer began with supply of non – critical components five years ago, and we have since progressed to supply high precision components such as the GDI pump body and variety of AMT parts.

We have the in-house capability to engage with a customer at various stages of production development including design, validation, testing and delivery. Our service offerings provide us multiple entry points during the life cycle of our customers' products, across the design and manufacturing matrix, thereby deepening and expanding our existing customer arrangements. Our one stop shop status allows us to be a key or preferred supplier to many of our customers, not restricted to the supply of a single product, but in relation to various products and solutions.

### ***Advanced manufacturing processes, engineering expertise and quality assurance***

We combine modern manufacturing technology and engineering expertise with frugal manufacturing processes, to deliver quality products in a cost efficient manner. Our manufacturing systems are customizable to handle large production volumes and the fungibility of our infrastructure, enables us to use our machinery for manufacturing various precision components, without incurring substantial operational costs or time.

We believe that our specialized manufacturing processes, coupled with our technological and engineering expertise, have enabled us to penetrate the advanced technological market. For instance, we have executed a letter of intent dated April 20, 2015 with a large Tier I Customer, to provide parts for the manufacture of the AMT systems. AMT is based on an electronic control unit and a hydraulic system that supervises the use of

clutch and gear shifting, allowing the driver to change gears without using the clutch, either sequentially or fully automatically. This technology is relatively new to India, both in terms of manufacturing and consumption.

Similarly, we manufacture the GDI pump body part for a large Tier I Customer. The GDI pump is a pump with a single piston mechanically operated with a flow rate control by means of an electromagnetic actuator. It enables automobile manufacturers to meet fuel economy and emission standards across the globe. The advanced machines used for the manufacture of these parts include twin spindle CNC turning centers, high-end HMCs, VMCs, TMCs and sophisticated testing equipments.

We have a dedicated team of engineers along with a well-equipped dimensional inspection and calibration laboratory. We believe that our engineering expertise and technology driven manufacturing processes have enabled us to deliver our products to our customers in accordance with their designs and specifications, in a cost effective manner without compromising on quality.

We continuously strengthen our engineering expertise by providing in-house training to our workforce, in order to diversify and update their skill sets and keep them updated with the latest changes in manufacturing technologies and processes. This training is especially critical while dealing with high precision components in the automotive & industrial and aerospace sectors, in order to identify processes which minimize costs through the most efficient deployment of our technological and human resources.

In order to ensure quality control and manufacture components with minimal defects, we identify error-proofing mechanisms in the machine at the initial stages of a new component production cycle for special purpose machines as well as conventional machines. This is achieved through the study of process cycles for each component, identification of processes that would lead to defects and the installation of error proofing tools such as auto sensors, jigs and fixtures. For example, in order to eliminate manual inspection and errors; we introduced an online auto gauging system, which, in addition to eliminating errors, also improved productivity. These measures are instrumental in ensuring that the products manufactured by us meet quality specifications and prevent manufacturing errors and defects.

#### ***Global delivery service model***

We have a global delivery service model for supplying products to our customers, which includes local delivery, logistical support and direct export through third party warehousing facilities located in the USA, Sweden and Germany. We maintain a safety stock at each of these warehousing facilities, which ensures that additional products are available in case of any contingencies. This model allows us to ensure timely delivery of products to our customers. Our global delivery service model is one of the key factors based on which we believe that global Tier I Customers and OEMs choose us as their supplier of choice for precision components.

We believe our global delivery service model has contributed significantly in strengthening our relationships with our key customers, by enabling us to serve multiple delivery locations and provide multiple delivery options, with flexible lead times and minimum costs. We are also able to internally consolidate our shipments into container loads, thereby managing our cost and timelines. Warehouse sales contributed to 34.46%, 35.66% and 34.48% of our revenue from operations in Financial Year 2015, Financial Year 2014 and Financial Year 2013, respectively.

#### ***Skilled, experienced and qualified workforce and senior management***

We have a skilled and technically qualified trade union workforce of around 550 employees, of whom a substantial number have been employed with our Company for more than 10 years. Our training module enables our workforce to gain experience and enhance their skills and capabilities, thereby, enabling them to progress from one level to another, across business verticals and sectors. Our workforce's inter-disciplinary training enables them to be as fungible a resource to our business as our manufacturing technology and processes. Our technical capabilities are further enhanced by personnel trained in and certified for specialized process, such as 'non-destructive testing', for which we employ an in-house ASNT Level-3 certified, Boeing certified, and Honeywell Source Certified Agent (SCA) approved employee.

Our senior management team comprising of our key employees having extensive experience in the precision components industry, including but not limited to operations, finance, business development, quality assurance, customer relationship and human resource management.

Our founder and Promoter, Dr. Sudarshan Kumar Maini has over 45 years of experience in the precision

manufacturing industry. Our Director, Sandeep Kumar Maini and our Managing Director, Gautam Maini each have over 25 years of experience in the precision manufacturing industry. We believe that we benefit significantly from the industry experience of our Promoters. Our Promoters' market understanding, entrepreneurial vision and years of experience in the industry have been the major drivers of our Company's growth. We leverage the understanding and the experience of our senior management in successfully managing our operations and growth.

For details of our management and key management personnel, see "Our Management" on page 124.

### ***Consistent financial performance***

We have established a strong track record of growth and financial performance with steady cash flows from our operations. Between Financial Year 2011 and Financial Year 2015, our revenue increased at a CAGR of 11.66%, our EBITDA at a CAGR of 7.62% and our profit after tax increased at a CAGR of 15.80%. CAGR information above relating to total revenue, EBITDA and profit after tax are based on our Restated Financial Information. Our revenue from operations in Financial Years 2015, 2014 and 2013 was ₹2,798.12 million, ₹2,583.62 million and ₹1,953.47 million, respectively, with revenue from customers catering to automotive & industrial sector accounting for 88.06%, 88.32% and 88.35% respectively which includes customers catering to passenger/commercial vehicles accounting for 64.44%, 54.00% and 56.89% respectively and customers catering to other industries accounting for 23.91%, 34.33% and 31.17% respectively. Further our revenue from customers catering to aerospace sector accounts for 11.94%, 11.68% and 11.65% respectively. Our EBITDA in Financial Years 2015, 2014 and 2013 was ₹304.64 million, ₹323.63 million and ₹212.26 million, respectively, while our profit after tax in such periods was ₹105.95 million, ₹119.01 million and ₹46.81 million, respectively. As on March 31, 2015, our reserves and surplus was ₹668.67 million while our net worth was ₹673.62 million. Our debt to equity ratio as on March 31, 2015 was 0.86. Our strong balance sheet and positive operating cash flows enable us to fund our strategic initiatives, pursue opportunities for growth and manage unanticipated cash flow variations.

### **Our Strategies**

#### ***Strong focus on exports***

We intend to leverage on our global delivery service model by continuing to focus on tailor-made precision components and processes designed to suit our customers' preferences. We believe that this model will enable us to become the supplier of choice in the global precision components industry. Our existing relationships and our ability to deliver components on a timely basis, and, in certain cases, our 'preferred supplier' status, enables us to follow our existing customers to newer geographical locations and to establish a presence in such locations. We propose to expand our delivery model to new geographies to ensure timely delivery of precision components to our customers at their manufacturing facilities in the most cost-efficient manner. This will reduce delays in delivery of our components to our customers' warehouses and manufacturing facilities. In addition, we also maintain a safety stock of components at each of these warehousing facilities, which ensures that additional components are available in case of any contingencies. We believe that our global delivery model is one of the key factors that our customers take into consideration while choosing us as their supplier of choice for precision components. As on March 31, 2015, our exports contributed to 53.11% of our revenues from operation. Over the years, we have enhanced our capabilities to cater to the requirements of our customers, and leverage on our export business.

#### ***Moving up the value chain***

Our forward integration allows us to penetrate into the diversified requirements of our customers and thus expand our business verticals to different sectors and requirements of our customers. We currently manufacture precision components ranging from components, machined castings and forgings, which are supplied as-is to our customers and sub-assemblies, which are a combination of several simple precision components. Over the years, we have focused on moving up this value chain of complexity and specialization by enhancing our manufacturing capabilities to produce complex precision components, as well as advanced sub-assemblies of consistently increasing complexity and precision, as we have done for Bosch and several other customers in the past. As our technological capabilities evolve, we intend to increase our focus on high-margin complex precision components and sub-assemblies while relying on our large and reliable base of suppliers for simpler precision manufacturing components and processes. Further, this strategy will deepen and expand our global clientele.

With an emphasis on increasing our scale of operations to cater to the diversified and increasing requirements of our customers, we propose to expand our manufacturing facilities to newer locations at Jigani and Nelamangala in Bengaluru. In furtherance of this objective, we have taken on lease a manufacturing facility in Jigani, Bengaluru and propose to commence commercial production by Financial Year 2016. We had acquired 15.78 acres of land in Nelamangala, Bengaluru with the objective of establishing a new manufacturing facility and have now applied for requisite regulatory approvals. We propose to utilize ₹169.87 million out of the Net Proceeds raised towards construction of a new building for a manufacturing facility at Nelamangala.

#### ***Localisation of manufacture of critical high precision components***

We believe that our advanced manufacturing processes, coupled with our technological and engineering expertise has enabled us to penetrate the advanced technological market and cater to the requirements of globally renowned customers. This capability to manufacture critical precision products enables us to reach out to existing Tier I Customers and OEMs' in India who currently import such products, thereby reducing their cost of sourcing the product from outside India. For instance, Bosch imported nozzle holder body components to India till 2013. In 2013 we started producing and supplying nozzle holder body components for Bosch, thereby substantially cutting their import costs. Further, a larger Tier I Customer imports AMT parts to cater to its customers in India. In 2015, relying on our capability to deliver the same product in accordance with their specifications in a timely manner, they have engaged us to manufacture and supply a certain volume of AMT parts to meet their requirements in India.

We believe that we have a key advantage over our competitors in understanding the product, quality and customer requirements in a timely and cost effective manner and are well positioned to be the manufacturer and supplier of choice for Tier I Customers and OEM suppliers for critical or high precision components in India.

#### ***Increased focus on aerospace sector***

We forayed into the aerospace sector in 2005, and have since developed several strengths including offset support with licenses, structured training for technicians and implementation of PLM software (AEROLEAN). Aerospace is a technology intensive sector, and we believe that our technology and skill sets are suited to the requirements of manufacturers in the aerospace sector for high precision, intricate machined products. Further, we believe that the fungibility of our infrastructure enables us to use a blend of advanced machinery for high precision aerospace products, without incurring substantial additional operational costs or time. At the same time, advanced manufacturing processes developed for our aerospace sector also enable us to move up the value chain of specialization and complexity in our automotive & industrial sectors.

Over the years, by virtue of our experience and efficiency in the aerospace sector, we have made our aerospace vertical into an independent business unit. The technology and the skill sets used by us in the automotive & industrial sectors with certain modifications are helpful in the aerospace sector, thus giving us an opportunity to leverage the usage of the automotive & industrial sector expertise into the aerospace sector, while adhering to the stringent standards of aerospace industry.

Our inspection facility located at Bommasandra Industrial Area is NADCAP certified for non-destructive testing for aerospace sector. In addition, this facility is also certified by SNECMA, GE Aviation, Boeing and Eaton for catering to their specific requirements.

#### **Our Vision**

The Maini Group is driven by the guiding principle of the 'ZERO' philosophy, under which we aim to deliver zero defect products with zero time delays, zero complaints through zero wastage and zero inefficiency and strive for zero pollution.

#### **Our Operations**

Our business operations are broadly divided into automotive & industrial and aerospace sector. Our products for automotive & industrial sector include products for passenger/commercial vehicles and for other industries. During the five year period between April, 2010 and March, 2015, we manufactured and supplied over 1,121 varieties of components for automotive & industrial sector, which includes 755 varieties of components for customers catering to passenger/commercial vehicles and 366 varieties of components for other industries. Further, we manufactured and supplied over 1,196 varieties of components in the aerospace sector.

## Products

### *Automotive & Industrial*

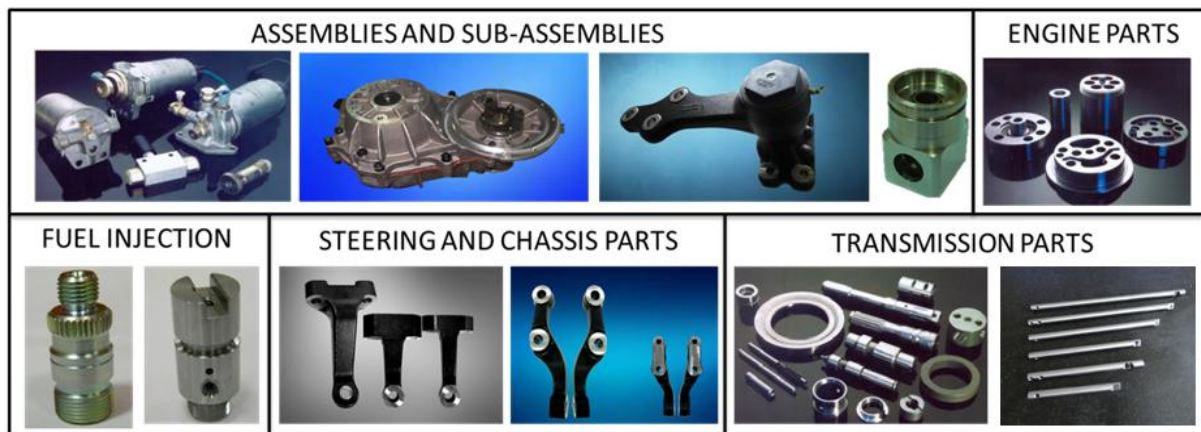
#### *Passenger/Commercial Vehicles*

During the five-year period between April 1, 2010 and March 31, 2015, we manufactured and supplied 755 varieties of precision parts to customers catering to passenger/commercial vehicles. The main component heads are listed below, key amongst them being:

- (a) *Engine parts* – We manufacture variety of precision components, machined castings and forgings that are utilized in engines for passenger cars, and commercial vehicles, including medium and heavy-duty engine parts.
- (b) *Transmission components*– We manufacture various components and sub-assemblies that form part of the manual and automatic transmission systems, including shafts, and forks that form part of the transmission assembly.
- (c) *Fuel injection components*– We manufacture precision components for gasoline and diesel specific fuel injection mechanisms, which are used in passenger cars, and commercial vehicles, including direct valve holder, nozzle holder body to Bosch and GDI pumps for a large Tier I Customer. These parts are made from stainless steel and form part of the new technology used globally by most of our customers
- (d) *Steering and chassis components* – We manufacture safety critical parts, which are used in commercial vehicles, including tie rods and spindle arms.
- (e) *Filter and hand primer assembly*– We manufacture and assemble diesel fuel filters and hand primers for conventional applications, and diesel fuel filters for common-rail applications, which are supplied to Bosch and are used in both passenger as well and commercial vehicles.
- (f) *Differential parts* – We manufacture precision components for differential applications, which are primarily used in four-wheel drive vehicles, including engagement shafts, which are supplied to Eaton.

Our major customers catering to passenger/commercial vehicles include Bosch and Eaton.

Set forth below are some of the components that we manufacture for customers catering to passenger/commercial vehicles:



#### *Other Industries*

During the five-year period between April 01, 2010 and March 31, 2015, we manufactured and supplied 366 varieties of precision parts, machined castings and forgings and sub assemblies for customers catering to other industries. The main component heads are listed below, key amongst them being:

- (a) *Hydraulics parts* – We manufacture precision components that are used in fluid conveyance motors for off-highway vehicles. These hydraulic products are primarily used in vehicles such as fork lifters, earthmovers, excavators and also for pumps used in industrial hydraulics, which are supplied to Eaton.
- (b) *Power tool parts* – We manufacture precision components that are primarily used in the drilling machines, for mining, construction purpose and regular household purposes, including honed cylinder, crankshaft, rams which are supplied to Stanley Black & Decker.
- (c) *General Engineering parts* – These are the components and sub assemblies that are manufactured for the stand-alone products such as generator sets, water pumps and, material handling which includes PF pumps, hand primers, which are supplied to Bosch.

Our major customers catering to other industries include Bosch, Stanley Black & Decker and Eaton.

Illustrated below, are some of the components that we manufacture for customers catering to other industries:



Revenue from our top five customers in the automotive & industrial sector constituted 85.46%, 82.86% and 78.69% of our revenue from operations in the automotive & industrial sector for Financial Years 2015, 2014 and 2013, respectively.

### ***Aerospace***

Under this sector, we develop, manufacture and supply machined high precision components, intricate ferrous, and non-ferrous components and sub - assemblies used in aero business for aerospace requirements.

During the five-year period between April 01, 2010 and March 31, 2015, we manufactured approximately 1,196 varieties of precision parts in the aerospace sector. We continuously upgrade our technical capability and progressed up the value chain into manufacturing of more complex components and sub-assemblies. We were awarded the “Best Supplier – Lean & Fast” in 2015 by GE for the aerospace sector. The various processes undertaken by our Company and components and sub assemblies delivered in the aerospace sector are listed below.

- (a) *Machined components and sub assemblies* – We manufacture the machined components and the sub assemblies that are used in aero structures, aero engines, and aircraft systems.
- (b) *Integration* – We work as an integrator with various service providers at different level of the manufacturing process, to deliver the end product to our customers. We source the required raw materials from various customer-approved sources, spread across different geographical locations. We use our in house capability to manufacture the component from the procured raw materials. We then integrate with various service providers, to engage into various processes, to ensure that the final component is ready to be delivered to the customer.
- (c) *Non-destructive testing* – We provide inspection facilities for magnetic particle inspection (MPI) and fluorescent particle inspection (FPI) to our customers. Our inspection facility located at Bommasandra Industrial Area is NADCAP certified. In addition, this facility is also certified by SNECMA, GE Aviation, Boeing and Eaton for catering to their specific requirements.

Our major customers in the aerospace sector are other large Tier I Customers.

Revenue from our top five customers in the aerospace sector constituted 84.22%, 74.35% and 93.75% of our revenue from operations from the aerospace sector, for Financial Years 2015, 2014 and 2013, respectively.

Set forth below are some of the aerospace components that we manufacture:



### Manufacturing Facilities

We have six manufacturing facilities situated in industrial zones in and around Bengaluru, Karnataka, India at various locations, namely, Bommasandra Industrial Area, Peenya Industrial Area and Nelamangala Industrial Area, having a total area of approximately 136,498 sq. ft. Our manufacturing facilities have been duly certified in accordance with international standards of quality management systems, environmental management systems, health and safety management systems and specialized processes such as non destructive testing. We are currently in the process of setting up a new manufacturing facility at Jigani, Bengaluru and propose to commence commercial production by Financial Year 2016.

Our manufacturing facilities are situated in industrial zones and are equipped with various machines such as multispindle automat machines, CNC turning centres, CNC multispindle machines, CNC sliding headstock machines, CNC vertical & horizontal machining centres, ID/ OD & surface grinding machines with marposs gauging, lapping machines, honing machines, super finishing machines, special purpose machines including deep hole drilling machines, drilling, boring and other conventional machines, and bar cutting machines to cater to requirements of different industries.

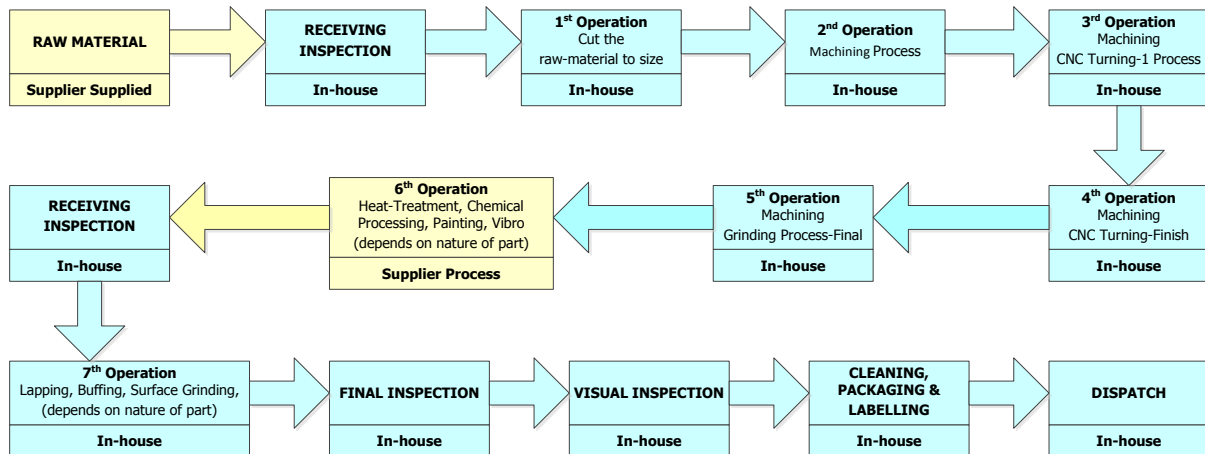
Our existing manufacturing facilities located at Bommasandra, Nelamangala and Peenya have been duly certified for conforming to and applying international standards of quality management systems such as ISO/ TS 16949:2009 and EN 9100:209 (technically equivalent to AS9100C and JIS Q 9100:2009); environmental management system standards - ISO14001:2004; occupational health and safety management systems - BS OHSAS 18001:2007; and specialized processes such as Non Destructive Testing by NADCAP-AS7003.

### Our Manufacturing Processes and capabilities

Our machines are equipped for both individual and diversified processes, and their fungibility enables us to employ them in the most optimum manner to suit the customer's preferences. Additionally, most of our machinery with certain modification is capable of being used interchangeably for either of our sectors, depending on the demand for such products. We have and may have dedicated production lines based on the size and frequency of the orders of our customers.

Set forth below is a flowchart of the typical manufacturing process employed by us for high precision components at our manufacturing facilities in industrial zones in and around Bengaluru, Karnataka:





Our capabilities include our various levels of process that allows us to produce the best possible precision-machined components to our customers. Besides machining our finishing processes includes:

- (a) Grinding – Grinding is an abrasive machining process that uses a grinding wheel as the cutting tool to give effect to the process.
- (b) Honing – Honing is an abrasive machining process that produces a particular precision surface on a metal work piece, by scrubbing an abrasive stone against it along a controlled path. Honing is primarily used to improve the geometric form of a surface, but may also improve the surface texture.
- (c) Lapping – Lapping is a finishing process, in which two surfaces are rubbed together with an abrasive between them, by hand movement or by using a specific machine meant for that purpose.
- (d) Burnishing – Burnishing is the smoothening out of a surface due to sliding contact with another object. Visually, burnishing smears the texture of a rough surface and makes it shinier and smoother.

### Process Innovation

In our constant endeavor to meet our customer's requirements and to improve our quality and process efficiency, innovation in the manufacturing process plays a key role. As we expand our customer base and our geographic reach, we continue to focus on operational efficiency through the effective use of technology and quality assurance. For example, we redesigned manufacturing processes combining multi-spindle automats and sophisticated CNC-VMC machines; we substituted the use of a series of conventional machines to special purpose machines, which can accommodate several operations. This process innovation eliminated multiple operations, leading to productivity improvement, reduction of man power and operational costs and most importantly, ensuring consistency in quality of the product.

We believe that using appropriate technology alongside new or modern technology for our products will improve our performance and efficiency. Our aim is to utilize present experience of the workforce; process and innovation in developing more value added components and assemblies. We constantly review, re-consider and implement our ideas and innovations, which is essential for the growth of the business. We shall continue to focus on process innovation through frugal engineering in order to meet the requirements of our customers.

### Raw Materials and Suppliers

We use steel rounds & bar stocks, castings, forgings and various alloys including ferrous, aluminum based alloys, nickel based alloys (e.g. inconel, monel), cobalt based & titanium-based alloys. Our raw materials are crafted into precision components, which are further assembled to manufacture the end product by our customers. All raw materials used in our aerospace sector are imported from customer-approved sources.

We enjoy a long-standing relationship with many of our raw material suppliers, which enables a timely manufacturing and delivery of components. We have arrangements with our raw material suppliers and also keep an array of suppliers with us, to ensure that there is no delay in manufacturing and delivery of the component to the customer due to the delay or failure to supply a critical raw material by any supplier. Most of



our purchase orders with our suppliers are for a period of six to twelve months. Our dependence on the raw material suppliers for the materials differs on a case-to-case basis based depending on the job work and the specific process requirements.

### **Customer Agreements**

We have entered into various purchase and supply contracts with several global Tier I Customers and OEMs including Bosch and Eaton and contract manufacturing agreement with Stanley Black & Decker, some of which are valid in perpetuity, unless terminated in accordance to the terms of the contract. Prior to entering into agreements with us, we also offer our customers the opportunity to inspect our manufacturing facilities, processes, raw materials and logistical capabilities. Based on such inspection, our customers confer us with various certifications and accreditations. The components are supplied by us under various purchase orders issued by the customers from time to time, under the terms of the master purchase or supply agreement. Some of our customers under their respective purchase or supply contracts, have the right to check and verify the manufacturing system and process laid down by us, for manufacturing the customer products under their respective purchase or supply contracts, which may include inspection of the manufacturing facilities, review of the manufacturing processes and review of the raw materials.

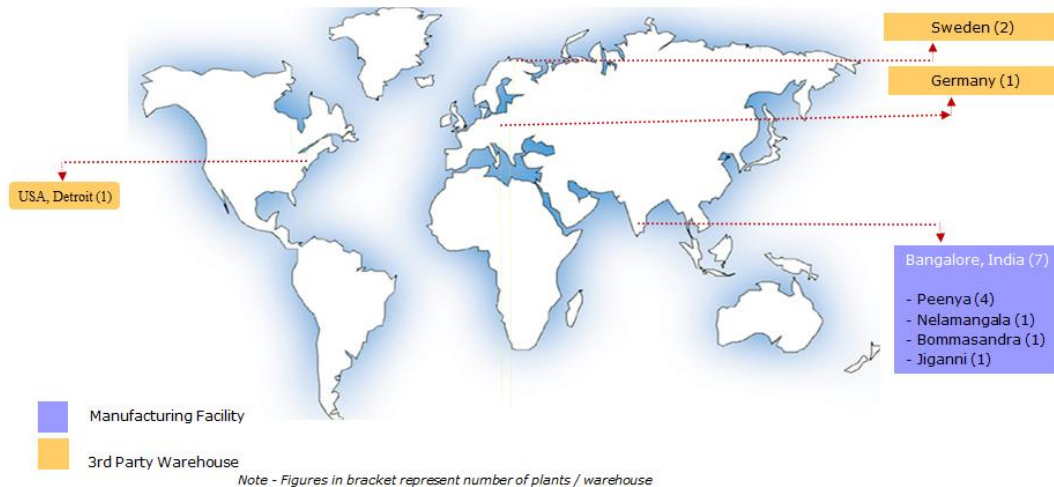
The purchase orders issued by the customers specify the type of components, the quantity and the cost for each batch of orders placed. The purchase orders are revised from time to time, on mutual terms and conditions, including price escalation on mutual terms for any increase in cost of raw material and transportation. Our contracts also provide for the manner and procedure for transportation of the manufactured components, which our Company ensures through its global delivery service model.

We have also entered into warranty agreements with certain key OEM customers, where we have long-term supply arrangements with such customers. For details, see “Risk Factors” on page 16.

### ***Global delivery service model***

Our Company has a global delivery platform for supplying precision components, machined castings and forgings including sub-assemblies to our customers through third party warehousing facilities situated in the USA, Sweden and Germany. We have arrangements with our third party warehousing facilities to stock our products for ensuring timely delivery as per the requirement of the customers. The arrangements are typically for a period of three to five years and rentals are payable on a monthly basis. The warehousing facilities availed by us are determined on the basis of customer concentration in a specific geographical location and are inspected and approved by our customers prior to our entering into contractual arrangements with the facility provider. We propose to expand our delivery model to new geographies to cater to the requirement of our existing as well as prospective customers. We also deliver our products directly to warehouses maintained by our customers across various geographies. We use third party logistic service providers for the shipment of our products to our customers located in various geographical locations.

# Manufacturing & Delivery Facilities



## Sales and marketing process

We have a strong and reliable network for marketing and servicing customers across four continents and over 20 countries, including, Brazil, India France and Germany. Our ‘one stop shop’ supplier status helps us to increase our sales across various components and solutions to our existing customers.

We have a key account management team which handles our customer relationships, deliveries and payments. Our sales, engineering and operations teams work together to ensure that expectations in relation to timelines and quality are always met. We have also appointed consultants in UK, USA and Italy for the purpose of marketing and sales of the business.

We strive towards building lasting relationships with our existing customers through frequent visits to their sites and by instituting training programs for our technical personnel at the facilities of certain customers. For instance, some of our Tier I Customers in the aerospace sector have instituted training programs for our technical personnel at their facilities.

The Maini Group has participated as an exhibitor, in many aero shows, including, Aero India, Aero-mart and Aerospace and Defence manufacturing Summit - 2015, thereby showcasing our capabilities along with the capabilities of other Maini Group entities on national and global platforms.

## Quality control, certifications and accreditations

In the precision components manufacturing industry, adherence to quality standards is a critical factor as any defects in any of the products manufactured by us, or failure to comply with the design specifications of our customers, may lead to cancellation of the purchase order placed by our customers and further loss of reputation. In order to maintain the quality standards and comply with the design specifications provided by our customers, we follow a stringent quality control mechanism. At each stage of the manufacturing process, the components are checked by our operators, to ensure there is no defect from the previous stage operator. Separately, representatives of our customers regularly inspect our manufacturing facilities and the manufacturing processes. Additionally, we have a separate team of engineers responsible for quality assurance both in the manufacturing facilities, plant and machineries, and in the manufacturing processes.

Our manufacturing facilities located at Bommasandra, Nelamangala and Peenya have been duly certified for conforming to and applying international standards of quality management systems such as ISO/ TS 16949:2009 and EN 9100:2009 (technically equivalent to AS9100C and JIS Q 9100:2009); environmental management system standards - ISO14001:2004; occupational health and safety management systems - BS OHSAS 18001:2007; and specialized processes such as Non Destructive Testing by NADCAP-AS7003. We have been recognized by and awarded various certifications and accreditations from agencies, authorities and expert bodies such as EN 9100:2009 EN 9100:2009 (technically equivalent to AS9100C and JIS Q 9100:2009) certification by TUV NORD CERT GmbH — 2; AS 9120A certification for quality management system issued by UL DQS

Inc.-2; NADCAP certification for non destructive testing by Performance Review Institute, United Kingdom.

Our specific purposes or processes have been duly certified by GE Aviation and Magellan Aerospace Corporation by way of a special process certification and a certificate of approval respectively.

For further details of accreditations and certifications see “Our History and Certain Corporate Matters” on page 119.

### **Health, safety and environment**

We believe in the strict adherence of laws and regulations relating to protection of human health and safety, and the environment. We follow high standards of work safety measures and standards, and our equipment and working conditions promote a healthy and safe work environment. Our facilities and personnel are well versed with laws and regulations governing the management and disposal of hazardous substances, and we intend to make our operations more environmentally sustainable in the future. All our existing manufacturing units are certified ISO 14001:2004 by Environmental Management System and occupational, health & safety assessment series by OHSAS 18001:2007. We have installed a sewage treatment plant for the purpose of treating and re using the waste and industrial wastes and all discharges are disposed off regularly. We also conduct regular emissions tests and all our wastes are disposed through approved authorised agents of the pollution control board.

In addition to various laws and regulations, we also abide by the internal practices and standards on safety that we have established internally. We also have emergency evacuation plan and the same is duly displayed across the organisation at all relevant places. We also conduct regular training, programmes, mock drills at regular intervals, to educate and prepare our employees for emergency and evacuation situation.

### **Human resources and employee training**

As on August 31, 2015, we have 1,486 employees, of whom around 550 persons are skilled and technically qualified trade union employees.

We are dedicated to the development of the expertise, skill sets and know-how of our employees. Our personnel policies are aimed towards recruiting talented individuals, facilitating their integration and promoting the development of their skills, including through in-house and on-site as well as external training programmes. We follow a training philosophy where our belief is in the power of craftsmanship and our goal is of blending global technology with Indian skill sets.

Our training and development module is aimed towards providing training for technical apprentices and technical supervisors in a well-structured manner. We select our skilled and technically qualified employees on the basis of their performance in the apprenticeship training certificate for the trade test issued by the Ministry of Labour and Employment under the National Council for Vocational Training program, and work towards developing their skills from an apprentice level to a technician by constantly enhancing their core competence and efficiency. We regularly transfer our employees internally for cross-disciplinary training and knowledge management, and promote the best performers in the automotive & industrial sector to the aerospace sector as per our requirements.

Our technical capabilities are further enhanced by personnel trained in and certified for super specialized activities such as ‘non-destructive testing’, for which we have an in-house ASNT Level-3 certified, Boeing certified, and Honeywell Source Certified Agent (SCA) approved employee.

Our employees form part of two trade unions. As on August 31, 2015, 552 of our workmen form part of the trade unions.

### **Intellectual Property**

We do not have any registered trademarks. Our Company uses the corporate logo (which is also the logo for the Maini Group) and its logo ‘MAINI PRECISION PRODUCTS’, pursuant to a license agreement dated July 15, 2015, entered into with Maini Industrial Consultants, a sole proprietorship of our Promoter, Dr. Sudarshan Kumar Maini. Maini Industrial Consultants have filed the application for the registration of the corporate logo (which is also the logo for the Maini Group) and the logo ‘MAINI PRECISION PRODUCTS’ before the Trade Marks Authority of India.

## **Immovable Properties**

Our registered office is located at B-165, Peenya Industrial Estate, Bengaluru 560 058, Karnataka, India. The land on which our registered office is located is owned by us. The parcels of land on which our six manufacturing facilities in Bengaluru are located, having a combined area of approximately 136,498 sq. ft, are either owned or leased by us. Out of the six manufacturing units we own three manufacturing units and three are leased by us.

## **Insurance**

We maintain insurance policies with independent insurers in respect of our products, aviation cover buildings, employees, life insurances, equipment and certain inventories, export risk, marine sales turn over, mediclaim policy, general liability insurance, directors and officers' liability insurance, product recall liability insurance, covering losses due to fire, burglary and a range of natural disasters, as well as money insurance policy.

The various insurances have been taken after analyzing the risk attached to every sector and dimension.

## **Competition**

Our global outreach and diversified product mix naturally means that there are several manufacturers of varying sizes across the world who we compete with directly in relation to specific sectors, segments, sub-segments or geographies in respect of some of our products.

We believe that our competitors are Dynamics Technologies Limited, Sansera Engineering Private Limited, Aequs Group, and Shakti Pumps Private Limited.

We also believe that our ability to offer one-stop-shop integrated solutions to our customers, along with individual components, and our emphasis on the global delivery service model to meet our customers' varying requirements, differentiate us from our competition and also effectively functions as an entry barrier for suppliers that who do not have the benefit of a global delivery service model that we have built and developed over the years.

General competitive factors in the market, which may affect the level of competition over the short and medium term, include vulnerability to overall macroeconomic factors, time to market, availability of after-sale and logistics support, innovation, technological enhancement, product features, design, quality, price, delivery, warranty, general customer experience, market trends and relationships between suppliers and their customers.

## **Corporate Social Responsibility ("CSR")**

We believe that corporate social responsibility is an integral part of our operations. We are committed to offering ethically purchased and responsibly produced components of the highest quality. Our CSR initiatives are aligned with the requirements under the Companies Act, 2013 and strive to contribute to our commitment towards the community by committing our resources and energies to social development.

Our Promoters are actively involved in the setting up and functioning of Gramothan Foundation, a public welfare trust founded with the objective of improving the standard of tribal and rural life in India through teaching, training and education. Our Promoters have also established and currently manage the Maini Samaj Kalyan Kendra, a charitable trust with the objective of providing financial aid and donations to educational, medical or other charitable trusts or institutions, giving scholarships and awards to deserving underprivileged students, for providing financial aid to poor patients to meet the medical expenses and, providing aid relief funds during natural calamities and other disasters.

## REGULATIONS AND POLICIES

*The following description is a summary of certain relevant laws and regulations as prescribed by the Government of India or state governments which are applicable to our Company. The information in this chapter has been obtained from publications available in the public domain. The description of the applicable regulations as given below has been provided in a manner to provide general information to the investors and is not exhaustive and shall not be treated as a substitute for professional legal advice. The statements below are based on the current provisions of applicable law, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions.*

### **Environmental Laws**

We are subject to various environment regulations as the operation of our establishments might have an impact on the environment in which they are situated. The basic purpose of the statutes listed below is to control, abate and prevent pollution. In order to achieve these objectives, pollution control boards (“PCBs”), which are vested with diverse powers to deal with water and air pollution, have been set up in each state. The PCBs are responsible for setting the standards for maintenance of clean air and water, directing the installation of pollution control devices in industries and undertaking inspection to ensure that industries are functioning in compliance with the standards prescribed. These authorities also have the power of search, seizure and investigation. All industries are required to obtain consent orders from the PCBs, which are indicative of the fact that the industry in question is functioning in compliance with the pollution control norms. These consent orders are required to be periodically renewed.

#### ***The Environment (Protection) Act, 1986 (“EPA”)***

The EPA is an umbrella legislation designed to provide a framework for the GoI to protect and improve the environment. The EPA vests with the GoI the power to take any measure it deems necessary or expedient for protecting and improving the quality of the environment, and preventing and controlling environmental pollution. This includes rules for the quality of environment, standards for emission of discharge of environment pollutants from various sources as provided under the Environment (Protection) Rules, 1986, inspection of any premises, plant, equipment, machinery, and examination of manufacturing processes and materials likely to cause pollution.

#### ***The Water (Prevention and Control of Pollution) Act, 1974 (“Water Act”)***

The Water Act aims to prevent and control water pollution by factories and manufacturing units and maintain and restore the quality and wholesomeness of water. Under the Water Act, any person establishing any industry, operation or process, any treatment or disposal system, use of any new or altered outlet for the discharge of sewage or new discharge of sewage, must obtain the consent of the relevant state pollution control board, which is empowered to establish standards and conditions that are required to be complied with.

#### ***The Water (Prevention and Control of Pollution) Cess Act, 1977 (“Water Cess Act”)***

The Water Cess Act provides for the levy and collection of a cess on water consumed by persons carrying on certain industries and by local authorities. Under this statute, every person carrying on certain industries and local authorities are required to pay a cess calculated on the basis of the amount of water consumed for any of the purposes specified under the Water Cess Act, at such rate not exceeding the rate specified under the Water Cess Act. A rebate of up to 25% on the cess payable is available to persons who install any plant for the treatment of sewage or trade effluent, provided that they consume water within the quantity prescribed for that category of industries and also comply with the provision relating to restrictions on new outlets and discharges under the Water Act or any standards laid down under the EPA.

#### ***The Air (Prevention and Control of Pollution) Act, 1981 (“Air Act”)***

The Air Act provides for the prevention, control and abatement of air pollution. Pursuant to the provisions of the Air Act, any person establishing or operating any industrial plant within an air pollution control area, must obtain the consent of the relevant state PCB prior to establishing or operating such industrial plant. The state pollution control board must decide on the application within a period of four months of receipt of such application. The consent may contain certain conditions relating to specifications of pollution control equipment to be installed at the facilities. No person operating any industrial plant in any air pollution control area is permitted to discharge the emission of any air pollutant in excess of the standards laid down by the state PCB.

***The Hazardous Wastes (Management Handling and Transboundary Movement) Rules, 2008 (“Hazardous Wastes Rules”)***

The Hazardous Wastes Rules aim to regulate the proper collection, reception, treatment, storage and disposal of hazardous waste. The Hazardous Wastes Rules impose an obligation on every occupier and operator of a facility generating hazardous waste to dispose of such waste without adverse effect on the environment, including through the proper collection, treatment, storage and disposal of such waste. Every occupier and operator of a facility generating hazardous waste must obtain an approval from the relevant pollution control board. The occupier, the transporter, the operator and the importer are liable for damages caused to the environment resulting from improper handling and disposal of hazardous waste. The operator and the occupier of a facility are liable for any fine that may be levied by the relevant state PCB.

***The Noise Pollution (Regulation & Control) Rules, 2000 (“Noise Regulation Rules”)***

The Noise Regulation Rules regulate noise levels in industrial, commercial, residential and silence zones. The Noise Regulation Rules also establish zones of silence of not less than 100 meters near educational institutions, courts, hospitals, or other institutions.

***The Public Liability Insurance Act, 1991 (“PLI Act”)***

PLI Act imposes liability on the owner or controller of hazardous substances for any damage arising out of an accident involving such hazardous substances. The government by way of a notification has enumerated a list of hazardous substances. The owner or handler is also required to obtain an insurance policy insuring against liability under the legislation. The rules made under the PLI Act mandate that the employer has to contribute towards the Environmental Relief Fund a sum equal to the premium paid on the insurance policies. The amount is payable to the insurer.

**Labour Related Regulations**

The Factories Act, 1948 (“**Factories Act**”) defines a “factory” to cover any premises which employs ten or more workers and in which manufacturing process is carried on with the aid of power and any premises where there are at least 20 workers even though there is or no electrically aided manufacturing process being carried on. Each State Government has rules in respect of the prior submission of plans and their approval for the establishment of factories and registration and licensing of factories. The Factories Act provides that an occupier of a factory i.e. the person who has ultimate control over the affairs of the factory and in the case of a company, any one of the directors, must ensure the health, safety and welfare of all workers. There is a prohibition on employing children below the age of fourteen years in a factory. The occupier and the manager of a factory may be punished with imprisonment for a term up to two years or with a fine up to ₹100,000 or with both in case of contravention of any provisions of the Factories Act or rules framed there under and in case of a contravention continuing after conviction, with a fine of up to ₹1,000 per day of contravention. In addition to the Factories Act, the employment of workers, depending on the nature of activity, is regulated by a wide variety of generally applicable labour laws. The following is an indicative list of labour laws applicable to the business and operations of Indian companies engaged in manufacturing activities:

- Contract Labour (Regulation and Abolition) Act, 1970;
- Employees’ Provident Funds and Miscellaneous Provisions Act, 1952;
- Employees’ State Insurance Act, 1948;
- Employees’ Provident Funds and Miscellaneous Provisions Act, 1952;
- Minimum Wages Act, 1948;
- Payment of Bonus Act, 1965;
- Payment of Gratuity Act, 1972;
- Payment of Wages Act, 1936;
- Maternity Benefit Act, 1961;
- Industrial Disputes Act, 1947;
- Shops and Establishments Legislations;

- Contract Labour (Regulation and Abolition) Act, 1970; and
- Employees' Compensation Act, 1923.

## **Fiscal Regulations**

### ***Foreign Trade (Development and Regulation) Act, 1992 (“FTA”)***

The FTA seeks to increase foreign trade by regulating imports and exports to and from India. The FTA read with the Indian Foreign Trade Policy, 2015-20 provides that a person or company can make no exports or imports without having obtained an importer exporter code number unless such person or company is specifically exempt. An application for an importer exporter code number has to be made to the Office of the Joint Director General of Foreign Trade, Ministry of Commerce. An importer-exporter code number allotted to an applicant is valid for all its branches, divisions, units and factories.

### ***Foreign Trade Policy 2015-20 (“EXIM Policy”)***

Under the Foreign Trade Policy, the GoI is empowered to periodically formulate the EXIM Policy and amend it thereafter whenever it deems fit. All exports and imports have to be in compliance with such EXIM Policy. The EXIM Policy provides for certain schemes for the promotion of export of finished goods and import of inputs.

### ***Customs Regulations***

All imports in the country are subject to duties under the Customs Act, 1962 at rates specified under the Customs Tariff Act, 1975. However, the GoI has the power to exempt certain specified goods from excise duty, by notification. The current customs duty on iron and steel is 15%.

### ***Export Promotion Capital Goods Scheme (the “EPCG Scheme”)***

The EPCG Scheme under the Foreign Trade Policy 2015-20 allows import of capital goods including spares for pre-production, production and post-production at zero customs duty subject to fulfilment of export obligations prescribed under the EPCG scheme and the Foreign Trade Policy. The EPCG Scheme covers manufacturer exporters with or without supporting manufacturer(s)/vendor(s), merchant exporters tied to supporting manufacturer(s) and service providers.

## **Laws relating to Taxation and Intellectual Property**

The tax related laws that are relevant include the Value Added Tax, 2005, the Income Tax Act, 1961, the Customs Act, 1961, the Central Sales Tax Act, 1956, Central Excise Act, 1944, and various service tax notifications. The laws relating to intellectual property that are relevant include the Trade Marks, 1999, The Patents Act, 1970 and the Indian Copyright Act, 1957.

## **Other Regulations**

### ***The Industries (Development and Regulation) Act, 1951 (“I (D&R) Act”)***

The I (D&R) Act provides for the development and regulation of specified industrial undertakings. The I (D&R) Act has been liberalized under the New Industrial Policy dated July 24, 1991, and all industrial undertakings are exempt from licensing except for certain industries such as distillation and brewing of alcoholic drinks, cigars and cigarettes of tobacco and manufactured tobacco substitutes, all types of electronic aerospace and defence equipment, industrial explosives including detonating fuses, safety fuses, gun powder, nitrocellulose and matches and hazardous chemicals and those reserved for the small scale sector.

An industrial undertaking, which is exempt from licensing, is required to file an Industrial Entrepreneurs Memorandum (“IEM”) with the Secretariat for Industrial Assistance, Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, GoI, and no further approvals are required under the I(D&R) Act.

## HISTORY AND CERTAIN CORPORATE MATTERS

### Brief history of our Company

Our Company was incorporated as Maini Precision Products Private Limited on March 3, 1973 at Bengaluru as a private limited company under the Companies Act, 1956. Pursuant to a special resolution passed by our Shareholders in the extraordinary general meeting held on August 26, 2015, our Company was converted into a public limited company and the name of our Company was changed to Maini Precision Products Limited. A fresh certificate of incorporation consequent upon conversion to a public limited company was issued by the RoC on September 9, 2015.

### Changes in Registered Office

The details of changes in the registered office of our Company are given below:

Date of change of Registered Office	Details of the address of Registered Office
April 1, 1974	From 1/1 Cunningham Road, Bengaluru to B-226, Functional Industrial Estate, Peenya, Bengaluru
January 1, 1975	From B-59, Functional Industrial Estate, Peenya, Bengaluru to 439 Rajmahal Vilas Extension, Bengaluru
August 13, 1982	From 439 Rajmahal Vilas Extension, Bengaluru to 6 <sup>th</sup> Floor, Devatha Plaza, Residency Road, Bengaluru
January 29, 2007	From 6 <sup>th</sup> Floor, Devatha Plaza, Residency Road, Bengaluru to B-165, 3 <sup>rd</sup> Cross, 1 <sup>st</sup> Stage, Peenya Industrial Estate, Bengaluru

The Registered Office was changed to meet operational and business requirements of our Company.

### Main Objects of our Company

The main objects contained in the MoA of our Company are as follows:

1. *To carry on the business of the manufacturers, designers, buyers, sellers, distributors, agents, dealers, importers and exporters of Precision tools of all types and descriptions, components, parts, machine tools and hardware of all kinds.*
2. *To carry on business of manufacturers and dealers in screws, nails, bolts and nuts, rivets and all other sophisticated tools.*
3. *To carry on business of manufacturers, importers and exporters and dealers in metals, machinery apparatus, and accessories of all types.*
4. *To carry on business of iron founders, mechanical engineers, manufacturers of agricultural implements, tools and other machinery tool makers, brass-founders, metal workers, mill-wrights, machinists, iron and steel converters, metallurgists and electrical engineers.”*

The main objects as contained in the MoA enable our Company to carry on the business presently being carried out and the activities proposed to be undertaken pursuant to the objects of the Offer. For further details, see “Objects of the Offer” on page 75.

### Amendments to the MoA

Set out below are the amendments to our MoA since the incorporation of our Company.

Date of Shareholders' Resolution	Particulars
April 15, 1975	Clause V of the MoA was amended to increase the authorised share capital from ₹50,000 divided into 500 Equity Shares of ₹100 each to ₹300,000 divided into 3,000 Equity Shares of ₹100 each.
December 10, 1984	Clause V of the MoA was amended to increase the authorised share capital from ₹300,000 divided into 3,000 Equity Shares of ₹100 each to ₹500,000 divided into



Date of Shareholders' Resolution	Particulars
	5,000 equity shares of ₹100 each.
November 10, 1988	Clause V of the MoA was amended to increase the authorised share capital from ₹500,000 divided into 5,000 Equity Shares of ₹100 each to ₹1,000,000 divided into 10,000 Equity Shares of ₹100 each.
September 20, 1999	Clause V of the MoA was amended to increase the authorised share capital from ₹1,000,000 divided into 10,000 Equity Shares of ₹100 each to ₹10,000,000 divided into 100,000 Equity Shares of ₹100 each.
June 30, 2005	Clause V of the MoA was amended to increase the authorised share capital from ₹10,000,000 divided into 100,000 Equity Shares of ₹100 each to ₹20,000,000 divided into 150,000 Equity Shares of ₹100 each and 50,000 Preference Shares of ₹100 each.
August 14, 2015	<ul style="list-style-type: none"> <li>Converted the 50,000 preference shares of ₹100 each in the authorised capital are converted into 500,000 Equity Shares of ₹10 each;</li> <li>Subdivided each Equity Share of ₹100 each into 10 Equity Shares of ₹10 each; and</li> <li>Clause V of the MoA was amended to increase the authorised share capital from ₹20,000,000 divided into 2,000,000 Equity Shares of ₹10 each to ₹105,000,000 divided into 10,500,000 Equity Shares of ₹10 each.</li> </ul>
August 26, 2015	Clause V of the MoA was amended to increase the authorised share capital from ₹105,000,000 divided into 10,500,000 Equity Shares of ₹10 each to ₹120,000,000 divided into 12,000,000 Equity Shares of ₹10 each.

### Major events and milestones of our Company

The table below sets forth the key events in the history of our Company:

Year	Particulars
1981	Obtained factory license from Department of Factories and Boilers, Government of Karnataka, to commence work at B-165, 3 <sup>rd</sup> Cross, Peenya Industrial Area, Bengaluru
1987	Obtained factory license from Department of Factories and Boilers, Government of Karnataka, to commence work at 5A, Bommasandra Industrial Area, Bengaluru
2005	Obtained factory license from Department of Factories and Boilers, Government of Karnataka, to commence work at B-163, 3 <sup>rd</sup> Cross, Peenya Industrial Area, Bengaluru
2005	Investments from AMHL in the Company
2006	Expansion of our plant at Bommasandra
2008	Obtained factory license from Department of Factories and Boilers, Government of Karnataka to commence work at C-217, 4 <sup>th</sup> Cross, Peenya Industrial Area, Bengaluru
2013	Obtained factory license from Department of Factories and Boilers, Government of Karnataka, to commence work at 169, Bypass Road, Kasaba Hobli, Nelamangala Town, Bengaluru

### Awards and Accreditations

We have received the following awards and accreditations:

Year	Awards and Accreditations
1992	“Performance Award” for consistent good quality and delivery in supplies during 1991 and 1992 from MICO Bosch group
2004	“Supplier of the Year Award” for continued excellence in quality, productivity, innovation and responsiveness in the “powertrain controls” category from Eaton
2006	“Eaton Corporation’s Premier Supplier Award” from Eaton
2006	“Eaton Certificate of Excellence” for providing outstanding quality performance to Eaton Automotive Group from Eaton
2008	“Eaton Corporation’s Supplier Excellence Award” from Eaton
2010	“Preferred Supplier” award for turned parts and machined parts from Bosch group
2011	“Best Supplier Award for Consistent Overall Rating” from Delphi-TVS Diesel Systems Limited
2011	“Best Quality Performance – Global” award from Eaton

<b>Year</b>	<b>Awards and Accreditations</b>
2012	“Best Supplier for Quality” award from Delphi-TVS Diesel Systems Limited
2012	”Best Manufacturing Practices” for successful completion of the Phase III of ACT UNIDO Cluster Journey for the period September 2009 to February, 2012 from ACMA
2014	“Bosch Supplier Award, 2014” awarded for superior quality and outstanding performance as a supplier of the Bosch group in India from Bosch
2014	Recognition of performance improvement during the year 2013 from Borgwarner Emissions Systems India Private Limited
2014	“Export Excellence Award, 2014” in the special category “Gold” from Karnataka Chamber of Commerce and Industry
2015	“Export Excellence Award, 2015” in the special category “Gold” from Karnataka Chamber of Commerce and Industry
2015	Certificate of Excellence awarded by GE for being the best supplier in “lean & fast – 2015” category at One GE, India Suppliers’ Conference, 2015

### **Other Details Regarding our Company**

For details regarding the description of our activities, the growth of our Company, technology, the standing of our Company with reference to prominent competitors with reference to products, management, major suppliers and customers, segment, capacity/facility creation, location, environmental issues, market capacity build-up, marketing and competition, “Our Business”, “Our Management” and “Industry Overview” on pages 103, 124 and 90 respectively.

For details regarding profits arising out of foreign operations, see “Financial Statements” on page F-1.

### **Summary of Key Agreements and Shareholders’ Agreements**

#### ***Shareholders Agreement and Subscription Agreement both dated June 30, 2005 entered into amongst our Promoters, Reva Maini, Vippen Sareen, AMHL and our Company***

Our Promoters, Reva Maini, Vippen Sareen, AMHL and our Company (the “**Parties**”) entered into a Subscription Agreement dated June 30, 2005, whereby AMHL agreed to make certain equity investment in our Company. The Parties also entered into a Shareholders Agreement dated June 30, 2005, as amended on September 16, 2008, regulating the relationship between the Shareholders. Subsequently, the preference shares were converted into 37,498 Equity Shares on June 4, 2007.

#### ***Settlement Agreement dated July 23, 2012 entered into amongst AMHL, our Promoters, Reva Maini, Vippen Sareen and our Company, as amended***

Our Promoters, Reva Maini, Vippen Sareen, AMHL and our Company (the “**Parties**”) entered into a Settlement Agreement dated July 23, 2012, as amended by a letter agreement date July 26, 2012 and October 25, 2012 (“**Settlement Agreement**”), pursuant to which our Promoters, Reva Maini and Vippen Sareen (“**Sponsors**”) agreed to purchase 33,065 Equity Shares held by AMHL. While the transfer of 32,202 shares to the Sponsors was completed on October 31, 2012, 863 shares held by AMHL could not be transferred to the Sponsors on account of certain non-compliances by AMHL. The Sponsors have transferred the consideration in respect of the outstanding shares to the custodian to be held in escrow. While AMHL has filed an application with the RBI on August 19, 2015, requesting a confirmation that no approval is required for the transfer of the outstanding shares, the application is pending as of the date of filing this Draft Red Herring Prospectus.

Subsequently, the Parties entered into a letter agreement dated September 29, 2015, pursuant to which the Parties agreed that the Settlement Agreement shall stand suspended till the earlier of (i) completion of the Offer or (ii) if the Company withdraws this Draft Red Herring Prospectus or the Offer is not completed within 15 months from the date of filing of this Draft Red Herring Prospectus. Upon the completion of the Offer, the Settlement Agreement shall stand terminated. It was also agreed between the Parties that during the suspension of the Settlement Agreement or upon termination of the Settlement Agreement AMHL would be free to sell the balance shares to any third party and will not be under any obligation to sell the Equity Shares to the Sponsors, provided that, any consideration already transferred by the Sponsors, shall revert to the Sponsors without any future act or deed on the part of AMHL.

***Trademark License Agreement dated September 17, 2015 entered into between Maini Industrial Consultants and our Company***

Our Company has entered into a trademark license agreement dated September 17, 2015 (“**License Agreement**”) with Maini Industrial Consultants (“**MIC**”), a proprietorship concern represented by its proprietor, Dr. Sudarshan Kumar Maini, also one of our Promoters. In terms of the License Agreement, our Company has been provided with the license to use the trade name, trademark and logo associated with the “Maini” and “Maini Precision Products” brand name and logo, which are owned by MIC, in consideration for a license fee of ₹100,000 per annum. The License Agreement is valid in perpetuity unless terminated by either our Company or MIC in terms of the License Agreement.

**Lock-outs and Strikes**

There have been no lock-outs or strikes in our Company in the last 10 years and our Company is not operating under any injunction or restraining order.

**Details regarding acquisition of business/undertakings, mergers, amalgamation, revaluation of assets, if any in the last five years**

Our Company has neither acquired any entity, business or undertaking nor undertaken any merger, amalgamation or revaluation of assets in the last five years.

**Capital raising activities through equity and debt**

Except as mentioned in “Capital Structure” on page 62, our Company has not raised any capital through equity. For details on the debt facilities of our Company, see “Financial Indebtedness” on page 175.

**Defaults or rescheduling of borrowings with financial institutions/banks and conversion of loans into equity**

There have been no defaults or rescheduling of borrowings with financial institutions/banks in respect of our current borrowings from lenders. None of our outstanding loans have been converted into equity shares.

**Time and cost overruns**

There have not been any instances of time and cost overruns in the development and construction of our manufacturing units.

**Changes in the activities of our Company during the last five years**

There has been no change in the activities of our Company during the last five years which may have had a material effect on the profit/loss account of our Company including discontinuance of line of business, loss of agencies or markets and similar factors.

**Our Shareholders**

Our Company has eight Shareholders as of the date of this Draft Red Herring Prospectus. For further details, regarding our Shareholders, see “Capital Structure” on page 62.

**Strategic or Financial Partners**

As on the date of this Draft Red Herring Prospectus, our Company does not have any strategic or financial partners.

**Guarantees**

Our Selling Shareholders have given the following guarantees to third parties as of the date of this Draft Red Herring Prospectus:

- (i) Our Promoter, Sandeep Kumar Maini, has given a guarantee dated July 13, 2010 in favour of Citi Bank for an amount of ₹112.00 million, in accordance with the sanction letter issued by Citi Bank on July 11, 2010 to MMMPL.

- (ii) Our Promoters, Sandeep Kumar Maini and Gautam Maini, have given personal guarantees to ICICI Bank Limited, Kotak Mahindra Bank Limited and Tata Capital Financial Services Limited for certain loans availed by our Company. For further details see “Financial Indebtedness” on page 175.

**Our Holding Company**

As on the date of this Draft Red Herring Prospectus, our Company does not have a holding company.

**Our Subsidiaries or Associates**

As on the date of this Draft Red Herring Prospectus, our Company does not have any subsidiaries or associates.

## OUR MANAGEMENT

### Board of Directors

In terms of our Articles of Association, our Company is required to have not more than 15 Directors and not less than three Directors. As on the date of this Draft Red Herring Prospectus, our Board comprises of seven Directors.

The following table sets forth details regarding our Board of Directors:

Name, designation, address, nationality, term, DIN and occupation	Age (Years)	Other directorships
<p><b>Name:</b> Dr. Kewal Krishan Nohria</p> <p><b>Designation:</b> Chairman and Independent Director</p> <p><b>Address:</b> 11, Aryavartha, N D Road Mumbai 400 026, Maharashtra</p> <p><b>Nationality:</b> Indian</p> <p><b>Term:</b> five years from July 15, 2015</p> <p><b>DIN:</b> 00060015</p> <p><b>Occupation:</b> Business</p>	83	<ul style="list-style-type: none"> <li>• Accelya Kales Solutions Limited</li> <li>• Aventura Components Private Limited</li> <li>• CG-PPI Adhesive Products Limited</li> <li>• Coreel Technologies (India) Private Limited</li> <li>• CTR Manufacturing Industries Limited</li> <li>• EA Water Private Limited</li> <li>• Fontus Water Private Limited</li> <li>• Geist Research Private Limited</li> <li>• Grow Talent Company Limited</li> <li>• Healthpoint Services India Private Limited</li> <li>• Igarashi Motors India Limited</li> <li>• Inspired Leadership Gurukul</li> <li>• Jolly Board Limited</li> <li>• Maini Materials Movement Private Limited</li> <li>• Net Creations Private Limited</li> <li>• Polymermann (Asia) Private Limited</li> <li>• Pradeep Metals Limited</li> </ul>
<p><b>Name:</b> Gautam Maini</p> <p><b>Designation:</b> Managing Director</p> <p><b>Address:</b> Flat no. 103-104, Silvercrest Apartments, No. 13, Resthouse Road Bengaluru 560 001, Karnataka, India</p> <p><b>Nationality:</b> Indian</p> <p><b>Term:</b> five years from January 1, 2015</p> <p><b>DIN:</b> 00667616</p> <p><b>Occupation:</b> Business</p>	47	<ul style="list-style-type: none"> <li>• All Terrain Solutions Private Limited</li> <li>• AM Formula UNO Private Limited</li> <li>• Armes Maini Storage Systems Private Limited</li> <li>• Mahindra Reva Electric Vehicles Private Limited</li> <li>• Maini Global Aerospace Private Limited</li> <li>• Maini Materials Movement Private Limited</li> <li>• Maini Plastics and Autocomponents Private Limited</li> <li>• Maini Plastics and Composites Private Limited</li> <li>• Sudarshan Maini Precision Products Private Limited</li> <li>• Tomcar India Private Limited</li> </ul>
<p><b>Name:</b> Dr. Sudarshan Kumar Maini</p> <p><b>Designation:</b> Executive Director</p> <p><b>Address:</b> Maini Sadan, No. 38 Lavelle Road, 7<sup>th</sup> Cross Bengaluru 560 001, Karnataka, India</p> <p><b>Nationality:</b> Indian</p> <p><b>Term:</b> liable to retire by rotation</p>	82	<ul style="list-style-type: none"> <li>• Maini Plastics and Composites Private Limited</li> <li>• Sudarshan Maini Precision Products Private Limited</li> </ul>

Name, designation, address, nationality, term, DIN and occupation	Age (Years)	Other directorships
<b>DIN:</b> 01567044  <b>Occupation:</b> Business		
<b>Name:</b> Sandeep Kumar Maini  <b>Designation:</b> Executive Director  <b>Address:</b> G-101, Lyndhurst No.3 Walton Road, Museum Road Cubbon Park Bengaluru 560 001, Karnataka, India  <b>Nationality:</b> Indian  <b>Term:</b> liable to retire by rotation  <b>DIN:</b> 01568787  <b>Occupation:</b> Business	49	<ul style="list-style-type: none"> <li>• All Terrain Solutions Private Limited</li> <li>• Armes Maini Storage Systems Private Limited</li> <li>• Embassy Industrial Parks Private Limited</li> <li>• Hensal India Private Limited</li> <li>• Mahindra Reva Electric Vehicles Private Limited</li> <li>• Maini Global Aerospace Private Limited</li> <li>• Maini Materials Movement Private Limited</li> <li>• Maini Plastics and Autocomponents Private Limited</li> <li>• Maini Plastics and Composites Private Limited</li> <li>• Page Industries Limited</li> <li>• Tomcar India Private Limited</li> </ul>
<b>Name:</b> Tarak Bhikhalal Madhani  <b>Designation:</b> Non-Executive Non-Independent Director  <b>Address:</b> 22-A-42, Brindavan Thane 400 601, Maharashtra  <b>Nationality:</b> Indian  <b>Term:</b> liable to retire by rotation  <b>DIN:</b> 00215657  <b>Occupation:</b> Professional	52	<ul style="list-style-type: none"> <li>• Bangalore Paints Limited</li> <li>• Finman Capital Services Private Limited</li> <li>• Intrepid Online Retail Private Limited</li> <li>• Maini Materials Movements Private Limited</li> </ul>
<b>Name:</b> Hemang Harish Raja  <b>Designation:</b> Independent Director  <b>Address:</b> 4/D, Rashmi Apartments 11, Carmichael Road Mumbai 400 026, Maharashtra  <b>Nationality:</b> Indian  <b>Term:</b> five years from July 15, 2015  <b>DIN:</b> 00040769  <b>Occupation:</b> Professional	57	<ul style="list-style-type: none"> <li>• Ace Derivatives and Commodity Exchange Limited</li> <li>• Capital First Limited</li> <li>• Fouress Consultants Private Limited</li> <li>• Hemarus Therapeutics Limited</li> </ul>
<b>Name:</b> Shubha Kulkarni  <b>Designation:</b> Independent Director  <b>Address:</b> No. 14, DA Costa Layout, Cooke Town, 1 <sup>st</sup> Cross	48	<ul style="list-style-type: none"> <li>• Altissimo Consulting and Services Private Limited</li> </ul>

Name, designation, address, nationality, term, DIN and occupation	Age (Years)	Other directorships
near Coffee Day, near old ICICI Bengaluru 560 084, Karnataka, India  <b>Nationality:</b> Indian  <b>Term:</b> five years from July 15, 2015  <b>DIN:</b> 03551350  <b>Occupation:</b> Business		

### Relationship between Directors

Dr. Sudarshan Kumar Maini is the father of Sandeep Kumar Maini and Gautam Maini. Sandeep Kumar Maini is the elder brother of Gautam Maini. Except as stated above, none of our Directors are related to each other.

### Brief Profiles of our Directors

**Dr. Kewal Krishan Nohria**, 83 years, is the Chairman and Independent Director of our Company. He received a bachelors degree in science (electrical engineering) from Banaras Hindu University in the year 1954. Thereafter, he was awarded the degree of “Doctor of Letters” (honoris causa) from Banaras Hindu University in the year 2003. He was appointed as a Director in the year 1999. He was the managing director (whole time director) at Crompton Greaves Limited from August 1985 to May 2000 and continued to be on the board of directors of Crompton Greaves Limited as director and chairman from May 2000 to July 2004. He has also held the post of chairman, board of governors of the Thapar Institute of Engineering and Technology, Patiala. He has over 30 years of experience in the field of engineering.

**Gautam Maini**, 47 years, is the Managing Director of our Company. He received a bachelors degree in commerce from Shri Ram College of Commerce in 1988. He was appointed as a Director of our Company on October 4, 1989, and became the Managing Director of our Company on July 10, 1999. He has approximately 25 years of work experience in automotive and industrial manufacturing. He is involved in the day-to-day operations of our Company and is responsible for the overall business of our Company.

**Dr. Sudarshan Kumar Maini**, 82 years, is the Executive Director of our Company and was instrumental in the formation of our Company. He has been associated with our Company as a director since its incorporation. He received a bachelors degree in science (mechanical engineer) in the year 1954 from Banaras Hindu University. He was granted the degree of “Doctor of Technology” (honoris causa) by Loughborough University in July 13, 2006 in recognition of his meritorious services. He was employed with Bosch Limited as general manager (production), before starting our Company. He was elected as an associate member of the Institution of Production Engineering in July 29, 1965. He has over 45 years of work experience in automotive and industrial manufacturing.

**Sandeep Kumar Maini**, 49 years, is the Executive Director of our Company. He received bachelors degree in engineering (industrial and production engineering) from Manipal Institute of Technology in the year 1989. He started his career with our Group Entity, Maini Materials Movement Private Limited on July 1, 1989, and was responsible for indigenization of all components and subassemblies for the product range of the company. He is also the managing director of Armes Maini Storage Systems Private Limited. He became the Director of our Company on September 19, 2007.

**Tarak Bhikhilal Madhani**, 52 years, is the Non-Executive Non-Independent Director of our Company. He received a bachelors degree in commerce from Mumbai University in 1983. He became an associate chartered accountant in 1985 and a fellow chartered accountant in 1992. He is also enrolled as a licentiate of the Institute of Company Secretaries of India in 1987. He has over 30 years of experience in the field of accounting. He was appointed as a Nominee Director of our Company on October 31, 2012 and became a Non-Executive Non-Independent Director on September 10, 2015.

**Hemang Harish Raja**, 57 years, is the Independent Director of our Company. He received a bachelors degree in commerce from University of Bombay in 1980 and masters degree in business administration (finance) from Abilene Christian University, Dallas in 1981. He has also obtained a certificate of recognition from the Agency for International Development, Government of USA, for his participation in a technical co-operation programme. He has over 33 years of experience in financial services and fund based lending businesses. He is the former managing director and chief executive officer at Investsmart India Limited. He has also served as the managing director of Credit Suisse Consulting (India) Private Limited in the private equity, asset management division. He was appointed as an Independent Director of our Company on January 7, 2015.

**Shubha Kulkarni**, 48 years, is the Independent Director of our Company. She received a bachelors degree in economics from Daulat Ram College, University of Delhi in the year 1987 and master of arts degree in social work from Jamia Millia Islamia University in 1989. She has over 23 years of experience in the field of human resources. She has served as the director - human resource at Hewlett Packard, head-HR, Asia Pacific for AXA Technology Services India Private Limited and vice president, human resource group at Perot Systems TSI (India) Limited. She was appointed as an Independent Director of our Company on May 25, 2015.

### Confirmations

None of our Directors is or was a director of any listed company during the last five years preceding the date of this Draft Red Herring Prospectus, whose shares have been or were suspended from being traded on the BSE or the NSE, during the term of their directorship in such company.

Except as stated below, none of our Directors is or was a director of any listed company which has been or was delisted from any stock exchange during the term of their directorship in such company:

Particulars	Details
Name of the Director	Dr. Kewal Krishan Nohria
Name of the company	Jolly Board Limited
Stock Exchange that it was listed on	BSE
Type of delisting	Voluntary delisting
Date of delisting	September 3, 2013
Reasons for delisting	For increased operational flexibility to support the company's business and meet the needs of its customers
Whether relisted or not	No
Term of the Director in the company	From July 25, 2005 till date

No proceedings/ investigations have been initiated by SEBI against any company, the board of directors of which also comprise any of the Directors of our Company. No consideration in cash or shares or otherwise has been paid or agreed to be paid to any of our Directors or to the firms of companies in which they are interested by any person either to induce him to become or to help him qualify as a Director, or otherwise for services rendered by him or by the firm or company in which he is interested, in connection with the promotion or formation of our Company.

### Terms of appointment of Executive Directors

#### Gautam Maini

Gautam Maini was appointed as our Director on October 4, 1989 and as our Managing Director pursuant to a Board resolution dated July 10, 1999.

The details of remuneration payable to Gautam Maini, as set out in the Board resolution dated August 8, 2007, is stated below:

Particulars	Remuneration
Remuneration (including social security benefits)	₹12.00 million per annum on a cost to Company basis
Commission	One percent of the post tax profit per year



### **Dr. Sudarshan Kumar Maini**

Dr. Sudarshan Kumar Maini has been associated as our Director since incorporation of our Company. Pursuant to a Board resolution dated April 10, 2002, all Directors are entitled to sitting fees of ₹5,000 per meeting.

### **Sandeep Kumar Maini**

Sandeep Kumar Maini was appointed as our Director on September 19, 2007. Pursuant to a Board resolution dated April 10, 2002, all Directors are entitled to sitting fees of ₹5,000 per meeting.

### **Payment or benefit to Directors of our Company**

The sitting fees/ other remuneration paid to our Directors in Financial Year 2015 are as follows:

#### **1. Remuneration to Executive Directors:**

The remuneration paid to the Executive Directors in the Financial Year 2015 is as follows:

<b>Name of Director</b>	<b>Remuneration paid in Financial Year 2015 (in ₹)</b>
Dr. Sudarshan Kumar Maini	10,000
Sandeep Kumar Maini	30,000
Gautam Maini	9,549,254

#### **2. Remuneration to Non-Executive Directors:**

The sitting fees paid to the Non-Executive Directors of our Company in the Financial Year 2015 is as follows:

<b>Name of Director</b>	<b>Remuneration paid in Financial Year 2015 (in ₹)</b>
Dr. Kewal Krishan Nohria	45,000
Tarak Bhikhilal Madhani	20,000
Hemang Raja	35,000
Shubha Kulkarni	Nil

In addition to the sitting fees, a commission of 0.50% on the net profit of our Company or ₹150,000, whichever is higher, is payable by our Company to our Chairman and Independent Director, Dr. Kewal Krishan Nohria. In Financial Year 2015, he received ₹665,615 as commission from the Company.

### **Arrangement or understanding with major Shareholders, customers, suppliers or others**

None of our Directors have been selected pursuant to any arrangement or understanding with any major shareholders, customers or suppliers of our Company, or others.

### **Shareholding of Directors in our Company**

Except as disclosed below, none of the Directors hold any Equity Shares in our Company as on the date of filing of this Draft Red Herring Prospectus:

<b>Names of Directors</b>	<b>Number of shares held</b>	<b>Pre-Offer Percentage of shareholding (%)</b>
Dr. Sudarshan Kumar Maini	4,300,191*	46.13
Sandeep Kumar Maini	2,362,374*	25.34
Gautam Maini	1,044,099*	11.20
<b>Total</b>	<b>7,706,664</b>	<b>82.67</b>

\* Out of 4,300,191 Equity Shares held by Dr. Sudarshan Kumar Maini, 3,678,255 Equity Shares have been pledged with ABFL. All the Equity Shares held by Sandeep Kumar Maini and Gautam Maini have been pledged with ABFL. For the details of the pledge of shares, see "Capital Structure" on page 62

### **Appointment of relatives of our Directors to any office or place of profit**

Except as disclosed above, none of the relatives of our Directors currently hold any office or place of profit in our Company.

### **Interest of Directors**

Our Independent Directors may be deemed to be interested to the extent of fees payable to them for attending meetings of our Board or a committee thereof as well as to the extent of other remuneration and reimbursement of expenses payable to them under our Articles of Association and to the extent of remuneration paid to them by our Company. Dr. Kewal Krishan Nohria may also be deemed to be interested to the extent of commission payable to him.

Except as stated in “Related Party Transactions” on page 147, and to the extent of shareholding in our Company, if any, our Directors do not have any other interest in our business.

Our Directors have no interest in any property acquired by our Company two years prior to the date of this Draft Red Herring Prospectus.

The Directors may also be regarded as interested in the Equity Shares held by them or Equity Shares that may be subscribed by or allotted to the companies, firms and trusts, in which they are interested as directors, members, partners, trustees and promoters, pursuant to the Offer. All of our Directors may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of the Equity Shares held by them.

Other than Dr. Sudarshan Kumar Maini, Sandeep Kumar Maini and Gautam Maini, who are our Promoters, none of our Directors have any interest in the promotion of our Company. For further details of interest of Dr. Sudarshan Kumar Maini, Sandeep Kumar Maini and Gautam Maini, see “Our Promoters and Promoter Group” on page 137.

No amount or benefit has been paid or given within the two preceding years or is intended to be paid or given to any of our Directors except the normal remuneration for services rendered as Directors.

No loans have been availed by our Directors from our Company.

Except as disclosed in “Related Party Transactions” on page 147, none of the beneficiaries of loans, advances and sundry debtors are related to the Directors of our Company.

Except as disclosed above, none of the Directors is party to any bonus or profit sharing plan of our Company.

Further, except statutory benefits upon termination of their employment in our Company on retirement, no officer of our Company, including our Directors and the Key Management Personnel, has entered into a service contract with our Company pursuant to which they are entitled to any benefits upon termination of employment.

### **Changes in the Board in the last three years**

<b>Name</b>	<b>Date of Appointment/Change/Cessation</b>	<b>Reason</b>
Deepali Bahl	October 30, 2012	Vacated office in accordance with Section 313 of the Companies Act, 1956
Ashish Kumar Agarwal	October 30, 2012	Resigned
Tarak Bhikhalal Madhani	October 31, 2012	Appointed as Nominee Director to Embassy Services Private Limited
Hemang Harish Raja	January 7, 2015	Appointed as Additional Independent Director
Shubha Kulkarni	May 25, 2015	Appointed as Additional Independent Director
Hemang Harish Raja	July 15, 2015	Appointed as Independent Director
Shubha Kulkarni	July 15, 2015	Appointed as Independent Director
Dr. Kewal Krishan Nohria	July 22, 2015	Change in designation from Director to Independent Director
Tarak Bhikhalal Madhani	September 10, 2015	Change in designation from Nominee Director to Non-Executive Non-Independent Director

## **Borrowing Powers of Board**

In terms of the Articles of Association and pursuant to a resolution passed by our Shareholders on September 18, 2015, the Board is authorised to avail loans up to ₹1,500 million from such banks or financial institutions as may be identified by the Company in this regard.

## **Corporate Governance**

The corporate governance provisions of the Equity Listing Agreement to be entered into with the Stock Exchanges will be applicable to us immediately upon the listing of the Equity Shares with the Stock Exchanges. The corporate governance framework is based on an effective independent Board, separation of the Board's supervisory role from the executive management team and constitution of the Board committees, as required under law. We are in compliance with the requirements of the applicable regulations, including the Equity Listing Agreement, the Companies Act and the SEBI ICDR Regulations, in respect of corporate governance including constitution of the Board and committees thereof and formulation of policies.

Currently, our Board has seven Directors. In compliance with the requirements of Clause 49 of the Equity Listing Agreement, we have three Executive Directors, four Non-Executive Directors including three Independent Directors on our Board.

The Board of Directors function either as a full board or through various committees constituted to oversee specific operational areas. The executive management provides the Board of Directors detailed reports on its performance periodically.

## **Committees of the Board**

In addition to the committees of the Board detailed below, our Board may from time to time, constitute committees for various functions.

### ***Audit Committee***

The members of the Audit Committee are:

1. Hemang Harish Raja (Chairman)
2. Dr. Kewal Krishan Nohria
3. Sandeep Kumar Maini

The Audit Committee was constituted pursuant to the Board meeting held on August 25, 2015. The scope and function of the Audit Committee is in accordance with Section 177 of the Companies Act and Clause 49 of the Listing Agreement and its terms of reference include the following:

- i) Overseeing our Company's financial reporting process and disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- ii) Recommending to the Board, the appointment, re-appointment, and replacement, remuneration and terms of appointment of the statutory auditor and the fixation of audit fee;
- iii) Reviewing and monitoring the statutory auditor's independence and performance, and effectiveness of audit process;
- iv) Approving payments to statutory auditors for any other services rendered by the statutory auditors;
- v) Reviewing with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
  - a) Matters required to be included in the Director's responsibility statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act;
  - b) Changes, if any, in accounting policies and practices and reasons for the same;
  - c) Major accounting entries involving estimates based on the exercise of judgment by management;

- d) Significant adjustments made in the financial statements arising out of audit findings;
  - e) Compliance with listing and other legal requirements relating to financial statements;
  - f) Disclosure of any related party transactions;
  - g) Qualifications in the draft audit report.
- vi) Reviewing and examination, with the management, the quarterly, half-yearly and annual financial statements and the auditors' report thereon before submission to the Board for approval;
  - vii) Approval or any subsequent modifications of transactions of the Company with related parties and omnibus approval for related party transactions proposed to be entered into by the Company subject to such conditions as may be prescribed;
  - viii) Scrutiny of inter-corporate loans and investments;
  - ix) Valuation of undertakings or assets of the company, wherever it is necessary;
  - x) Evaluation of internal financial controls and risk management systems;
  - xi) Approval or any subsequent modification of transactions of our Company with related parties;
  - xii) Reviewing with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
  - xiii) Reviewing, with the management, the performance of statutory and internal auditors, and adequacy of the internal control systems;
  - xiv) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
  - xv) Discussion with internal auditors any significant findings and follow up thereon;
  - xvi) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
  - xvii) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
  - xviii) Looking into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
  - xix) Approval of appointment of the chief financial officer (i.e., the whole-time finance Director or any other person heading the finance function or discharging the function) after assessing the qualifications, experience and background, etc. of the candidate;
  - xx) Reviewing the functioning of the whistle blower mechanism, in case the same is existing; and
  - xxi) Carrying out any other functions as is mentioned in the terms of reference of the Audit Committee.

The powers of the Audit Committee include the following:

- i) To investigate activity within its terms of reference;
- ii) To seek information from any employees;
- iii) To obtain outside legal or other professional advice; and

- iv) To secure attendance of outsiders with relevant expertise, if it considers necessary.

The Audit Committee shall mandatorily review the following information:

- i) Management discussion and analysis of financial condition and result of operations;
- ii) Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
- iii) Management letters/ letters of internal control weaknesses issued by the statutory auditors;
- iv) Internal audit reports relating to internal control weaknesses; and
- v) The appointment, removal and terms of remuneration of the chief internal auditor.

#### ***Nomination and Remuneration Committee***

The members of the Nomination and Remuneration Committee are:

1. Shubha Kulkarni (Chairman)
2. Hemang Harish Raja
3. Dr. Kewal Krishan Nohria

The Nomination and Remuneration Committee was constituted by a meeting of the Board of Directors held on August 25, 2015. The scope and function of the Nomination and Remuneration Committee is in accordance with Section 178 of the Companies Act, 2013 and Clause 49 of the Listing Agreement. The terms of reference of the Nomination and Remuneration Committee include:

- a) Formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- b) Formulating the criteria for evaluation of Independent Directors and the Board;
- c) Devising a policy on Board diversity;
- d) Identify persons who qualify to become directors or who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance. The company shall disclose the remuneration policy and the evaluation criteria in its annual report;
- e) Analysing, monitoring and reviewing various human resource and compensation matters;
- f) Determining our Company's policy on specific remuneration packages for executive directors including pension rights and any compensation payment, and determining remuneration packages of such directors;
- g) Determining the compensation levels payable to the senior management personnel and other staff (as deemed necessary), which shall be market-related, usually consisting of a fixed and variable component;
- h) Reviewing and approving compensation strategy from time to time in the context of the then current Indian market in accordance with applicable laws;
- i) Performing such functions as are required to be performed by the compensation committee under the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- j) Framing suitable policies and systems to ensure that there is no violation, by an employee of any applicable laws in India or overseas, including:
  - (i) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as and when the same come into force; or

- (ii) The Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003; and
- k) Performing such other activities as may be delegated by the Board of Directors and/or are statutorily prescribed under any law to be attended to by such committee.

#### ***Stakeholders' Relationship Committee***

The members of the Stakeholders' Relationship Committee are:

1. Dr. Kewal Krishan Nohria (Chairman)
2. Gautam Maini

The Stakeholders' Relationship Committee was constituted by our Board of Directors at their meeting held on August 25, 2015. The scope and function of the Stakeholders' Relationship Committee is in accordance with Section 178 of the Companies Act, 2013. The terms of reference of the Stakeholders' Relationship Committee include the following:

- a) Redressal of shareholders'/investors' grievances;
- b) Allotment of shares, approval of transfer or transmission of shares, debentures or any other securities;
- c) Issue of duplicate certificates and new certificates on split/consolidation/renewal;
- d) Non-receipt of declared dividends, balance sheets of the Company or any other documents or information to be sent by our Company to its shareholders; and
- e) Carrying out any other function as prescribed under the Equity Listing Agreement.

#### ***Corporate Social Responsibility Committee***

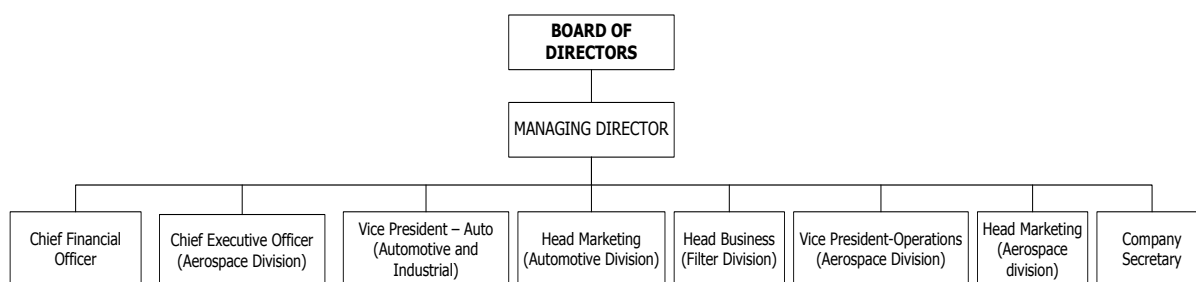
The members of the Corporate Social Responsibility Committee are:

1. Sandeep Kumar Maini (Chairman)
2. Shubha Kulkarni
3. Gautam Maini

The Corporate Social Responsibility Committee was constituted by our Board of Directors at their meeting held on January 7, 2015 and was reconstituted on May 25, 2015 and August 25, 2015. The terms of reference of the Corporate Social Responsibility Committee of our Company shall include the following:

- a) Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by our Company in accordance with the provisions of the Companies Act, 2013;
- b) Review and recommend the amount of expenditure to be incurred on activities to be undertaken by our Company;
- c) Monitor the Corporate Social Responsibility Policy of our Company and its implementation from time to time; and
- d) Any other matter as the Corporate Social Responsibility Committee may deem appropriate after approval of the Board of Directors or as may be directed by the Board of Directors from time to time.

## Management Organisation Chart



### Key Management Personnel

The details of the Key Management Personnel of our Company are as follows:

**Gautam Maini** is the Managing Director of our Company. For further details see “ – Brief profiles of our Directors” in page 126.

**V Sridhar** is the Chief Financial Officer of our Company. He received a bachelors degree in commerce from University of Madras in 1982 and became a member of the Institute of Chartered Accountants of India in 1986. He has over 25 years of experience in finance and accounting. Prior to joining our Company he worked with The Arvind Mills Limited as Head – Corporate Initiative. He joined our Company in 2010 as the Chief Financial Officer. He received an aggregate amount of ₹4.71 million as remuneration for the Financial Year 2015.

**Naresh Palta** is the Chief Executive Officer (Aerospace Division) of our Company. He received a bachelors degree in science (aeronautical engineering) from Punjab University in 1969 and AIMA Diploma in management from All India Management Association, New Delhi in 1987. He has over 43 years of experience in aeronautics. Prior to joining our Company he worked with Hindustan Aeronautics Limited as their Executive Director (CS & QA). He joined our Company in 2008 as Chief Executive Officer (Aerospace Division). He received an aggregate amount of ₹3.35 million as remuneration for the Financial Year 2015.

**PB Sathyanarayana** is the Vice President – Auto (Automotive and Industrial) of our Company. He received a bachelors degree in mechanical engineering from Bengaluru University in 1989. He has over 26 years of experience in vendor development. Prior to joining our Company he worked with TVS-Suzuki Limited as member (vendor support group). He joined our Company on February 18, 2008 as general manager – materials/ supply chain. He received an aggregate amount of ₹4.33 million as remuneration for the Financial Year 2015.

**Avinash Kumar** is the Head Marketing (Automotive Division) of our Company. He received a bachelors degree in science from Bengaluru University in 1997 and masters degree in international trade and finance from Indira School of Management Studies in 1999. He has over 14 years of experience in the field of marketing. He joined our Company in 2001 as export executive. He received an aggregate amount of ₹2.07 million as remuneration for the Financial Year 2015.

**BS Venkateshwara** is the Head Business (Filter Division) of our Company. He received a bachelors degree in engineering (mechanical engineering) from Kuvempu University in 1994. He has over 16 years of experience in engineering. Prior to joining our Company he worked with Makino India Private Limited. He joined our Company in 2013 as Head Business (Filter Division) of our Company. He received an aggregate amount of ₹2.01 million as remuneration for the Financial Year 2015.

**R Ramachandra** is the Vice President – Operations (Aerospace Division) of our Company. He received a bachelors degree in mechanical engineering from Bengaluru University in 1982 and masters degree in business administration from Bengaluru University in 1991. He has over 23 years of experience in the field of engineering. He has held the post of Chief Operating Officer at Alumeco India Extrusion Limited. Prior to joining our Company he worked with Daramic Battery Separator India Private Limited as Head of Operations (India). He joined our Company in 2013 as Vice President – Operations for Aerospace division of our Company. He received an aggregate amount of ₹2.44 million as remuneration for the Financial Year 2015.

**Joe Jacob Jose** is the Head Marketing (Aerospace Division) of our Company. He received a bachelors degree in engineering from Madurai Kamaraj University in 2004 and masters degree in management (marketing and operations) from Indian Business Academy in 2008. He has over seven years of experience in marketing. Prior

to joining our Company he worked with Barat Frtiz Werner Limited. He joined our Company in 2010 as key account manager (marketing). He received an aggregate amount of ₹0.85 million as remuneration for the Financial Year 2015.

**Neevrat Sharma** is the Company Secretary of our Company. He received bachelors degree in commerce from University of Delhi in 2011. He completed the professional programme examination held by the Institute of Company Secretaries of India in 2014. Prior to joining our Company he worked at the Institute of Companies Secretaries of India as consultant to assist Directorate of APD&PP in company law. He joined our Company in 2015 as Company Secretary. He did not receive any remuneration for the Financial Year 2015.

None of the Key Management Personnel are related to each other.

All our Key Management Personnel are permanent employees of our Company.

#### **Shareholding of Key Management Personnel**

Except for Gautam Maini, none of our Key Management Personnel hold any Equity Shares in our Company as of the date of this Draft Red Herring Prospectus.

#### **Bonus or profit sharing plan of the Key Management Personnel**

Except for Gautam Maini, none of the Key Management Personnel is party to any bonus or profit sharing plan of our Company other than the performance linked incentives given to each Key Management Personnel.

#### **Interests of Key Management Personnel**

Except for Gautam Maini, the Key Management Personnel do not have any interest in our Company other than to the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of business. The Key Management Personnel may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of such Equity Shares, if any.

None of the Key Management Personnel have been paid any consideration of any nature from our Company on whose rolls they are employed, other than their remuneration.

Further, there is no arrangement or understanding with the major shareholders, customers, suppliers or others, pursuant to which any Key Management Personnel was selected as member of senior management.

Gautam Maini, the Managing Director of our Company is also our Promoter. For details of interest of Gautam Maini, see "Our Promoters and Promoter Group" on page 137.

No loans have been availed by the Key Management Personnel from our Company.

#### **Changes in the Key Management Personnel**

The changes in the Key Management Personnel in the last three years are as follows:

<b>Name</b>	<b>Designation</b>	<b>Date of change</b>	<b>Reason for change</b>
V Sridhar	Chief Financial Officer	January 1, 2010	Appointed as Chief Financial Officer
PB Satyanarayana	Vice President – Auto (Automotive and Industrial)	April 1, 2013	Promoted as Vice President – Auto (Automotive and Industrial)
R Ramachandra	Vice President – Operations for aerospace division	June 24, 2013	Appointed as Vice President – Operations for aerospace division
KR Anantha Krishnan	Vice President – Operations (Aerospace Division)	August 31, 2013	Resigned
BS Venkateshwara	Head Business (filter division)	October 23, 2013	Appointed as Head Business (Filter Division)
Arvind Kapur	Head Business (filter division)	December 17, 2013	Resigned
Joe Jacob Jose	Head Marketing (Aerospace Division)	August 1, 2015	Promoted as Head Marketing (aerospace division)



<b>Name</b>	<b>Designation</b>	<b>Date of change</b>	<b>Reason for change</b>
Neevrat Sharma	Company Secretary	September 25, 2015	Appointed as Company Secretary

**Payment or Benefit to officers of our Company**

Except as disclosed above, no non-salary amount or benefit has been paid or given or is intended to be paid or given to any of our Company's employees including the Key Management Personnel and our Directors within the two preceding years.

## OUR PROMOTERS AND PROMOTER GROUP

Dr. Sudarshan Kumar Maini, Sandeep Kumar Maini, Gautam Maini and Chetan Kumar Maini are the Promoters of our Company.



### **Dr. Sudarshan Kumar Maini**

Dr. Sudarshan Kumar Maini, aged 82 years, is an Executive Director of our Company. He is a resident Indian national. For further details, see “Our Management” on page 124.

The voter identification number of Dr. Sudarshan Kumar Maini is DKV2933117.



### **Sandeep Kumar Maini**

Sandeep Kumar Maini, aged 49 years, is the Executive Director of our Company. He is a resident Indian national. For further details, see “Our Management” on page 124.

The voter identification number of Sandeep Kumar Maini is ZLW3006889 and his driver’s license number is KA04 19850040685.



### **Gautam Maini**

Gautam Maini, aged 47 years, is the Managing Director of our Company. He is a resident Indian national. For further details, see “Our Management” on page 124.

The voter identification number of Gautam Maini is KT/12/087/213487 and his driver’s license number is FDL/38/86-87.



### **Chetan Kumar Maini**

Chetan Kumar Maini, aged 45 years, is a resident Indian national. He holds bachelors degree in science (engineering) from University of Michigan in 1992 and masters degree in science (mechanical engineering) from the Leland Stanford Junior University in 1994. He was the co-founder and chief executive officer of Mahindra Reva Electric Vehicles Private Limited. He has over 20 years of experience in the field of engineering and automotives.

The voter identification number of Chetan Kumar Maini is XUL4135695 and his driver’s license number is 42/87.

Our Company confirms that the permanent account number, bank account number and passport number of our Promoters shall be submitted to the Stock Exchanges, at the time of filing of this Draft Red Herring Prospectus.

### **Interests of Promoters**

Our Promoters are interested in our Company to the extent of their respective shareholding and the dividends received by them pursuant to such shareholding. For details of the shareholding of our Promoters in our Company, see “Capital Structure” and “Our Management” on pages 62 and 124, respectively.

Dr. Sudarshan Kumar Maini, Sandeep Kumar Maini and Gatuam Kumar Maini are Executive Directors of our Company and may be deemed to be interested to the extent of remuneration and reimbursement of expenses payable to them. For details, see “Our Management” on page 124.

Further, our Company has entered into a trademark license agreement with Maini Industrial Consultants, a

proprietorship concern represented by its proprietor, Dr. Sudarshan Kumar Maini. For details, see “History and Certain Corporate Matters” on page 119.

Dr. Sudarshan Kumar Maini is the sole proprietor of Maini Industrial Consultants, which holds the intellectual property rights over the logo of the Maini Group. For further details, see “Our Business - Intellectual Property” on page 114. Except as stated above, our Promoters are not interested in any entity which holds any intellectual property rights that are used by our Company.

Our Company sold its shares in its erstwhile wholly-owned subsidiaries, Sudarshan Maini Precision Products Limited to All Terrain Solutions Private Limited, a Group Entity, and Maini Global Aerospace Private Limited to our Promoters, Sandeep Kumar Maini and Gautam Maini, in March 2015.

Except as stated otherwise in this Draft Red Herring Prospectus, our Company has not entered into any contract, agreements or arrangements during the two years preceding the date of this Draft Red Herring Prospectus or proposes to enter into any such contract in which our Promoters are directly or indirectly interested and no payments have been made to them in respect of the contracts, agreements or arrangements which are proposed to be entered into with them. For details of related party transactions entered into by our Company, as per Accounting Standard 18, during the last five Financial Years, the nature of transactions and the cumulative value of transactions, see “Related Party Transactions” on page 147.

Except for Sandeep Kumar Maini and Gautam Maini who are shareholders of Sudarshan Maini Precision Products Private Limited and Maini Global Aerospace Private Limited that are companies authorized to undertake or carry on business activities, which are similar to the activities of our Company under their respective memorandum of associations, our Promoters do not have any interest in any venture that is involved in any activities similar to those conducted by our Company.

Our Promoters have no interest in acquisition of land, construction of building and supply of machinery undertaken by our Company.

Our Promoters are not related to any sundry debtors of our Company.

#### **Payment or Benefits to Promoters**

Except as stated in “Related Party Transactions” detailing the related party transactions entered into during the last five Financial Years as per Accounting Standard 18 on page 137 and in “– Interests of Promoters” above there has been no payment or benefit to our Promoters or Promoter Group during the two years preceding the date of this Draft Red Herring Prospectus nor is there any intention to pay or give any benefit to our Promoters or Promoter Group as on the date of this Draft Red Herring Prospectus.

#### **Confirmations**

Our Promoters and our Group Entities have not been declared as wilful defaulters by the RBI or any other government authority. Further, there have been no violations of securities laws committed by our Promoters in the past and no proceedings for violation of securities laws are pending against them.

Our Promoters and Promoter Group Entities have not been prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.

Our Promoters are not and have never been a promoter, director or person in control of any other company which is prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.

#### **Companies with which our Promoters have disassociated in the last three years**

Except as provided below, our Promoters have not disassociated themselves from any of the companies during the preceding three years:

<b>Name of the disassociated entity</b>	<b>Reasons and circumstances leading to the disassociation and terms of disassociation</b>	<b>Date of disassociation</b>
Maini Precision Products Holdings SL, Spain and its subsidiaries (Mechanical	The subsidiaries of Maini Precision Products Holdings SL, Spain became bankrupt and therefore our Company decided to sell off the entire equity shareholding (aggregating to	March 31, 2015

Name of the disassociated entity	Reasons and circumstances leading to the disassociation and terms of disassociation	Date of disassociation
Components GMBH and Preci Metal SRO, Slovakia )	2,502,369 equity shares) in Maini Precision Products Holdings SL, Spain to Frank Abegg Consult, SL vide Deed of Units Social dated March 31, 2015 for a total consideration of EUR 1	

### **Change in the management and control of our Company**

Our Promoters are the original promoters of our Company and there has not been any change in the management or control of our Company since its incorporation.

### **Group Entities**

For details of our Group Entities, see “Our Group Entities” on page 141.

### **Promoter Group**

The following individuals and entities constitute the Promoter Group of our Company in terms of Regulation 2(1)(zb) of the SEBI ICDR Regulations:

#### ***Individuals forming part of the Promoter Group:***

- (a) Aaryan Maini
- (b) Amy Sue Mannor
- (c) Angela Marie Elliott
- (d) Arjun Maini
- (e) Carrie Jo Germain
- (f) Chand Sareen
- (g) Chandrika Menon
- (h) Chetan Maini
- (i) Dharampal Maini
- (j) Dr. Sudarshan Kumar Maini
- (k) Gautam Maini
- (l) Gitanjali Karumathil Maini
- (m) J.S. Damija
- (n) Jayashree Menon
- (o) Jyoti Verma
- (p) Kayli Maini
- (q) Kimberly Germain Maini
- (r) Kush Maini
- (s) Lora Lee Stacey
- (t) Madan Maini
- (u) Muskaan Maini
- (v) Neeru Anand
- (w) Nishi Ahuja
- (x) Ralph William Germain
- (y) Reva Maini
- (z) Sandeep Kumar Maini
- (aa) Sandra Lee Germain
- (bb) Saru Maini
- (cc) Satpal Maini
- (dd) Usha Damija
- (ee) Vikrant Maini

***Companies forming part of the Promoter Group:***

- (a) All Terrain Solutions Private Limited
- (b) AM Formula UNO Private Limited
- (c) Armes Maini Storage System Private Limited
- (d) Embassy Industrial Parks Private Limited
- (e) Hensel India Private Limited
- (f) Maini Global Aerospace Private Limited
- (g) Maini Industries Private Limited
- (h) Maini Materials Movement Private Limited
- (i) Maini Plastic and Composites Private Limited
- (j) Maini Plastics and Auto Components Private Limited
- (k) Sudarshan Maini Precision Products Private Limited
- (l) Tomcar India Private Limited

***Other entities forming part of the Promoter Group:***

- (a) Ajay Constructions
- (b) Bangalore Commercial Corporation
- (c) Bangalore Transport Finance Company
- (d) Chetan Maini Family Trust
- (e) Gallery G
- (f) Gautam Maini Family Trust
- (g) Gramothan Foundation
- (h) Mahamana Malaviyaji Trust
- (i) Maini Industrial Consultants
- (j) Maini Samaj Kalyan Kendra
- (k) Print Brew
- (l) Saaga Music
- (m) Sandeep Maini Family Trust

## OUR GROUP ENTITIES

Unless otherwise specified, all information in this section is as of the date of this Draft Red Herring Prospectus.

In terms of the SEBI ICDR Regulations, and in terms of the policy of materiality defined by the Board, our Group Entities include (a) those companies disclosed as group companies for the last financial year in accordance with Accounting Standard (AS) 18 issued by the Institute of Chartered Accountants of India and as per the audited financial statements of the Company for the last five financial years, and (b) any other entities (including, inter alia, trusts, partnerships, unregistered or unincorporated entities) with which our Company may have material transactions (such as licensing of our brand name) or entities involved in philanthropic activities in which the Company is interested or which are material to the Company. Based on this, the following are the Group Entities of the Company:

1. All Terrain Solutions Private Limited
2. Armes Maini Storage System Private Limited
3. Bangalore Transport Finance Company
4. Gramothan Foundation
5. Maini Industrial Consultants
6. Maini Industries Private Limited
7. Maini Materials Movement Private Limited
8. Maini Plastic and Composites Private Limited

### Top five Group Entities based on turnover

#### 1. Maini Materials Movement Private Limited (“MMMPL”)

##### *Corporate information*

MMMPL was incorporated on April 11, 1984 under the Companies Act, 1956 at Bengaluru and has its registered office at Maini Sadan, No. 38, 7<sup>th</sup> Cross, Lavelle Road, Bengaluru 560 001, Karnataka, India. MMMPL is involved in the business of manufacture of plant material-handling equipments.

##### *Interest of our Promoters*

Our Promoters, Dr. Sudarshan Kumar Maini, Sandeep Kumar Maini and Gautam Maini together hold 75.80% of the issued and paid up share capital of MMMPL.

##### *Financial Information*

On the basis of latest audited financial statements available, the relevant details of operating results of MMMPL for the last three Financial Years are as follows:

Particulars	For the Financial Year		
	2014	2013	2012
Equity Capital	11.32	11.32	11.32
Reserves (excluding revaluation reserves) and Surplus	307.60	310.78	299.74
Revenue from Operations and Other Income	657.53	748.53	727.69
Profit / (Loss) after Tax	(1.36)	14.62	28.65
Basic and Diluted EPS (in ₹)	(12.04)	129.08	253.01
Net asset value per share (in ₹)	2,816.64	2,844.67	2,747.23

*(in ₹ million, except per share data)*

#### 2. Armes Maini Storage Systems Private Limited (“AMSSPL”)

##### *Corporate information*

AMSSPL was incorporated on August 8, 2005 under the Companies Act, 1956 at Bengaluru and has its registered office at Maini Sadan, No. 38, 7<sup>th</sup> Cross, Lavelle Road, Bengaluru 560 001, Karnataka, India. AMSSPL is involved in the business of providing storage solutions such as industrial racking bottles,

shelving systems, mezzanines, decking, etc.

*Interest of our Promoter*

Our Promoters, Dr. Sudarshan Kumar Maini, Sandeep Kumar Maini and Gautam Maini together hold 75.80% of the issued and paid up share capital of MMMPL, which holds 50.00% of the issued and paid up share capital of AMSSPL.

*Financial Information*

On the basis of latest audited financial statements available, the relevant details of operating results of AMSSPL for the last three Financial Years are as follows:

*(in ₹ million, except per share data)*

Particulars	For the Financial Year		
	2014	2013	2012
Equity Capital	164.13	164.13	116.74
Reserves (excluding revaluation reserves) and Surplus	(21.35)	(35.72)	(38.95)
Revenue from Operations and Other Income	286.61	323.73	120.44
Profit / (Loss) after Tax	14.37	3.23	(10.04)
Basic and Diluted EPS (in ₹)	8.76	2.34	(8.60)
Net asset value per share (in ₹)	86.99	78.23	66.63

**3. Maini Plastics and Composites Private Limited (“MPCPL”)**

*Corporate information*

MPCPL was incorporated on December 1, 2009 under the Companies Act, 1956 at Bengaluru and has its registered office at Maini Sadan, No. 38, 7<sup>th</sup> Cross, Lavelle Road, Bengaluru 560 001, Karnataka, India. MPCPL is involved in the business of manufacture of plastic auto components.

*Interest of our Promoter*

Our Promoter, Dr. Sudarshan Kumar Maini holds 0.17% of the issued and paid up share capital of MPCPL. Further, our Promoters, Dr. Sudarshan Kumar Maini, Sandeep Kumar Maini and Gautam Maini indirectly hold 75.80% of the issued and paid up share capital of MMMPL, which holds 99.66% of the issued and paid up share capital of MPCPL.

*Financial Information*

On the basis of latest audited financial statements available, the relevant details of operating results of MPCPL for the last three Financial Years are as follows:

*(in ₹ million, except per share data)*

Particulars	For the Financial Year		
	2014	2013	2012
Equity Capital	30.10	30.10	30.10
Reserves (excluding revaluation reserves) and Surplus	(49.80)	(23.71)	(9.71)
Revenue from Operations and Other Income	145.33	130.28	109.55
Profit / (Loss) after Tax	(26.08)	(14.00)	(17.31)
Basic and Diluted EPS (in ₹)	(8.67)	(4.65)	(5.75)
Net asset value per share (in ₹)	(6.54)	2.12	6.77

#### 4. Maini Industries Private Limited (“MIPL”)

##### *Corporate information*

MIPL was incorporated on December 15, 2009 under the Companies Act, 1956 at Bengaluru and has its registered office at 603, 6<sup>th</sup> floor, Devatha Plaza, 131, Residency Road, Bengaluru 560 001, Karnataka, India. MIPL is involved in the business of mining of granites, trading and providing service in material handling equipment and other industrial products.

##### *Interest of our Promoter*

Our Promoters, Dr. Sudarshan Kumar Maini, Gautam Maini and Sandeep Maini hold 77.61% of the issued and paid up share capital of MIPL.

##### *Financial Information*

On the basis of latest audited financial statements available, the relevant details of operating results of MIPL for the last three Financial Years are as follows:

*(in ₹ million, except per share data)*

Particulars	For the Financial Year		
	2014	2013	2012
Equity Capital	69.56	69.56	69.56
Reserves (excluding revaluation reserves) and Surplus	(156.38)	(162.85)	(182.28)
Revenue from Operations and Other Income	131.41	108.07	5.68
Profit / (Loss) after Tax	6.46	19.43	72.37
Basic and Diluted EPS (in ₹)	0.93	2.79	10.40
Net asset value per share (in ₹)	(12.48)	(13.41)	(16.20)

#### 5. Bangalore Transport Finance Company (“BTFC”)

##### *Corporate information*

BTFC was incorporated on January 1, 1988 as a partnership firm under the Partnership Act, 1932 at Bengaluru and has its principal place of business at 603/604, Devatha Plaza Building, Residency Road, Bengaluru 560 001, Karnataka, India. BTFC is involved in the business of providing transport services for material movement and providing passenger vehicles for employees of the group.

##### *Interest of our Promoter*

Our Promoters, Sandeep Kumar Maini, Gautam Maini and Chetan Kumar Maini are partners at BTFC and together hold 100.00% of the partnership interest in BTFC.

##### *Financial Information*

On the basis of latest audited financial statements available, the relevant details of operating results of BTFC for the last three Financial Years are as follows:

*(in ₹ million)*

Particulars	For the Financial Year		
	2014	2013	2012
Revenue from Operations and Other Income	11.83	9.69	9.42
Profit / (Loss) after Tax	0.24	(0.87)	(0.47)



## Group Entities with Negative Networth

### 1. Maini Plastic and Composites Private Limited

For details, see “- Top five Group Entities based on turnover – Maini Plastic and Composites Private Limited” above.

### 2. All Terrain Solutions Private Limited (“ATSPL”)

#### *Corporate Information*

ATSPL was incorporated on June 21, 2011 under the Companies Act, 1956 at Bengaluru and has its registered office at Maini Sadan, No. 38, 7<sup>th</sup> Cross, Lavelle Road, Bengaluru 560 001, Karnataka, India. ATSPL is involved in the business of manufacturing material handling equipments.

#### *Interest of our Promoters*

Our Promoters, Gautam Maini and Sandeep Kumar Maini together hold 100.00% of the issued and paid up share capital of ATSPL.

#### *Financial Information*

On the basis of latest audited financial statements available, the relevant details of operating results of ATSPL for the last three Financial Years are as follows:

*(in ₹ million, except per share data)*

Particulars	For the Financial Year		
	2014	2013	2012
Equity Capital	0.10	0.10	0.10
Reserves (excluding revaluation reserves) and Surplus	(0.10)	(0.07)	(0.05)
Revenue from Operations and Other Income	-	-	-
Profit / (Loss) after Tax	(0.04)	(0.02)	(0.05)
Basic and Diluted EPS (in ₹)	(3.72)	(1.70)	4.85
Net asset value per share (in ₹)	(0.26)	3.46	5.15

## Other Group Entities

### 1. Maini Industrial Consultants

#### *Corporate Information*

Maini Industrial Consultants is a sole proprietorship and has its place of business at 603/604, Devatha Plaza, 131, Residency Road, Bengaluru 560 001, Karnataka, India. Maini Industrial Consultants is involved in the business of providing scientific and technical consultancy services.

#### *Interest of our Promoters*

Our Promoter, Dr. Sudarshan Kumar Maini is the sole proprietor of Maini Industrial Consultants.

### 2. Gramothan Foundation

#### *Corporate Information*

Gramothan Foundation was constituted on April 13, 2009 as a public charitable trust and has its registered office at Maini Sadan, No. 38, 7<sup>th</sup> Cross, Lavelle Road, Bengaluru 560 001, Karnataka, India. The main objective of the Gramothan Foundation is to help in improving the quality of life of tribal and rural India.

### *Interest of our Promoters*

Our Promoter, Dr. Sudarshan Kumar Maini is the trustee of Gramothan Foundation.

### **Nature and Extent of Interest of Group Entities**

(a) ***In the promotion of our Company***

None of our Group Entities have any interest in the promotion or any business interest or other interests in our Company.

(b) ***In the properties acquired or proposed to be acquired by our Company in the past two years before filing this Draft Red Herring Prospectus with SEBI***

None of our Group Entities is interested in the properties acquired or proposed to be acquired by our Company in the two years preceding the filing of this Draft Red Herring Prospectus.

(c) ***In transactions for acquisition of land, construction of building and supply of machinery***

None of our Group Entities is interested in any transactions for the acquisition of land, construction of building or supply of machinery.

### **Common Pursuits among the Group Entities with our Company**

There are no common pursuits between any of our Group Entities and our Company.

### **Related Business Transactions within the Group Entities and significance on the financial performance of our Company**

For details, see “Related Party Transactions” on page 147.

### **Significant Sale/Purchase between Group Entities and our Company**

None of our Group Entities are involved in any sales or purchase with our Company where such sales or purchases exceed in value in the aggregate of 10% of the total sales or purchases of our Company.

### **Business Interest of Group Entities**

None of our Group Entities have any business interest in our Company.

### **Defunct Group Entities**

None of our Group Entities are defunct and no application has been made to the Registrar of Companies for striking off the name of any of our Group Entities during the five years preceding the date of filing of this Draft Red Herring Prospectus with SEBI. Further, none of our Group Entities fall under the definition of sick companies under SICA and none of them is under winding up.

### **Loss making Group Entities:**

The following tables set forth the details of our Group Entities which have incurred loss in the last Financial Year and profit/(loss) made by them in the last three Financial Years, on the basis of latest audited financial statements available:

Name of the entity	Profit/(Loss) (Amount in ₹million)		
	For the Financial Year		
	2014	2013	2012
Maini Plastics and Composites Private Limited	(26.08)	(14.00)	(17.31)
Maini Industrial Consultants	(3.99)	277.63	3.52
Maini Materials Movement Private Limited	(1.36)	14.62	28.65
Gramothan Foundation	(1.25)	(2.71)	(0.78)
All Terrain Solutions Private Limited	(0.04)	(0.02)	(0.05)

None of the securities of our Group Entities are listed on any stock exchange and none of our Group Entities have made any public or rights issue of securities in the preceding three years.

None of the Group Entities have been debarred from accessing the capital market for any reasons by SEBI or any other authorities.

None of the Group Entities have been identified as wilful defaulters by the RBI or other authorities.

## **RELATED PARTY TRANSACTIONS**

For details of the related party transactions during the last five Financial Years, as per the requirements under Accounting Standard 18 “Related Party Disclosures” and as reported in the Restated Financial Information, see “Financial Statements” on page F-1.

## **DIVIDEND POLICY**

The declaration and payment of dividends will be recommended by the Board of Directors and approved by the Shareholders, at their discretion, subject to the provisions of the Articles of Association and the Companies Act. The dividend, if any, will depend on a number of factors, including but not limited to the future expansion plans and capital requirements, profit earned during the financial year, liquidity and applicable taxes including dividend distribution tax payable by our Company. In addition, our ability to pay dividends may be impacted by a number of factors, including restrictive covenants under the loan or financing arrangements our Company is currently availing of or may enter into to finance our fund requirements for our business activities. For further details, see “Financial Indebtedness” on page 175.

Our Company had declared interim dividend aggregating to ₹110.09 million on July 18, 2012. Except as stated above, our Company has not declared any dividends during the last five Financial Years.

**SECTION V: FINANCIAL INFORMATION**

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To,

**The Board of Directors**

Maini Precision Products Limited  
B-165, Peenya Industrial Estate  
1st Stage, 3rd Cross  
Bangalore- 560058

**Independent Auditors' Report on Restated Financial Information in connection with the proposed Initial Public Offering (the 'issue') of equity shares (the 'Equity Shares') of face value of ₹ 10 each ("Offer") of Maini Precision Products Limited**

Dear Sirs,

1. We have examined the attached Restated Financial Information comprising of Summary Statement of Assets and Liabilities, As Restated as at 31 March 2011, 2012, 2013, 2014 and 2015, Summary Statement of Profit and Loss, As Restated, Statement of Cash Flows, As Restated (collectively referred as "Restated Financial Information") and other financial information (as described more in detail in paragraph 4 (e) below, referred as "Other Financial Information") for the years then ended of Maini Precision Products Limited (the 'Company'), as approved by the Board of Directors of the Company, prepared by Company's management in terms of the requirements of Section 26(1)(b) of the Companies Act, 2013 ("the Act") read with rules 4 to 6 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 and Part (B) of Item (IX) of Schedule VIII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended to date ("SEBI Regulations") and in terms of our engagement agreed upon with you in accordance with our engagement letter dated 29 June 2015, for the purpose of inclusion in the Draft Red Herring Prospectus ("Offer Document"), in connection with the proposed issue of equity shares of the Company (Offer).
2. These information have been extracted by the Company's management from the audited financial statements for the year ended 31 March 2011, 2012, 2013, 2014 and 2015.
3. We have not examined any financial information of the Company as of any date or for any period subsequent to 31 March 2015. Accordingly, we do not express any opinion on the financial position, results of operations or cash flows of the Company as of any date or for any period subsequent to 31 March 2015.
4. In accordance with the requirements of Section 26(1)(b) of the Act, the SEBI Regulations and the terms of our engagement agreed with you, we further report that:
  - a. The Summary Statement of Assets and Liabilities of the Company, as at 31 March 2011, 2012, 2013, 2014 and 2015 examined by us, as set out in Annexure 1 to this report are after making adjustments and regrouping as in our opinion were appropriate and more fully described in Statement of Significant Accounting Policies in Annexure 4 and Statement of Notes to the Restated Financial Information in Annexure 5.
  - b. The Summary Statement of Profit and Loss of the Company for the year then ended, 31 March 2011, 2012, 2013, 2014 and 2015 examined by us, as set out in Annexure 2 to this report are after making adjustments and regrouping as in our opinion were appropriate and more fully described in Statement of Significant Accounting Policies in Annexure 4 and Statement of Notes to the Restated Financial Information in Annexure 5.

4. c. The Statement of Cash Flows of the Company for the year then ended 31 March 2011, 2012, 2013, 2014 and 2015 examined by us, as set out in Annexure 3 to this report are after making adjustments and regrouping as in our opinion were appropriate and more fully described in Statement of Significant Accounting Policies in Annexure 4 and Statement of Notes to the Restated Financial Information in Annexure 5.
- d. Based on the above, we are of the opinion that that the Restated Financial Information:
- i. Have been made after incorporating adjustments for the changes, if any, in accounting policies retrospectively in respective financial years to reflect the same accounting treatment as per changed accounting policy for all the reporting periods.
  - ii. Have been made after incorporating adjustments for the material amounts in the respective financial years to which they relate.
  - iii. And do not contain any extra-ordinary items that need to be disclosed separately other than those disclosed and do not contain any qualification requiring adjustments.
- e. We have also examined the following “Other Financial Information” set out in Annexures 4 - 33 prepared by the Company’s management and approved by the Board of Directors, relating to the Company, for the year ended 31 March 2011, 2012, 2013, 2014 and 2015:
- i. Statement of significant accounting policies, as restated (Annexure 4);
  - ii. Statement of notes to the restated financial information (Annexure 5);
  - iii. Statement of reconciliation of restated profits to profits as per audited financial statements (Annexure 6);
  - iv. Statement of share capital, as restated (Annexure 7);
  - v. Statement of reserves and surplus, as restated (Annexure 8);
  - vi. Statement of borrowings, as restated (Annexure 9);
  - vii. Statement of provisions, as restated (Annexure 10);
  - viii. Statement of trade payables, as restated (Annexure 11);
  - ix. Statement of other current liabilities, as restated (Annexure 12);
  - x. Statement of tangible assets, as restated (Annexure 13);
  - xi. Statement of intangible assets, as restated (Annexure 14);
  - xii. Statement of deferred tax assets/(liabilities) (net), as restated (Annexure 15);
  - xiii. Statement of non-current investments, as restated (Annexure 16);
  - xiv. Statement of loans and advances, as restated (Annexure 17);
  - xv. Statement of other non-current assets, as restated (Annexure 18);
  - xvi. Statement of inventories, as restated (Annexure 19);
  - xvii. Statement of trade receivables, as restated (Annexure 20);
  - xviii. Statement of cash and cash equivalents, as restated (Annexure 21);
  - xix. Statement of revenue from operations, as restated (Annexure 22);
  - xx. Statement of other income, as restated (Annexure 23);
  - xxi. Statement of cost of material consumed, as restated (Annexure 24);
  - xxii. Statement of changes in inventory of finished goods and work-in-process, as restated (Annexure 25);
  - xxiii. Statement of employee benefit expenses, as restated (Annexure 26);
  - xxiv. Statement of finance cost, as restated (Annexure 27);
  - xxv. Statement of depreciation and amortization, as restated (Annexure 28);
  - xxvi. Statement of other expenses, as restated (Annexure 29);
  - xxvii. Statement of rates and amounts of dividend paid/proposed, as restated (Annexure 30);
  - xxviii. Statement of related party transactions, as restated (Annexure 31)
  - xxix. Statement of accounting ratios, as restated (Annexure 32);
  - xxx. Statement of tax shelter, as restated (Annexure 33);

In our opinion the Restated Financial Information and Other Financial Information contained in Annexure 1 to 33 of this report, prepared after making adjustments and regrouping as considered appropriate have been prepared in accordance with Section 26(1)(b) of the Act and SEBI Regulations.



5. This report should not be in any way construed as a re-issuance or re-dating of any of the previous audit reports issued by us nor should it be construed as a new opinion on any of the audited financial statements referred to therein.
6. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
7. Our report is intended solely for use of the Company's management and inclusion in the offer document in connection with the proposed issue of equity shares of the Company. Our report should not be used for any other purpose except with our consent in writing.

For **Walker Chandiok & Co LLP**  
Chartered Accountants  
Firm Registration No.: 001076N/N500013

per **Sanjay Banthia**  
Partner  
Membership No.: 061068

Bengaluru  
24 September 2015

**ANNEXURE 1 - SUMMARY STATEMENT OF ASSETS AND LIABILITIES, AS RESTATED**

(Amounts in ₹ million)

Annexure	As at				
	31 March 2015	31 March 2014	31 March 2013	31 March 2012	31 March 2011
<b>Equity and liabilities</b>					
<i>Shareholders' funds</i>					
Share capital	7	14.80	14.80	14.80	14.80
Reserves and surplus	8	668.67	506.99	387.98	390.80
		<b>683.47</b>	<b>521.79</b>	<b>402.78</b>	<b>405.60</b>
<i>Non-current liabilities</i>					
Long-term borrowings	9	46.76	87.77	89.88	23.44
Deferred tax liabilities (net)	15	-	-	6.44	14.52
Long-term provisions	10	53.44	30.21	31.10	18.87
		<b>100.20</b>	<b>117.98</b>	<b>120.98</b>	<b>56.83</b>
<i>Current liabilities</i>					
Short-term borrowings	9	477.27	522.09	426.80	425.61
Trade payables	11	307.70	277.87	210.13	244.17
Other current liabilities	12	143.95	138.29	120.07	79.54
Short-term provisions	10	77.48	119.59	70.60	41.82
		<b>1,006.40</b>	<b>1,057.84</b>	<b>827.60</b>	<b>791.14</b>
<b>Total</b>		<b>1,790.07</b>	<b>1,697.61</b>	<b>1,351.36</b>	<b>1,289.70</b>
<b>Assets</b>					
<i>Non-current assets</i>					
Fixed assets					
Tangible assets	13	547.85	514.96	469.32	456.59
Intangible assets	14	7.35	3.33	4.50	8.30
Deferred tax assets (net)	15	4.59	5.84	0.11	-
Non-current investments	16	0.02	8.57	8.57	8.57
Long-term loans and advances	17	45.75	51.29	35.05	32.89
Other non-current assets	18	1.73	4.38	4.06	10.15
		<b>607.29</b>	<b>588.37</b>	<b>521.61</b>	<b>516.50</b>
<i>Current assets</i>					
Inventories	19	479.01	547.66	379.07	302.67
Trade receivables	20	486.99	420.72	350.30	335.99
Cash and cash equivalents	21	4.67	3.93	4.42	1.71
Short-term loans and advances	17	212.11	136.93	95.96	96.70
		<b>1,182.78</b>	<b>1,109.24</b>	<b>829.75</b>	<b>737.07</b>
<b>Total</b>		<b>1,790.07</b>	<b>1,697.61</b>	<b>1,351.36</b>	<b>1,289.70</b>

**Note:** The above statement should be read with the Other Financial Information as set out in Annexure 4 - 33.

This is the Summary Statement of Assets and Liabilities, as restated, referred to in our report of even date.

**For Walker Chandiok & Co LLP**  
Chartered Accountants

**For and on behalf of the Board of Directors of Maini Precision Products Limited**

per **Sanjay Banthia**  
Partner

**K K Nohria**  
Chairman

**Sandeep Maini**  
Director

**V Sridhar**  
Chief Financial Officer

Bengaluru  
24 September 2015

Bengaluru  
24 September 2015

Bengaluru  
24 September 2015

Bengaluru  
24 September 2015

## ANNEXURE 2 - SUMMARY STATEMENT OF PROFIT AND LOSS, AS RESTATED

(Amounts in ₹ million)

Annexure	Year ended				
	31 March 2015	31 March 2014	31 March 2013	31 March 2012	31 March 2011
<b>Revenue</b>					
Revenue from operations					
Sale of products	22	2,870.85	2,647.77	2,014.10	1,913.07
Less : Excise duty		(143.23)	(142.60)	(107.97)	(80.61)
		2,727.62	2,505.17	1,906.13	1,832.46
Sale of services	22	7.74	2.84	2.09	10.15
Other operating revenues	22	62.76	75.61	45.25	54.75
Revenue from operations		2,798.12	2,583.62	1,953.47	1,897.36
Other income	23	62.48	2.24	18.69	13.05
<b>Total revenue</b>		<b>2,860.60</b>	<b>2,585.86</b>	<b>1,972.16</b>	<b>1,910.41</b>
<b>Expenses</b>					
Cost of materials consumed	24	1,486.45	1,414.21	947.16	974.72
Changes in inventories of work-in-progress and finished goods	25	(2.44)	(136.04)	20.58	(62.79)
Employee benefits expense	26	516.71	436.54	366.93	326.75
Finance cost	27	48.40	46.88	53.48	56.61
Depreciation and amortisation	28	94.95	93.62	88.29	80.92
Other expenses	29	555.24	547.52	425.23	416.31
<b>Total expenses</b>		<b>2,699.31</b>	<b>2,402.73</b>	<b>1,901.67</b>	<b>1,792.52</b>
<b>Profit before tax</b>		<b>161.29</b>	<b>183.13</b>	<b>70.49</b>	<b>117.89</b>
<b>Tax expense</b>					
Current tax		53.11	69.85	30.23	47.65
Deferred tax charge/(credit)		2.23	(5.73)	(6.55)	(8.08)
		<b>55.34</b>	<b>64.12</b>	<b>23.68</b>	<b>39.57</b>
<b>Net profit after tax, as restated</b>		<b>105.95</b>	<b>119.01</b>	<b>46.81</b>	<b>78.32</b>
<b>Earnings per equity share of ₹ 100 each</b>					
Basic and Diluted		716.05	804.31	316.36	529.31

**Note:** The above statement should be read with the Other Financial Information as set out in Annexure 4 - 33.

This is the Summary Statement of Profit and Loss, as restated, referred to in our report of even date.

**For Walker Chandiook & Co LLP**  
Chartered Accountants

**For and on behalf of the Board of Directors of Maini Precision Products Limited**

per **Sanjay Banthia**  
Partner

**K K Nohria**  
Chairman

**Sandeep Maini**  
Director

**V Sridhar**  
Chief Financial Officer

Bengaluru  
24 September 2015

Bengaluru  
24 September 2015

Bengaluru  
24 September 2015

Bengaluru  
24 September 2015

**ANNEXURE 3 - STATEMENT OF CASH FLOWS, AS RESTATED**

(Amounts in ₹ million)

Particulars	Year ended				
	31 March 2015	31 March 2014	31 March 2013	31 March 2012	31 March 2011
<b>A. Cash flow from operating activities</b>					
Profit before tax	161.29	183.13	70.49	117.89	90.24
Depreciation and amortisation	94.95	93.62	88.29	80.92	71.64
Loss/(gain) on sale of fixed assets	(1.86)	1.04	0.41	(0.14)	0.54
Provisions for obsolete inventory	-	6.31	4.32	4.22	3.43
Provision for doubtful advances	-	-	-	2.82	0.55
Deposits, loans and advances written off	0.94	-	-	-	1.43
Provision for doubtful receivables	2.24	-	0.51	1.13	4.90
Bad debts	1.59	0.41	-	-	3.19
Net profit on sale of investments	(10.18)	-	-	-	-
Unrealised loss/(gain) on fair valuation of derivatives	-	6.32	(13.55)	10.94	(26.01)
Liabilities no longer required, written back	-	-	(0.33)	(6.30)	(1.81)
Unrealised foreign exchange gain / (loss)	(26.72)	17.16	0.98	6.80	1.24
Interest income	(0.84)	(0.96)	(0.74)	(0.56)	(0.94)
Interest expense	48.40	46.88	53.48	56.61	65.25
<b>Operating profit before working capital changes</b>	<b>269.81</b>	<b>353.91</b>	<b>203.88</b>	<b>274.33</b>	<b>213.65</b>
Decrease / (increase) in trade receivables	(73.82)	(76.76)	(53.93)	43.06	(130.73)
Decrease / (increase) in inventories	68.65	(174.90)	(9.37)	(75.57)	(23.08)
Decrease / (increase) in loans and advances	(21.05)	(42.30)	(20.81)	28.46	(17.48)
Increase / (decrease) in trade payables	29.76	68.41	20.52	(48.47)	49.29
Increase / (decrease) in current liabilities	16.97	(13.10)	4.10	14.89	11.51
Increase in provisions	29.91	0.70	13.95	3.45	4.68
<b>Cash generated from operations</b>	<b>320.23</b>	<b>115.96</b>	<b>158.34</b>	<b>240.15</b>	<b>107.84</b>
Direct taxes paid (net)	(105.70)	(29.39)	(38.14)	(27.15)	(15.94)
<b>Net cash generated from operating activities</b>	<b>214.53</b>	<b>86.57</b>	<b>120.20</b>	<b>213.00</b>	<b>91.90</b>
<b>B. Cash flow from investing activities</b>					
Purchase of tangible and intangible assets	(135.52)	(148.54)	(82.68)	(92.37)	(86.22)
Proceeds from sale of tangible assets	2.76	2.13	0.10	0.22	0.93
Proceeds from sale of discontinued operation	-	-	-	-	52.72
Proceeds from sale of investment in subsidiaries (net)	18.73	-	-	-	-
Interest received	1.04	1.22	0.85	0.23	0.84
Movement in bank deposits and margin money	2.65	(0.32)	3.36	2.73	(0.71)
<b>Net cash (used in) investing activities</b>	<b>(110.34)</b>	<b>(145.51)</b>	<b>(78.37)</b>	<b>(89.19)</b>	<b>(32.44)</b>
<b>C. Cash flow from financing activities</b>					
Proceeds from term loan	19.22	80.13	99.18	50.00	50.00
Repayment of term loan	(65.75)	(48.53)	(43.66)	(42.15)	(40.50)
Proceeds from short term borrowings, net	5.07	83.95	43.59	(74.75)	24.33
Loans taken from related parties	-	-	20.00	19.40	-
Loans repaid to related parties	(19.40)	(15.00)	(5.00)	-	(32.08)
Interest paid	(42.60)	(41.54)	(49.88)	(52.34)	(62.55)
Interim dividend	-	-	(110.09)	-	-
Dividend distribution tax	-	-	(17.86)	-	-
<b>Net cash generated from/(used in) financing activities</b>	<b>(103.46)</b>	<b>59.01</b>	<b>(63.72)</b>	<b>(99.84)</b>	<b>(60.80)</b>
<b>Net increase/(decrease) in cash and bank balances (A+B+C)</b>	<b>0.73</b>	<b>0.07</b>	<b>(21.89)</b>	<b>23.97</b>	<b>(1.34)</b>
<b>Cash and bank balances at the beginning of the year</b>	<b>3.93</b>	<b>4.42</b>	<b>25.68</b>	<b>1.71</b>	<b>2.66</b>
Effect of exchange rate changes on cash and cash equivalents held	0.01	(0.56)	0.63	-	0.39
<b>Cash and cash equivalents as at the end of the period</b>	<b>4.67</b>	<b>3.93</b>	<b>4.42</b>	<b>25.68</b>	<b>1.71</b>

**Note:** The above statement should be read with the Other Financial Information as set out in Annexure 4 - 33.

This is the Statement of Cash Flow, as restated, referred to in our report of even date.

**For Walker Chandio & Co LLP**  
Chartered Accountants

per **Sanjay Banthia**  
Partner

Bengaluru  
24 September 2015

**For and on behalf of the Board of Directors of Maini Precision Products Limited**

**K K Nohria**  
Chairman

Bengaluru  
24 September 2015

**Sandeep Maini**  
Director

Bengaluru  
24 September 2015

**V Sridhar**  
Chief Financial Officer

Bengaluru  
24 September 2015

## ANNEXURE 4 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES AS RESTATED

### 1 Background

Maini Precision Products Limited ('the Company') manufactures precision products including transmission parts, engine parts, hydraulic truck parts, shafts and axels, assemblies, hand primer and filters. The Company also undertakes machining and job works for various customers. Functionally, the operations of the Company are divided into two segments, 'automotive and industrial' and 'aerospace products'.

### 2 Summary of significant accounting policies

#### i. Basis of preparation

The 'Summary Statement of the Assets and Liabilities, As Restated' of the Company as at 31 March 2015, 2014, 2013, 2012 and 2011, the 'Summary Statement of Profit and Loss, As Restated' and the 'Statement of Cash Flows, As Restated' for the years ended 31 March 2015, 2014, 2013, 2012 and 2011 (collectively referred to as 'Restated Financial Information') have been prepared specifically for the purpose of inclusion in the offer document to be filed by the Company with the Securities and Exchange Board of India ('SEBI') in connection with the proposed Initial Public Offering (hereinafter referred to as 'IPO').

The Restated Financial Information of the Company have been prepared in accordance with the generally accepted accounting principles in India (Indian GAAP). The Company has prepared these Restated Financial Information to comply in all material respects with the accounting standards notified under Section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014. The Restated Financial Information have been prepared on a going concern basis under the historical cost convention on accrual basis. The accounting policies have been consistently applied by the Company unless otherwise stated.

The Restated Financial Information of the Company have been prepared to comply in all material respects with the requirements of Part I of Chapter III to the Companies Act, 2013 and Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 issued by SEBI, as amended from time to time.

Appropriate re-classifications/ adjustments have been made in the Restated Financial Information wherever required, by re-classification of the corresponding items of income, expenses, assets and liabilities, in order to bring them in line with the requirements of the Companies Act 2013 and SEBI Regulations.

#### ii. Use of estimates

The preparation of Restated Financial Information in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

Significant estimates used by management in the preparation of these Restated Financial Information include the estimates of the economic useful lives of the fixed assets, provisions for doubtful receivables, inventory obsolescence, employee benefits and income taxes.

#### iii. Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised :

##### *Sale of goods*

Revenue from sale of goods is recognised when all the significant risks and rewards of ownership of the goods have been passed to the buyer. Revenue is stated at net of applicable sales tax, value added taxes and trade discounts.

##### *Interest*

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "other income" in the Statement of Profit and Loss.

##### *Export entitlement*

Export incentive entitlements including duty drawbacks and duty credit scrips are recognized as income when the right to receive credit as per the terms of the scheme is established and where there is no significant uncertainty regarding the measurability and ultimate realisation.

##### *Income from services*

Revenues from job work contracts are recognised as and when the related service is rendered. Revenue is stated net of applicable service tax and trade discounts.

## ANNEXURE 4 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES AS RESTATED

### *iv.* **Inventories**

Raw materials including components, stores and spares are valued at lower of cost and net realisable value. However, raw materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost is determined on a weighted average basis.

Work-in-progress and finished goods are valued at lower of cost and net realisable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost of finished goods includes excise duty. Cost is determined on a weighted average basis.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

### *v.* **Tangible fixed assets**

Tangible fixed assets are stated at cost less accumulated depreciation and impairment losses, if any. The cost comprises purchase price and directly attributable costs of bringing the asset to its working condition for its intended use, net of refundable taxes. Any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent expenditure related to an item of tangible fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing tangible fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the Statement of Profit and Loss for the period during which such expenses are incurred.

Advances paid towards the acquisition of fixed assets outstanding at each Balance Sheet date are disclosed as capital advances under long term loans and advances. The cost incurred towards tangible fixed assets, but not ready for their intended use before each Balance Sheet date is disclosed as capital work-in-progress, if any.

Gains or losses arising from derecognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Statement of Profit and Loss when the asset is derecognized.

### *vi.* **Depreciation**

Depreciation on fixed assets is provided on the straight line method using the rates arrived at based on the useful lives estimated by the management, as specified in Schedule II to the Companies Act, 2013 for fiscal 2015 and as specified in Schedule XIV to the Companies Act, 1956 for fiscal 2011-2014. The Company has used the following useful lives to provide depreciation on its fixed assets.

Category	Year ended 2015 Useful life	Year ended 2014, 2013, 2012, 2011 Useful life
Buildings	30	10 - 20
Plant and machinery	15	5 - 7
Office equipment	5	7
Computer equipment	3	3
Furniture and fixtures	10	5
Vehicles	8	4

#### **Note :**

The Company uses the plant and machinery for three shifts. Hence the Company has charged additional depreciation of 100% of the original depreciation rate.

### *vii.* **Intangible assets**

Intangible assets acquired separately are measured on initial recognition at cost. Intangible assets are amortized on a straight line basis over the estimated useful economic life i.e., 3 years.

The amortization period and the amortization method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortization period is changed accordingly.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Statement of Profit and Loss when the asset is derecognized.

## ANNEXURE 4 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES AS RESTATED

### **viii. Impairment of assets**

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

The Company bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Company's cash-generating units to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. For longer periods, a long term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations, including impairment on inventories, are recognized in the Statement of Profit and Loss, except for previously revalued fixed assets, where the revaluation was taken to revaluation reserve. In this case, the impairment is also recognized in the revaluation reserve up to the amount of any previous revaluation.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's or cash-generating unit's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the Statement of Profit and Loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

### **ix. Borrowing costs**

Finance costs includes interest and amortization of ancillary costs incurred in connection with the arrangement of borrowings.

Finance costs directly attributable to the acquisition, construction or production of qualifying assets are capitalised as part of assets. Other borrowings cost are recognised as an expense in the period in which they are occur.

### **x. Derivative instruments and hedge accounting**

The Company is exposed to foreign currency fluctuations on foreign currency assets, liabilities and forecasted cash flows denominated in foreign currencies. The Company limits the effects of foreign exchange rate fluctuations by following established risk management policies including the use of forward cover derivatives. The Company enters into derivative financial instruments, such as foreign currency forward contracts, to hedge foreign currency risk arising in future transactions which are highly probable forecast transactions.

The Company has adopted principles of hedge accounting as set out in Accounting Standard (AS) 30, Financial Instruments: Recognition and Measurement, to the extent that the adoption does not conflict with existing accounting standards and other authoritative pronouncements.

Based on the recognition and measurement principles of hedge accounting set out in AS 30, the effective portion on changes in the fair values of derivative financial instruments designated as cash flow hedges are recognized directly under shareholders' funds in the hedging reserve and are reclassified to the Statement of Profit and Loss upon the occurrence of the hedged transaction. The ineffective portion of the gain or loss on the hedging instrument is recognised immediately in the Statement of Profit and Loss. Changes in fair value relating to derivatives not designated as hedges are recognized in the Statement of Profit and Loss.

Hedge accounting is discontinued when the hedging instrument expires or is sold, or terminated, or exercised or no longer qualifies for hedge accounting. Any cumulative gain or loss on the hedging instrument is recognised in hedging reserve is transferred to Statement of Profit and Loss when forecasted transaction occurs or when a hedged transaction is no longer expected to occur.

## ANNEXURE 4 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES AS RESTATED

### ***x*i. 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. On initial recognition, all investments are measured at cost. The cost comprises of purchase price and directly attributable acquisition charges such as brokerage, fee and duties.

Current investments are however carried in the Restated Financial Information at the lower of cost or fair value determined on individual investment basis.

Long-term investments are carried at cost. Provision for diminution in value is made to recognise a decline, other than temporary, in the value of such investments.

On disposal of investments, the difference between its carrying amount and net disposal proceeds is charged or credited to the Statement of Profit and Loss.

### ***x*ii. Operating leases**

#### *Where the Company is lessee*

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased term, are classified as operating leases. Operating lease payments are recognised as an expense in the Statement of Profit and Loss on a straight line basis over the lease term.

#### *Where the Company is the lessor*

Leases in which the Company does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Assets subject to operating leases are included in fixed assets. Lease income on an operating lease is recognized in the Statement of Profit and Loss on a straight-line basis over the lease term. Costs, including depreciation, are recognized as an expense in the Statement of Profit and Loss.

### ***x*iii. Earnings per share**

Basic earnings/(loss) per equity share is calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting preference dividends, if any and attributable taxes) by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings/(loss) per equity share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

### ***x*iv. Foreign currency transactions**

#### *Initial recognition*

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

#### *Conversion*

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

#### *Exchange differences*

Exchange differences arising on foreign currency transactions settled during the year are recognised in the Statement of Profit and Loss as income or as expense in the period in which they arise.



## ANNEXURE 4 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES AS RESTATED

### **xv. Income taxes**

Tax expense comprises current and deferred tax. Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date. Deferred income tax relating to items recognized directly in equity is recognized in equity and not in the Statement of Profit and Loss.

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

At each reporting date, the Company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax asset to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The carrying amount of deferred tax assets are reviewed at each reporting date. The Company writes-down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set-off current tax assets against current tax liabilities and the deferred tax assets and deferred taxes relate to the same taxable entity and the same taxation authority.

Minimum Alternative Tax ("MAT") paid in accordance with the tax laws, which gives rise to future economic benefits in the form of adjustments of future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay income taxes at the enacted rates.

### **xvi. Provisions and contingent liabilities**

#### *Provisions*

A Provision is recognised when an enterprise has a present obligation as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation and in respect of which a reliable estimate can be made. Provisions, are not discounted to their present value and are determined based on best estimate required to settle the obligation at the Balance sheet date. These are reviewed at each Balance sheet date and adjusted to reflect the current best estimates.

#### *Contingent liabilities*

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognise a contingent liability but discloses its existence in the Restated Financial Information.

## ANNEXURE 4 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES AS RESTATED

### **xvii. Retirement benefits**

#### *Provident fund*

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as an expenditure, when an employee renders the related service.

#### *Gratuity*

The Company operates a defined benefit plan for its employees, viz., gratuity liability. The cost of providing benefits under gratuity plan is determined on the basis of actuarial valuation at each year-end using projected unit credit method. Actuarial gains and losses are recognized in full in the period in which they occur in the Statement of Profit and Loss.

#### *Compensated absences*

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the Statement of Profit and Loss and are not deferred. The Company presents the leave as a current liability in the Summary Statement of Assets and Liabilities, to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date. Where the Company has the unconditional legal and contractual right to defer the settlement for a period beyond 12 months, the same is presented as non-current liability.

The Company recognizes termination benefit as a liability and an expense when the Company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the termination benefits fall due more than 12 months after the reporting date, they are measured at present value of future cash flows using the discount rate determined by reference to market yields at the reporting date on government bonds.

### **xviii. Segment reporting**

#### *Identification of segments*

The Company's operating businesses are organised and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the areas in which significant operating divisions operate.

#### *Allocation of common costs*

Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common

#### *Unallocated items*

Unallocated items include general corporate income and expense items which are not allocated to any business segment.

#### *Segment accounting policies*

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the Restated Financial Information of the Company as a whole.

### **xix. Cash and cash equivalents**

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

**ANNEXURE 5 - STATEMENT OF NOTES TO THE RESTATED FINANCIAL INFORMATION**

1 The Company recorded prior period expenses/income during the years ended 31 March 2015, 2014, 2013, 2012 and 2011. The effect of these items has been adjusted in the respective periods of origination. Some of these expenses/income were related to period prior to 1 April 2010.

**2 Discontinuing operations**

On 11 January 2010, the Board of Directors announced its proposal to sell the Plastics Division ('Body Shop unit') to Maini Plastics and Composites Private Limited. Subsequent to this decision, both the companies (the Maini Precision Products Limited, the "Seller" and Maini Plastics and Composites Private Limited, the "Buyer") entered into a Slump sale agreement effective from 1 April 2010. The Body Shop unit manufactures plastic parts mainly used in automobile industries and is a part of the Automotive Segment of the Company for segment reporting. Revenue from this unit represented approximately 8.5% of the Company's total revenue for the previous year ended 31 March 2010. The objective of this discontinuation is to concentrate on its core business of manufacturing of precision products.

Sale consideration of slump sale is ₹ 52.72 million. The carrying amounts of the assets and liabilities of the Body Shop unit as on the date of transfer - 1 April 2010, were ₹ 85.30 million and ₹ 32.58 million respectively. The operations and cash flows of the Body Shop unit were excluded from the ongoing operations. The Company did not have any significant continuing involvement in the operations of the discontinued business after disposal.

**3 Contingent liabilities and commitments**

**i. Litigation**

**Indirect tax matters**

(Amounts in ₹ million)

Particulars	As at				
	31 March 2015	31 March 2014	31 March 2013	31 March 2012	31 March 2011
a) Excise & Custom duty (refer note I below for key open matters)	104.34	103.83	74.38	69.63	68.60
b) Service tax (refer note II below for key open matters)	26.01	26.01	-	-	-

**I Excise & Custom duty**

Excise and custom duty demand comprise of tax demands, including interest, from the excise authorities for payment of additional tax upon completion of assessment for the several financial years between April 2004 to March 2013. The aforesaid demands have mainly arisen on account of ineligible CENVAT credit availed and appropriateness of the method of valuation used for merchandise sold by the Company. The Company has made a deposit of ₹ 6 million under protest for the above tax demands. The Company's appeal against the said demands are pending before appellate authorities in various stages of litigation.

The Company is contesting the demands and the management believes that its position will likely be upheld in the appellate process. Accordingly, no tax expense has been accrued in the financial statements for the year ended 31 March 2015, for the tax demands raised. Considering the facts and nature of disallowances, the Company believes that the final outcome of the disputes should be in favour of the Company and will not have any material adverse effect on the financial position and results of operations.

**II Service tax**

Service tax demand comprise of tax demands, including interest, from the authorities for payment of additional tax upon completion of assessment for the several financial years between April 2008 to March 2013. The aforesaid demands has mainly arisen on account of ineligibility of services tax credit taken by the Company. The Company has not paid any deposits towards the demands raised. The Company's appeal against the said demands are pending before appellate authorities in various stages of litigation.

The Company is contesting the demands and the management believes that its position will likely be upheld in the appellate process. Accordingly, no tax expense has been accrued in the financial statements for the year ended 31 March 2014, for the tax demands raised. Considering the facts and nature of disallowances, the Company believes that the final outcome of the disputes should be in favour of the Company and will not have any material adverse effect on the financial position and results of operations.

**Direct tax matters**

**III Income-tax Act, 1961**

The Company received tax demands including interest, from the Indian tax authorities for payment of tax, arising on denial of certain expenditure and inclusion of mark to market gain on derivative instrument, upon completion of tax assessment for the fiscal years ended 31 March 1993, 1994, 1995, 1997, 1998, 1999, 2000, 2001, 2002, 2003, 2004 and 2009. The Company has paid ₹ 17 million under protest for the above tax demands. The Company's appeal against the said demands are pending before appellate authorities in various stages of litigation.

The Company is contesting the above demands and the management believes that it is more-like-than-not that the advance tax receivables (net of provision) recorded in the Restated Financial Information (refer annexure 17) towards the tax demands is recoverable. Considering the facts and nature of disallowances, the Company believes that the final outcome of the disputes will not have any material adverse effect on the financial position and results of operations.

**ii. Capital commitments**

Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for are as follows :

(Amounts in ₹ million)

Particulars	As at				
	31 March 2015	31 March 2014	31 March 2013	31 March 2012	31 March 2011
Capital commitments	20.20	24.98	2.32	10.11	17.96

**ANNEXURE 5 - STATEMENT OF NOTES TO THE RESTATED FINANCIAL INFORMATION**

**3 Contingent liabilities and commitments**

**iii. Export obligations**

The Company has imported capital goods under 'Export Promotion Capital Goods Scheme' ('EPCG'). Under this scheme, the Company is entitled to import goods at a concessional rate of duty. Against these imports, the Company has an export obligation equal to six times the duty amount saved. The export obligation is as follows :

(Amounts in ₹ million)

Particulars	As at				
	31 March 2015	31 March 2014	31 March 2013	31 March 2012	31 March 2011
Export obligation under EPCG	-	59.97	53.53	46.59	26.89

The Company has imported raw materials under 'Advance License' scheme. Under this scheme, the Company is entitled to import raw materials duty free, which are physically incorporated in the export product. Against these imports, the Company has an export obligation equal to six times the duty amount saved. The export obligation is as follows :

(Amounts in ₹ million)

Particulars	As at				
	31 March 2015	31 March 2014	31 March 2013	31 March 2012	31 March 2011
Export obligation under Advance License	55.73	-	-	-	-

The Company is required to fulfil the obligation by July 2016.

**iv. Corporate guarantees**

- a) During the year 2009-10, the Company has given a counter guarantee to Housing Development Finance Corporation Limited on behalf of Mr. Gautam Maini, the Managing Director, for ₹ 40 million in respect of two different home loans of ₹ 20 million each. Refer note below for balance of loan drawn down and the amount outstanding. This loan has been closed as on 28 April 2015.
- b) The Company has given a counter guarantee to ICICI Bank Limited on behalf of Mr. Gautam Maini, the Managing Director, amounting to ₹ 18.70 million towards a loan availed by him for purchase of a property during the fiscal year 2006. Refer note below for balance of loan drawn down and the amount outstanding. The said loan has been fully repaid by Mr. Gautam Maini on 17 September 2014.

The balance of loan drawn down and the amount outstanding is as follows :

(Amounts in ₹ million)

Particulars	As at				
	31 March 2015	31 March 2014	31 March 2013	31 March 2012	31 March 2011
Housing Development Finance Corporation Limited (HDFC) <i>(refer note (a) above)</i>	39.17	39.76	30.00	30.00	30.00
ICICI Bank Limited <i>(refer note (b) above)</i>	-	11.40	12.81	13.84	14.30

**4 Operating lease**

The Company has entered into cancellable operating lease agreements for its factories and corporate office premises. Lease payments under these leases are recognised as an expense in the Statement of Profit and Loss on a straight-line basis over the term of the lease. These leases expire over the period up to April 2018 and are further renewable at the mutual consent of the Company and the lessor. The lease agreements carry an escalation in the range of 5 percent to 20 percent on the rent payable at the end of every one to two years, as the case may be, from the date of executing the lease agreements.

(Amounts in ₹ million)

Particulars	Year ended				
	31 March 2015	31 March 2014	31 March 2013	31 March 2012	31 March 2011

**With respect to all operating leases:**

Lease payments recognised in the Statement of Profit and Loss during the year (refer annexure 29).	8.52	4.56	4.15	5.76	5.49
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**With respect to non-cancellable operating leases, the future minimum lease payment are as follows:**

- Not later than one year	2.07	1.98	4.43	3.48	4.62
- Later than one year and not later than	4.58	6.65	16.27	9.20	11.37
- Later than five years	-	-	-	-	-

**ANNEXURE 5 - STATEMENT OF NOTES TO THE RESTATED FINANCIAL INFORMATION**

**5 Corporate social responsibility (CSR)**

As per Section 135 of the Companies Act, 2013, a CSR committee has been formed by the Company. The area of CSR activity is rural development projects. During the year 2015, the Company has not spent any amount (₹ 1.45 million to be spent) towards CSR activities.

**6 Gratuity and other post employment benefit plans**

The Company has gratuity and vacation pay as defined benefit retirement plans for its employees. As at year end, the plan assets were invested in insurer managed funds.

Disclosures as required by AS 15 for the years ended are as under:

(Amounts in ₹ million)

Particulars	Year ended				
	31 March 2015	31 March 2014	31 March 2013	31 March 2012	31 March 2011
<b>Present value of defined benefit obligation</b>					
Balance at the beginning of the year	74.84	69.17	51.70	42.49	34.96
Current service cost	6.80	6.39	5.01	4.67	4.10
Interest cost	7.37	5.85	4.76	3.88	3.15
Actuarial loss/(gain)	20.82	(3.87)	9.09	3.20	2.14
Benefits paid	(3.04)	(2.70)	(1.39)	(2.54)	(1.86)
<b>Balance at the end of the year</b>	<b>106.79</b>	<b>74.84</b>	<b>69.17</b>	<b>51.70</b>	<b>42.49</b>
<b>Fair value of plan assets</b>					
Balance at the beginning of the year	37.63	31.07	24.46	16.62	12.62
Expected return on plan assets	3.06	2.38	1.97	1.44	0.86
Contributions by employer	8.57	6.53	5.61	8.51	4.63
Actuarial (gain)/loss	0.13	0.35	0.42	0.43	0.37
Benefits paid	(3.04)	(2.70)	(1.39)	(2.54)	(1.86)
<b>Balance at the end of the year</b>	<b>46.35</b>	<b>37.63</b>	<b>31.07</b>	<b>24.46</b>	<b>16.62</b>
<b>Assets and Liabilities recognised in the Summary Statement of Assets and Liabilities</b>					
Present value of defined benefit obligation	106.79	74.84	69.17	51.70	42.49
Less: Fair value of plan assets	(46.35)	(37.63)	(31.07)	(24.46)	(16.62)
<b>Liability/(asset)</b>	<b>60.44</b>	<b>37.21</b>	<b>38.10</b>	<b>27.24</b>	<b>25.87</b>
<b>Expenses recognised in Statement of Profit and Loss</b>					
Current service cost	6.80	6.39	5.01	4.67	4.10
Interest cost	7.37	5.85	4.76	3.88	3.15
Expected return on plan assets	(3.06)	(2.38)	(1.97)	(1.44)	(0.86)
Actuarial loss/(gain)	20.69	(4.22)	8.67	2.77	1.77
<b>Expense to be recognised in the Statement of Profit and Loss</b>	<b>31.80</b>	<b>5.64</b>	<b>16.47</b>	<b>9.88</b>	<b>8.16</b>
<b>Principal assumptions used for gratuity valuation</b>					
Discount rate per annum	7.90%	9.35%	8.40%	8.65%	8.40%
Expected salary increase per annum	8.00%	8.00%	8.00%	8.00%	8.00%
Expected return on assets	8.00%	8.00%	7.50%	7.50%	7.50%
Retirement age	58 years	58 years	58 years	58 years	58 years
<b>Principal assumptions used for compensated absences valuation</b>					
Discount rate per annum	7.90%	9.35%	8.05%	8.65%	8.40%
Expected salary increase per annum	8.00%	8.00%	8.00%	8.00%	8.00%

The estimate of future salary increase considered in actuarial valuation take into account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market. The overall expected rate of return on assets is determined based on the market prices prevailing on that day, applicable to the period over which the obligation is to be settled. The change in expected rate of return on asset is due to change in market scenarios.

**Amount recognised during the last five years**

Defined benefit obligation	106.79	74.84	69.17	51.70	42.49
Plan assets	46.35	37.63	31.07	24.46	16.62
(Deficit)	(60.44)	(37.21)	(38.10)	(27.24)	(25.87)
Experience loss/(gain) adjustments in plan liabilities	5.73	7.44	4.61	4.69	2.65
Experience loss/(gain) adjustments in plan assets	0.13	0.35	0.42	0.43	0.37

## ANNEXURE 5 - STATEMENT OF NOTES TO THE RESTATED FINANCIAL INFORMATION

## 7 Imported and indigenous consumption

(Amounts in ₹ million)

Particulars	Year ended				
	31 March 2015	31 March 2014	31 March 2013	31 March 2012	31 March 2011
Raw materials					
- Imported					
- Amount	135.45	132.81	103.70	87.97	56.53
- Percentage	11%	11%	13%	11%	7%
- Indigenous					
- Amount	1,123.22	1,058.59	670.11	704.24	736.02
- Percentage	89%	89%	87%	89%	93%
<b>- Total</b>					
- Amount	<b>1,258.67</b>	<b>1,191.40</b>	<b>773.81</b>	<b>792.21</b>	<b>792.55</b>
- Percentage	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
Stores and spares					
- Imported					
- Amount (2015 : includes inventory written down ₹ 0.27 million)	10.89	9.76	12.86	1.40	-
- Percentage	5%	5%	8%	1%	0%
- Indigenous					
- Amount (2015 : includes inventory written down ₹ 3.04 million)	200.54	196.07	147.36	163.11	118.13
- Percentage	95%	95%	92%	99%	100%
<b>- Total</b>					
- Amount	<b>211.43</b>	<b>205.83</b>	<b>160.22</b>	<b>164.51</b>	<b>118.13</b>
- Percentage	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

## 8 Details of raw materials and components

**Raw material opening stock**

Steel rounds and bars	100.35	86.25	89.08	89.28	77.53
Castings	28.62	14.97	17.09	5.08	4.16
Aluminium ingots	10.29	15.05	11.37	14.25	11.84
Other components and accessories	36.49	27.61	10.51	10.88	11.85
	<b>175.75</b>	<b>143.88</b>	<b>128.05</b>	<b>119.49</b>	<b>105.38</b>

**Raw material closing stock**

Steel rounds and bars	53.40	100.35	86.25	89.08	89.28
Castings	11.57	28.62	14.97	17.09	5.08
Aluminium ingots	10.57	10.29	15.05	11.37	14.25
Other components and accessories	29.84	36.49	27.61	10.51	10.88
	<b>105.38</b>	<b>175.75</b>	<b>143.88</b>	<b>128.05</b>	<b>119.49</b>

**Raw material purchases**

Steel rounds and bars	395.59	423.40	351.74	395.75	330.79
Castings	135.42	194.96	103.39	96.87	64.24
Aluminium ingots	112.92	104.70	93.75	71.53	91.21
Other components and accessories	559.36	500.21	240.76	236.62	320.42
	<b>1,203.29</b>	<b>1,223.27</b>	<b>789.64</b>	<b>800.77</b>	<b>806.66</b>

**Provision utilised on write down of inventory**

Steel rounds and bars	11.67	-	-	-	-
Castings	0.63	-	-	-	-
Aluminium ingots	1.34	-	-	-	-
Other components and accessories	1.35	-	-	-	-
	<b>14.99</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Consumption details**

Steel rounds and bars	430.87	409.30	354.57	395.95	319.04
Castings	151.84	181.31	105.51	84.86	63.32
Aluminium ingots	111.30	109.46	90.07	74.41	88.80
Other components and accessories	564.66	491.33	223.66	236.99	321.39
	<b>1,258.67</b>	<b>1,191.40</b>	<b>773.81</b>	<b>792.21</b>	<b>792.55</b>

## ANNEXURE 5 - STATEMENT OF NOTES TO THE RESTATED FINANCIAL INFORMATION

(Amounts in ₹ million)

Particulars	Year ended				
	31 March 2015	31 March 2014	31 March 2013	31 March 2012	31 March 2011
<b>9 Value of imports on CIF basis</b>					
Raw materials	111.56	128.88	109.27	91.97	65.28
Components and spare parts	8.71	12.90	13.13	16.53	14.00
Capital goods	25.72	31.24	36.52	37.45	49.73
	<b>145.99</b>	<b>173.02</b>	<b>158.92</b>	<b>145.95</b>	<b>129.01</b>
<b>10 Auditors' remuneration</b> (excluding service tax)					
Statutory audit	1.75	1.00	1.00	1.00	0.80
Other services	0.06	0.06	0.06	0.04	0.20
	<b>1.81</b>	<b>1.06</b>	<b>1.06</b>	<b>1.04</b>	<b>1.00</b>
<b>11 Expenditure in foreign currency</b>					
Travelling	6.99	6.56	4.79	6.54	4.73
Professional and consultation fees	39.80	32.19	15.50	4.97	4.36
Warehouse charges	28.25	26.60	19.19	20.97	19.07
Others	6.10	2.77	2.19	3.40	0.78
	<b>81.14</b>	<b>68.12</b>	<b>41.67</b>	<b>35.88</b>	<b>28.94</b>
<b>12 Earnings in foreign currency</b>					
Export value of goods on FOB basis	1,457.75	1,344.16	1,033.36	1,077.52	842.36
<b>13 Segment information</b>					

The primary segments of the Company are its business

**a) Automotive and Industrial** – includes manufacturing of precision products including transmission parts, engine parts, hydraulic truck parts, shafts and axles, assemblies, hand primer and filters.

**b) Aerospace** – includes various precision parts which are used in the manufacture of aircrafts.

Revenue and direct expenses in relation to segments are categorised based on items that are individually identifiable to that segment, while other costs, wherever allocable, are apportioned to the segments on an appropriate basis. Certain expenses are not specifically allocable to individual segments as the underlying services are used interchangeably. The Company believes that it is not practicable to provide segment disclosures relating to such expenses and accordingly such expenses are separately disclosed as 'unallocated' and directly charged against total income.

Assets and liabilities in relation to segments are categorised based on items that are individually identifiable to that segment. Certain assets and liabilities are not specifically allocable to individual segments as they are used interchangeably. The Company believes that it is not practicable to provide segment disclosures relating to such assets and liabilities and accordingly such items are separately disclosed as 'unallocated'.

(Amounts in ₹ million)

Particulars	Year ended				
	31 March 2015	31 March 2014	31 March 2013	31 March 2012	31 March 2011
<b>Revenue from operations</b>					
Automotive and Industrial	2,464.06	2,281.92	1,725.90	1,652.12	1,650.54
Aerospace	334.06	301.70	227.57	245.24	159.38
<b>Total</b>	<b>2,798.12</b>	<b>2,583.62</b>	<b>1,953.47</b>	<b>1,897.36</b>	<b>1,809.92</b>
<b>Segment income</b>					
Automotive and Industrial	155.28	311.22	183.12	225.11	178.57
Aerospace	61.81	50.82	1.18	9.47	(13.72)
<b>Total</b>	<b>217.09</b>	<b>362.04</b>	<b>184.30</b>	<b>234.58</b>	<b>164.85</b>
Unallocable expenses	118.28	181.15	131.14	118.82	102.85
Unallocable income	62.48	2.24	17.33	2.13	28.24
<b>Profit before taxes</b>	<b>161.29</b>	<b>183.13</b>	<b>70.49</b>	<b>117.89</b>	<b>90.24</b>
Income tax	55.34	64.12	23.68	39.57	31.31
<b>Profit after taxes</b>	<b>105.95</b>	<b>119.01</b>	<b>46.81</b>	<b>78.32</b>	<b>58.93</b>

**ANNEXURE 5 - STATEMENT OF NOTES TO THE RESTATED FINANCIAL INFORMATION**

**13 Segment Information**

Particulars	(Amounts in ₹ million)				
	As at				
	31 March 2015	31 March 2014	31 March 2013	31 March 2012	31 March 2011
<b>Segment assets</b>					
Automotive and Industrial	1,400.93	1,424.14	1,073.61	1,020.63	1,034.79
Aerospace	282.42	223.13	221.51	197.95	153.92
Unallocable	106.72	50.34	56.24	71.12	64.86
<b>Total</b>	<b>1,790.07</b>	<b>1,697.61</b>	<b>1,351.36</b>	<b>1,289.70</b>	<b>1,253.57</b>

<b>Segment liabilities</b>					
Automotive and Industrial	373.42	295.61	277.12	226.84	272.19
Aerospace	50.74	41.77	34.55	42.04	34.48
Unallocable	682.44	838.44	636.91	664.85	541.30
<b>Total</b>	<b>1,106.60</b>	<b>1,175.82</b>	<b>948.58</b>	<b>933.73</b>	<b>847.97</b>

Particulars	(Amounts in ₹ million)				
	Year ended				
	31 March 2015	31 March 2014	31 March 2013	31 March 2012	31 March 2011
<b>Segment capital expenditure</b>					
Automotive and Industrial	103.75	120.48	79.82	51.97	57.04
Aerospace	27.83	8.54	4.30	41.87	20.43
Unallocable	4.06	12.24	0.77	-	4.60
<b>Total</b>	<b>135.64</b>	<b>141.26</b>	<b>84.89</b>	<b>93.84</b>	<b>82.07</b>

<b>Depreciation</b>					
Automotive and Industrial	77.40	77.73	71.11	66.43	61.81
Aerospace	16.31	14.01	14.25	10.36	6.44
Unallocable	1.24	1.88	2.93	4.13	3.39
<b>Total</b>	<b>94.95</b>	<b>93.62</b>	<b>88.29</b>	<b>80.92</b>	<b>71.64</b>

<b>Non cash expenses</b>					
Automotive and Industrial	4.76	0.50	6.23	3.13	6.60
Aerospace	-	6.51	(1.90)	5.03	6.90
Unallocable	-	24.23	0.50	26.20	15.05
<b>Total</b>	<b>4.76</b>	<b>31.24</b>	<b>4.83</b>	<b>34.36</b>	<b>28.55</b>

Particulars	(Amounts in ₹ million)				
	Year ended				
	31 March 2015	31 March 2014	31 March 2013	31 March 2012	31 March 2011
<b>Secondary geographical segments</b>					
<b>i. Operating income</b>					
India	1,243.82	1,130.50	839.53	772.88	917.58
Europe	891.67	870.97	681.86	736.74	559.37
North America	567.01	520.95	370.62	387.74	332.97
Asia (Other than India)	95.62	61.20	61.46	-	-
<b>Total</b>	<b>2,798.12</b>	<b>2,583.62</b>	<b>1,953.47</b>	<b>1,897.36</b>	<b>1,809.92</b>

Particulars	(Amounts in ₹ million)				
	As at				
	31 March 2015	31 March 2014	31 March 2013	31 March 2012	31 March 2011
<b>ii. Receivables</b>					
India	186.84	151.43	133.42	80.28	120.75
Europe	156.77	159.93	128.28	127.43	121.10
North America	115.86	99.54	79.25	90.95	94.14
Asia (other than India)	27.52	9.82	9.35	-	-
<b>Total</b>	<b>486.99</b>	<b>420.72</b>	<b>350.30</b>	<b>298.66</b>	<b>335.99</b>



**ANNEXURE 5 - STATEMENT OF NOTES TO THE RESTATED FINANCIAL INFORMATION**

**14 Derivative instruments and unhedged foreign currency exposure**

As at 31 March 2015, the Company has recognised a cumulative gain of ₹ 57.64 million (2011 - 2014: Nil) relating to derivative instruments, that are designated as effective cash flow hedges in the shareholders' funds. The information on forward contracts outstanding are as follows:

Category	Currency	As at					Buy / Sell	Purpose
		31 March 2015	31 March 2014	31 March 2013	31 March 2012	31 March 2011		
Forward contracts	EUR (in million)	7.10	1.20	2.65	2.60	-	Sell	Hedge of highly probable foreign currency sales
Forward contracts	USD (in million)	3.71	2.60	5.55	3.05	4.10	Sell	Hedge of highly probable foreign currency sales

The aforesaid contracts were not designated as effective cash flow hedges until 31 March 2014. Accordingly, the mark-to-market movement was recognised in the Statement of Profit and Loss.

**Derivative instruments and unhedged foreign currency exposure**

The details of foreign currency exposures that are not hedged by derivative instrument or otherwise are as mentioned below:

	As at									
	31 March 2015		31 March 2014		31 March 2013		31 March 2012		31 March 2011	
	In original currency (in million)	In ₹ (in million)	In original currency (in million)	In ₹ (in million)	In original currency (in million)	In ₹ (in million)	In original currency (in million)	In ₹ (in million)	In original currency (in million)	In ₹ (in million)
<b>Trade receivables</b>										
USD	3.09	193.53	2.64	158.94	2.48	134.50	2.77	141.73	3.06	136.44
EUR	1.57	105.85	1.24	102.62	1.45	103.21	1.08	73.96	1.08	68.39
GBP	-	-	0.09	8.70	0.13	10.97	0.03	2.69	0.14	10.41
CAD	0.03	1.24	0.02	0.97	-	-	-	-	-	-
<b>Trade payables</b>										
USD	0.21	13.28	0.21	12.64	0.09	4.61	0.09	4.38	0.09	4.13
EUR	0.06	4.09	-	-	0.04	3.01	0.13	8.92	0.08	4.69
GBP	-	0.33	0.03	2.75	0.01	0.74	-	0.22	0.04	2.59
SEK	0.64	4.67	0.49	4.53	0.19	1.66	0.48	3.65	0.92	6.55
CHF	-	-	-	0.01	-	-	-	-	-	-
<b>Advance to suppliers and service providers</b>										
USD	0.01	0.43	-	0.09	0.03	1.66	0.02	0.83	0.02	0.98
EUR	0.11	7.40	0.01	1.02	0.03	2.00	-	0.05	0.03	1.73
SEK	0.20	1.49	0.05	0.48	0.20	1.75	-	-	-	-
GBP	-	-	-	-	0.01	0.54	-	-	0.02	1.54
CHF	-	-	-	-	0.01	0.67	-	-	-	-
<b>Capital advance</b>										
JPY	8.10	4.22	-	-	-	-	-	-	-	-
USD	-	-	-	-	-	-	-	-	0.15	7.06
EUR	-	-	-	-	-	-	-	-	-	0.30
<b>Advance to customers</b>										
USD	-	-	0.03	1.58	0.06	3.23	-	-	-	-
<b>Borrowings</b>										
EUR	3.16	213.10	2.74	226.20	2.90	201.68	2.38	162.67	3.21	203.27
USD	3.01	188.64	3.90	234.60	2.68	145.88	3.12	159.80	3.00	134.16
GBP	-	-	0.03	3.02	0.08	6.97	0.10	8.19	0.15	11.14
<b>Cash and cash equivalents</b>										
USD	0.01	0.34	0.01	0.30	0.01	0.47	0.20	10.24	0.01	0.41
EUR	-	-	-	<b>F-19</b>	-	0.05	0.11	7.26	0.01	0.40

## ANNEXURE 5 - STATEMENT OF NOTES TO THE RESTATED FINANCIAL INFORMATION

### 15 Modifications in the standard auditor's report and standard report under Companies (Auditor's Report) Order, 2003)

Following are the audit modifications which do not require any corrective adjustment in the financial information:

#### Annexure to auditor's report for the Financial year ended 31 March 2014

##### Clause (ix) (a)

Undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, sales-tax, wealth tax, service tax, custom duty, excise duty, cess and other material statutory dues, as applicable, have generally been regularly deposited with the appropriate authorities, *except for income-tax which have not been regularly deposited with the appropriate authorities and there has been a significant delay in a few cases. Undisputed amounts payable in respect thereof, which were outstanding at the year-end for a period of more than six months from the date they became payable* are as follows:

Name of the statute	Nature of dues	Amount (in ₹ million)	Period to which the amount relates	Due date	Date of payment
Income-tax Act, 1961	Advance income taxes	2.75	AY 2005-2006	24 January 2008	Not paid
Income-tax Act, 1961	Advance income taxes	3.59	AY 2008-2009	29 January 2011	

### 16 Modifications in the standard auditor's report and standard report under Companies (Auditor's Report) Order, 2015

Following are the audit modifications which do not require any corrective adjustment in the financial information:

#### Annexure to auditor's report for the Financial year ended 31 March 2015

##### Clause (ii) (a)

The management has conducted a physical verification of inventory at reasonable intervals, *except for goods-in-transit and stock lying with third parties at warehouses located outside India.*

##### Clause (ii) (b)

The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business, *except for goods-in-transit and stock lying with third parties at warehouses located outside India.*

##### Clause (ii) (c)

The Company is maintaining proper records of inventory and discrepancies amounting to ₹ 2.88 million noticed on physical verification have been properly dealt with in the books of accounts.

##### Clause (vii) (a)

Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, have generally been regularly deposited with the appropriate authorities, *though there has been a slight delay in a few cases. Further, undisputed amounts payable in respect thereof, which were outstanding at the year-end for a period of more than six months from the date they became payable* are as follows:

Name of the statute	Nature of the dues	Amount (in ₹ million)	Period to which the amount relates	Due Date	Date of Payment
Income Tax Act, 1961	Tax and Interest	5.37	AY 2012-13	26 September 2012	Not paid

**ANNEXURE 6- STATEMENT OF RECONCILIATION OF RESTATED PROFITS TO PROFITS AS PER AUDITED FINANCIAL STATEMENTS**

(Amounts in ₹ million)

Particulars	Year ended				
	31 March 2015	31 March 2014	31 March 2013	31 March 2012	31 March 2011
Profit after tax (as per audited financial statements)	149.09	100.21	43.20	73.76	55.87
<b>Restatement adjustments</b>					
<b>Other operating revenues</b>					
- Focus product scheme (refer note 1)	(21.87)	13.88	7.99	-	-
- Incremental export scheme (refer note 1)	(8.65)	8.65	-	-	-
- Debtors written-off subsequently recovered (refer note 2)	-	-	-	-	(5.17)
<b>Finance Cost</b>					
Interest on advance tax (refer note 3)	(1.82)	(0.93)	(2.39)	(4.75)	(2.70)
<b>Tax expense</b>					
- Current tax (refer note 3)	(12.16)	1.29	(1.11)	15.58	12.07
- MAT credit (refer note 3)	-	-	-	(3.27)	(5.87)
- Deferred tax (refer note 3)	1.36	(4.09)	(0.88)	(3.00)	4.73
<b>Profit after tax, as restated</b>	<b>105.95</b>	<b>119.01</b>	<b>46.81</b>	<b>78.32</b>	<b>58.93</b>

**Notes :**

- The Company recognises export entitlements as income when the right to receive credit as per the scheme is established. During the year ended 31 March 2015, the Company recorded revenue from Focus Product Scheme and Incremental Export Scheme amounting to ₹ 21.87 million and ₹ 8.65 million respectively in respect of prior years. Accordingly, the adjustments of revenue has been made in the Restated Financial Information to the respective years.
- During the year ended 31 March 2011, the Company realised ₹ 5.17 million from various customers considered doubtful in the earlier years. Accordingly, the aforesaid prior year adjustments are adjusted to opening reserves and surplus in the Restated Financial Information.
- The Company recorded income tax expense/(credit) pertaining to earlier years based on the orders received from the tax authorities and assessment of open litigation using 'more likely than not' evaluation. For the purpose of the Restated Financial Information, such tax expenses, including interest on delay in remittance of tax, have been appropriately adjusted to the respective years to which they relate.

**ANNEXURE 7 - STATEMENT OF SHARE CAPITAL, AS RESTATED**

(Amounts in ₹ million)

	As at									
	31 March 2015		31 March 2014		31 March 2013		31 March 2012		31 March 2011	
	Number	Amounts	Number	Amounts	Number	Amounts	Number	Amounts	Number	Amounts
<b>Share capital</b>										
<b>Authorised share capital</b>										
Equity shares of ₹ 100 each	150,000	15.00	150,000	15.00	150,000	15.00	150,000	15.00	150,000	15.00
Convertible preference shares of ₹ 100 each	50,000	5.00	50,000	5.00	50,000	5.00	50,000	5.00	50,000	5.00
	<b>200,000</b>	<b>20.00</b>	<b>200,000</b>	<b>20.00</b>	<b>200,000</b>	<b>20.00</b>	<b>200,000</b>	<b>20.00</b>	<b>200,000</b>	<b>20.00</b>
<b>Issued, subscribed and paid-up</b>										
Equity shares of ₹ 100 each, fully paid-up	147,965	14.80	147,965	14.80	147,965	14.80	147,965	14.80	147,965	14.80
	<b>147,965</b>	<b>14.80</b>	<b>147,965</b>	<b>14.80</b>	<b>147,965</b>	<b>14.80</b>	<b>147,965</b>	<b>14.80</b>	<b>147,965</b>	<b>14.80</b>

a) There have been no changes in equity shares outstanding during the current and previous years.

**b) Shareholders holding more than 5% of the shares**

Equity shares of ₹ 100 each

Mr. Sudarshan K. Maini	68,257	6.83	68,257	6.83	68,257	6.83	51,685	5.17	51,685	5.17
Mr. Gautam Kumar Maini	16,573	1.66	16,573	1.66	16,573	1.66	16,573	1.66	16,573	1.66
Mr. Sandeep Kumar Maini	37,498	3.75	37,498	3.75	37,498	3.75	16,572	1.66	16,572	1.66
Mr. Chetan Kumar Maini	16,572	1.66	16,572	1.66	16,572	1.66	16,572	1.66	16,572	1.66
Ambadevi Mauritius Holding Limited, Mauritius	863	0.09	863	0.09	863	0.09	38,361	3.84	38,361	3.84
	<b>139,763</b>	<b>13.99</b>	<b>139,763</b>	<b>13.99</b>	<b>139,763</b>	<b>13.99</b>	<b>139,763</b>	<b>13.99</b>	<b>139,763</b>	<b>13.99</b>

**c) Terms/rights attached to equity shares**

The Company has one class of equity shares having a face value of ₹ 100 per share. Each holder of the equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of equity will be entitled to receive the remaining assets of the Company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

**d) Terms/ rights attached to convertible preference shares**

The Company has one class of preference shares having a face value of ₹ 100 per share. The preference shares are convertible into one fully paid equity share of ₹ 100 per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. Each holder of preference share is entitled to one vote per share. In the event of liquidation of the Company, before conversion of preference shares, the holders of the said shares will have priority over equity shares in payment of dividend and repayment of capital.

**e) Aggregate number of bonus shares issued and shares issued for consideration other than cash during the period of five years immediately preceding the reporting date**

The Company has not issued any bonus shares nor has there been any buy back of shares during five years immediately preceding 31 March 2015. Further, the Company has not issued any shares without payment being received in cash.

**ANNEXURE 8 - STATEMENT OF RESERVES AND SURPLUS, AS RESTATED**

(Amounts in ₹ million)

	As at				
	31 March 2015	31 March 2014	31 March 2013	31 March 2012	31 March 2011
<b>Reserves and surplus</b>					
<b>Capital reserve *</b>	0.41	0.41	0.41	0.41	0.41
<b>Securities premium account *</b>	305.31	305.31	305.31	305.31	305.31
<b>Revaluation reserve *</b>	9.85	9.85	9.85	9.85	9.85
<b>General reserve</b>					
Balance at the beginning of the year	7.38	7.38	7.38	-	-
Add : Additions made during the year	-	-	-	7.38	-
Balance at the end of the year	<b>7.38</b>	<b>7.38</b>	<b>7.38</b>	<b>7.38</b>	-
<b>Hedging reserve</b>					
Balance at the beginning of the year	-	-	-	-	-
Gain on foreign currency forward contract	57.64	-	-	-	-
Balance at the end of the year	<b>57.64</b>	-	-	-	-
<b>Surplus in Statement of Profit and Loss</b>					
Balance at the beginning of the year	184.04	65.03	18.22	75.23	16.30 <sup>^</sup>
Add: Adjustment	-	-	-	-	
Add : Transferred from Statement of Profit and Loss	105.95	119.01	46.81	78.32	58.93
Less: Depreciation on fully used assets due to adoption of schedule II of Companies Act 2013, net of tax effect of ₹ 0.98 million	1.91	-	-	-	-
Less: Interim dividend	-	-	-	110.09	-
Less: Tax on distribution of interim dividend	-	-	-	17.86	-
Less: Transfer to general reserve	-	-	-	7.38	-
Balance at the end of the year	<b>288.08</b>	<b>184.04</b>	<b>65.03</b>	<b>18.22</b>	<b>75.23</b>
	<b>668.67</b>	<b>506.99</b>	<b>387.98</b>	<b>341.17</b>	<b>390.80</b>

\* There have been no changes during the current and previous years.

<sup>^</sup> Includes ₹ 1.42 million (negative) adjusted to opening retained earnings arising on account of items identified in Annexure 6

**ANNEXURE 9- STATEMENT OF BORROWINGS, AS RESTATED**

(Amounts in ₹ million)

	As at									
	31 March 2015		31 March 2014		31 March 2013		31 March 2012		31 March 2011	
	Long-term	Short-term	Long-term	Short-term	Long-term	Short-term	Long-term	Short-term	Long-term	Short-term
<b>Borrowings</b>										
<b>Secured</b>										
Term loans from banks	108.47	-	155.00	-	123.40	-	67.88	-	60.03	-
Working capital loans from banks										
Cash credit	-	75.53	-	38.87	-	52.87	-	33.17	-	45.17
Export packing credit	-	214.21	-	212.24	-	147.27	-	124.43	-	107.87
Bill discounting	-	187.53	-	251.58	-	207.26	-	206.23	-	272.11
Vehicle loan	-	-	-	-	-	-	-	-	-	0.46
	<b>108.47</b>	<b>477.27</b>	<b>155.00</b>	<b>502.69</b>	<b>123.40</b>	<b>407.40</b>	<b>67.88</b>	<b>363.83</b>	<b>60.03</b>	<b>425.61</b>
<b>Unsecured</b>										
Term loans										
From a subsidiary	-	-	-	19.40	-	19.40	-	19.40	-	-
From a director	-	-	-	-	15.00	-	-	-	-	-
	<b>-</b>	<b>-</b>	<b>-</b>	<b>19.40</b>	<b>15.00</b>	<b>19.40</b>	<b>-</b>	<b>19.40</b>	<b>-</b>	<b>-</b>
	<b>108.47</b>	<b>477.27</b>	<b>155.00</b>	<b>522.09</b>	<b>138.40</b>	<b>426.80</b>	<b>67.88</b>	<b>383.23</b>	<b>60.03</b>	<b>425.61</b>
<b>Less:</b>										
Current maturities of long-term debt (refer annexure 12)	61.71	-	67.23	-	48.52	-	36.59	-	36.59	-
	<b>46.76</b>	<b>477.27</b>	<b>87.77</b>	<b>522.09</b>	<b>89.88</b>	<b>426.80</b>	<b>31.29</b>	<b>383.23</b>	<b>23.44</b>	<b>425.61</b>

The total outstanding balance due by the Company to promoters/group companies/subsidiaries / material associate companies and from others is as follows :

(Amounts in ₹ million)

	As at									
	31 March 2015		31 March 2014		31 March 2013		31 March 2012		31 March 2011	
	Long-term	Short-term	Long-term	Short-term	Long-term	Short-term	Long-term	Short-term	Long-term	Short-term
Promoters	-	-	-	-	15.00	-	-	-	-	-
Group companies	-	-	-	-	-	-	-	-	-	-
Subsidiaries	-	-	-	19.40	-	19.40	-	19.40	-	-
Material associate companies	-	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-	-
	<b>-</b>	<b>-</b>	<b>-</b>	<b>19.40</b>	<b>15.00</b>	<b>19.40</b>	<b>-</b>	<b>19.40</b>	<b>-</b>	<b>-</b>

**ANNEXURE 9- STATEMENT OF BORROWINGS, AS RESTATED**

Detail of repayment, rate of interest and security details in respect of borrowings :

(Amounts in ₹ million)

S.No	Particulars	Limit/ Loan Amount	Nature of Security provided	Rate of interest	Repayment schedule of the loan	Amount outstanding as at				
						31 March 2015	31 March 2014	31 March 2013	31 March 2012	31 March 2011
1	Term loan facility from ING Vysya Bank Limited	₹ 99.2 million	Term loans is secured against the first charge on the specific fixed assets financed by the loan and backed by personal guarantees of Mr. Gautam Maini, Managing Director and Mr. Sandeep Maini, Director.	12.95% to 13.3%	Repayable in 42 equal monthly instalments beginning 31 January 2013.	35.42	63.76	92.10	-	-
2	Term loan facility from ING Vysya Bank Limited	₹ 99.3 million	Term loans is secured against the first charge on the specific fixed assets financed by the loan and backed by personal guarantees of Mr. Gautam Maini, Managing Director and Mr. Sandeep Maini, Director.	12.75% - 12.95%	Repayable in 36 equal monthly instalments beginning 30 June 2014.	73.05	80.13	-	-	-
3	Term loan facility from ING Vysya Bank Limited	₹ 50 million	Term loans is secured against the first charge on the specific fixed assets financed by the loan and backed by personal guarantees of Mr. Gautam Maini, Managing Director and Mr. Sandeep Maini, Director (by Mr. Gautam Maini, Managing Director and Sudarshan Maini, Director up to 28 January 2013).	12.25% - 14.95%	Repayable in 30 equal monthly instalments beginning 31 December 2010.	-	-	3.52	23.44	43.86
4	Term loan facility from ING Vysya Bank Limited	₹ 50 million	Term loans is secured against the first charge on the specific fixed assets financed by the loan and backed by personal guarantees of Mr. Gautam Maini, Managing Director and Sudarshan Maini, Director.	19.5%	Repayable in 6 equal quarterly instalments beginning 30 June 2010.	-	-	-	-	16.17
5	Term loan facility from ICICI Bank Limited	₹ 50 million	Term loans is secured against the first charge on the specific fixed assets financed by the loan and backed by personal guarantees of Mr. Gautam Maini, Managing Director and Mr. Sandeep Maini, Director (by Mr. Gautam Maini, Managing Director and Sudarshan Maini, Director up to 10 January 2012).	11.75% - 13.50%	Repayable in 36 equal monthly instalments beginning 31 December 2011.	-	11.11	27.78	44.44	-

**ANNEXURE 9- STATEMENT OF BORROWINGS, AS RESTATED**

Detail of repayment, rate of interest and security details in respect of borrowings :

S.No	Particulars	Limit/ Loan Amount	Nature of Security provided	Rate of interest	Repayment schedule of the loan	Amount outstanding as at				
						31 March 2015	31 March 2014	31 March 2013	31 March 2012	31 March 2011
6	Cash Credit facility from Canara Bank Limited	₹ 18.9 million	Working capital loans are from banks secured by hypothecation of current assets and an extension of the charge on all the fixed assets of the Company and backed by personal guarantees of Mr. Gautam Maini, Managing Director and Mr. Sandeep Maini, Director.	16%	Maximum 180 days	-	-	-	-	30.34
7	Cash Credit facility from ING Vysya Bank Limited	₹ 20 million	Working capital loans are from banks secured by hypothecation of current assets and an extension of the charge on all the fixed assets of the Company and backed by personal guarantees of Mr. Gautam Maini, Managing Director and Mr. Sandeep Maini, Director (by Mr. Gautam Maini, Managing Director and Sudarshan Maini, Director up to 28 January 2013).	12.95% - 15.45%	Maximum 180 days	34.86	28.13	22.07	4.22	14.83
8	Cash Credit facility from ICICI Bank Limited	₹ 70 million (₹ 190 million until 10 January 2012)	Working capital loans are from banks secured by hypothecation of current assets and an extension of the charge on all the fixed assets of the Company and backed by personal guarantees of Mr. Gautam Maini, Managing Director and Mr. Sandeep Maini, Director (by Mr. Gautam Maini, Managing Director and Sudarshan Maini, Director up to 10 January 2012).	12.75% - 13.5%	Maximum 180 days	40.67	10.74	30.80	28.95	-
9	Export Packing Credit facility from Canara Bank Limited	₹ 48.5 million	Working capital loans are from banks secured by hypothecation of current assets and an extension of the charge on all the fixed assets of the Company and backed by personal guarantees of Mr. Gautam Maini, Managing Director and Mr. Sandeep Maini, Director.	11%	Maximum 180 days	-	-	-	-	31.41
10	Export Packing Credit facility from ING Vysya Bank Limited	₹ 100 million (₹ 75 million until 28 January 2013, ₹ 55 million until 30 March 2012)	Working capital loans are from banks secured by hypothecation of current assets and an extension of the charge on all the fixed assets of the Company and backed by personal guarantees of Mr. Gautam Maini, Managing Director and Mr. Sandeep Maini, Director (by Mr. Gautam Maini, Managing Director and Sudarshan Maini, Director up to 28 January 2013).	LIBOR + 2% to 3%	Maximum 180 days	87.71	104.53	73.93	60.99	76.46



**ANNEXURE 9- STATEMENT OF BORROWINGS, AS RESTATED**

Detail of repayment, rate of interest and security details in respect of borrowings :

S.No	Particulars	Limit/ Loan Amount	Nature of Security provided	Rate of interest	Repayment schedule of the loan	Amount outstanding as at				
						31 March 2015	31 March 2014	31 March 2013	31 March 2012	31 March 2011
11	Export Packing Credit facility from ICICI Bank Limited	₹ 150 million (₹ 60 million until 10 January 2012, ₹ 65 million until 14 January 2014)	Working capital loans are from banks secured by hypothecation of current assets and an extension of the charge on all the fixed assets of the Company and backed by personal guarantees of Mr. Gautam Maini, Managing Director and Mr. Sandeep Maini, Director (by Mr. Gautam Maini, Managing Director and Sudarshan Maini, Director up to 10 January 2012).	LIBOR + 2%	Maximum 180 days	126.50	107.71	73.34	63.44	-
12	Bill Discounting facility from Canara Bank Limited	₹ 165.5 million	Working capital loans are from banks secured by hypothecation of current assets and an extension of the charge on all the fixed assets of the Company and backed by personal guarantees of Mr. Gautam Maini, Managing Director and Mr. Sandeep Maini, Director.	LIBOR + 2%	Maximum 180 days	-	-	-	-	129.68
13	Bill Discounting facility from ING Vysya Bank Limited -	₹ 170 million (₹ 150 million until 28 January 2013, ₹ 85 million until 31 March 2012)	Working capital loans are from banks secured by hypothecation of current assets and an extension of the charge on all the fixed assets of the Company and backed by personal guarantees of Mr. Gautam Maini, Managing Director and Mr. Sandeep Maini, Director (by Mr. Gautam Maini, Managing Director and Sudarshan Maini, Director up to 28 January 2013).	LIBOR + 2% to 3%	Maximum 180 days	138.25	159.56	140.97	129.64	142.43
14	Bill Discounting facility from ICICI Bank Limited	₹ 150 million (₹ 125 million until 14 January 2014, ₹ 85 million until 10 January 2012)	Working capital loans are from banks secured by hypothecation of current assets and an extension of the charge on all the fixed assets of the Company and backed by personal guarantees of Mr. Gautam Maini, Managing Director and Mr. Sandeep Maini, Director (by Mr. Gautam Maini, Managing Director and Sudarshan Maini, Director up to 10 January 2012).	LIBOR + 2%	Maximum 180 days	49.28	92.02	66.29	76.59	-

**ANNEXURE 9- STATEMENT OF BORROWINGS, AS RESTATED**

Detail of repayment, rate of interest and security details in respect of borrowings :

S.No	Particulars	Limit/ Loan Amount	Nature of Security provided	Rate of interest	Repayment schedule of the loan	Amount outstanding as at				
						31 March 2015	31 March 2014	31 March 2013	31 March 2012	31 March 2011
15	Loan from Sudarshan Maini Precision Products Limited	₹ 19.4 million	Unsecured loan.	Interest free	Repayable on demand	-	19.40	19.40	19.40	-
16	Loan from Sudarshan Maini	₹ 15 million	Unsecured loan.	13%	Repayable at the end of 5 years	-	-	15.00	-	-
17	Vehicle Loan from HDFC Bank	₹ 1.33 million	Secured by way of hypothecation of the vehicle on which loan has been availed.	12.03% - 12.51%	Repayable in 36 equal monthly instalments beginning 05 March 2009	-	-	-	-	0.46

**ANNEXURE 10 - STATEMENT OF PROVISIONS, AS RESTATED**

(Amounts in ₹ million)

	As at									
	31 March 2015		31 March 2014		31 March 2013		31 March 2012		31 March 2011	
	Long-term	Short-term	Long-term	Short-term	Long-term	Short-term	Long-term	Short-term	Long-term	Short-term
<b>Provisions</b>										
Provision for gratuity (refer note (6) in annexure 5)	53.44	7.00	30.21	7.00	31.10	7.00	20.24	7.00	18.87	7.00
Provision for compensated absences	-	23.63	-	16.95	-	15.36	-	12.27	-	10.19
Provision for taxation, net of advance tax*	-	46.85	-	95.64	-	48.24	-	53.06	-	24.63
Interim dividend	-	-	-	-	-	-	-	110.09	-	-
Dividend distribution tax	-	-	-	-	-	-	-	17.86	-	-
	<b>53.44</b>	<b>77.48</b>	<b>30.21</b>	<b>119.59</b>	<b>31.10</b>	<b>70.60</b>	<b>20.24</b>	<b>200.28</b>	<b>18.87</b>	<b>41.82</b>
* advance tax	-	168.51	-	70.31	-	43.46	-	12.51	-	9.52

*(This space is intentionally left blank)*

**ANNEXURE 11- STATEMENT OF TRADE PAYABLES, AS RESTATED**

(Amounts in ₹ million)

Particulars	As at				
	31 March 2015	31 March 2014	31 March 2013	31 March 2012	31 March 2011
Dues to micro enterprises and small enterprises (refer note below)	5.70	4.56	4.58	3.40	2.58
Creditors	302.00	273.31	205.55	186.69	241.59
	<b>307.70</b>	<b>277.87</b>	<b>210.13</b>	<b>190.09</b>	<b>244.17</b>

The total outstanding balance due by the Company to promoters/group companies/subsidiaries / material associate companies and from others is as follows :

(Amounts in ₹ million)

Particulars	As at				
	31 March 2015	31 March 2014	31 March 2013	31 March 2012	31 March 2011
Promoters	-	-	-	-	-
Group companies	0.23	0.01	-	0.57	-
Subsidiaries	-	-	-	-	-
Material associate companies	-	-	-	-	-
Others	-	-	-	-	-
	<b>0.23</b>	<b>0.01</b>	<b>-</b>	<b>0.57</b>	<b>-</b>

**Micro, Small and Medium Enterprises Development Act, 2006 (MSMEDA)**

The management has identified enterprises who have provided goods and services to the Company and currently in the process of identifying those enterprises which qualify under the definition of micro and small enterprises, as defined under Micro, Small and Medium Enterprises Development Act, 2006 (MSMEDA). Accordingly, the disclosure in respect of the amounts payable to such enterprises as at year end has been made in the financial statements based on information received and available with the Company.

(Amounts in ₹ million)

Particulars	Year ended				
	31 March 2015	31 March 2014	31 March 2013	31 March 2012	31 March 2011
(i) a) Principal amount remaining unpaid to any supplier as at the end of the year.	5.70	4.56	4.58	3.40	2.58
b) Interest due on the above amount.	-	-	-	-	-
(ii) Amount of interest paid in terms of Section 16 of the Micro, Small and Medium Enterprises Act, 2006 and amounts of payment made to the suppliers beyond the appointed day during the year.	-	-	-	-	-
(iii) Amount of interest due and payable for the period of delay in making payment but without adding the interest specified under this Act.	-	-	-	-	-
(iv) Amount of interest accrued and remaining unpaid at the end of the year.	-	-	-	-	-
(v) Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises.	-	-	-	-	-

**ANNEXURE 12- STATEMENT OF OTHER CURRENT LIABILITIES, AS RESTATED**

(Amounts in ₹ million)

Particulars	As at				
	31 March 2015	31 March 2014	31 March 2013	31 March 2012	31 March 2011
Current maturities of long-term debt (refer annexure 9)	61.71	67.23	48.52	36.59	36.59
Interest accrued but not due on borrowings	-	-	0.07	0.32	0.80
Accrued salaries and benefits	38.84	8.50	20.46	20.13	2.09
Bonus payable	8.28	9.16	8.20	7.73	7.21
Accrued expenses	19.27	19.88	27.42	13.07	18.00
Fair value of forward exchange contract	-	6.32	-	4.43	-
Advances from customers	0.88	5.71	4.01	6.54	2.23
Statutory dues payable	7.44	7.89	5.63	9.50	6.24
TDS payable	2.82	3.60	2.12	2.34	2.14
Capital creditors	4.21	10.00	3.64	1.51	4.24
Security deposit	0.50	-	-	-	-
	<b>143.95</b>	<b>138.29</b>	<b>120.07</b>	<b>102.16</b>	<b>79.54</b>

The total outstanding balance due by the Company to promoters/group companies/subsidiaries / material associate companies and from others is as follows :

(Amounts in ₹ million)

	As at				
	31 March 2015	31 March 2014	31 March 2013	31 March 2012	31 March 2011
Promoters	1.22	0.73	-	-	-
Group companies	-	-	-	-	-
Subsidiaries	-	-	-	-	-
Material associate companies	-	-	-	-	-
Others	0.18	-	-	-	-
	<b>1.40</b>	<b>0.73</b>	<b>-</b>	<b>-</b>	<b>-</b>

**ANNEXURE 13 - SUMMARY STATEMENT OF TANGIBLE ASSETS, AS RESTATED**

(Amounts in ₹ million)

Particulars	Land (Freehold)	Buildings	Plant and equipments	Furniture and fixtures	Vehicles	Office equipments	Research and development	Computer equipments	Total
<b>Gross block</b>									
<b>Balance as at 01 April 2010</b>	<b>37.30</b>	<b>100.96</b>	<b>681.78</b>	<b>18.09</b>	<b>13.53</b>	<b>7.95</b>	<b>9.97</b>	<b>24.92</b>	<b>894.50</b>
Additions	-	-	73.62	0.31	0.37	0.36	-	0.74	75.40
Disposals	-	-	3.28	-	1.13	-	-	-	4.41
Disposals on discontinued operations	-	-	24.49	0.53	-	0.59	-	0.86	26.47
<b>Balance as at 31 March 2011</b>	<b>37.30</b>	<b>100.96</b>	<b>727.63</b>	<b>17.87</b>	<b>12.77</b>	<b>7.72</b>	<b>9.97</b>	<b>24.80</b>	<b>939.02</b>
Additions	-	-	88.85	0.24	0.03	1.51	-	0.37	91.00
Disposals	-	-	0.76	-	0.05	-	-	-	0.81
<b>Balance as at 31 March 2012</b>	<b>37.30</b>	<b>100.96</b>	<b>815.72</b>	<b>18.11</b>	<b>12.75</b>	<b>9.23</b>	<b>9.97</b>	<b>25.17</b>	<b>1,029.21</b>
Additions	0.20	-	79.34	1.02	-	1.16	-	1.21	82.93
Disposals	-	-	0.51	-	0.51	-	-	-	1.02
<b>Balance as at 31 March 2013</b>	<b>37.50</b>	<b>100.96</b>	<b>894.55</b>	<b>19.13</b>	<b>12.24</b>	<b>10.39</b>	<b>9.97</b>	<b>26.38</b>	<b>1,111.12</b>
Additions	-	-	129.02	2.54	3.33	1.20	-	3.15	139.24
Disposals	-	-	24.81	-	-	-	-	-	24.81
<b>Balance as at 31 March 2014</b>	<b>37.50</b>	<b>100.96</b>	<b>998.76</b>	<b>21.67</b>	<b>15.57</b>	<b>11.59</b>	<b>9.97</b>	<b>29.53</b>	<b>1,225.55</b>
Additions	-	-	123.35	3.33	0.06	1.39	-	1.35	129.48
Disposals	-	-	15.07	-	-	0.04	0.10	-	15.21
<b>Balance as at 31 March 2015</b>	<b>37.50</b>	<b>100.96</b>	<b>1,107.04</b>	<b>25.00</b>	<b>15.63</b>	<b>12.94</b>	<b>9.87</b>	<b>30.88</b>	<b>1,339.82</b>

**ANNEXURE 13 - SUMMARY STATEMENT OF TANGIBLE ASSETS, AS RESTATED**

Particulars	(Amounts in ₹ million)								Total
	Land (Freehold)	Buildings	Plant and equipments	Furniture and fixtures	Vehicles	Office equipments	Research and development	Computer equipments	
<b>Accumulated depreciation</b>									
<b>Balance as at 01 April 2010</b>	-	<b>29.28</b>	<b>346.47</b>	<b>9.72</b>	<b>5.18</b>	<b>5.50</b>	<b>9.97</b>	<b>23.83</b>	<b>429.95</b>
Charge for the year	-	3.37	61.72	1.01	1.20	0.57	-	0.99	68.86
Disposals	-	-	2.69	-	0.25	-	-	-	2.94
Disposals on discontinued operations	-	-	12.28	0.19	-	0.14	-	0.83	13.44
<b>Balance as at 31 March 2011</b>	-	<b>32.65</b>	<b>393.22</b>	<b>10.54</b>	<b>6.13</b>	<b>5.93</b>	<b>9.97</b>	<b>23.99</b>	<b>482.43</b>
Charge for the year	-	3.37	69.88	0.96	1.09	0.65	-	0.48	76.43
Disposals	-	-	0.72	-	0.01	-	-	-	0.73
<b>Balance as at 31 March 2012</b>	-	<b>36.02</b>	<b>462.38</b>	<b>11.50</b>	<b>7.21</b>	<b>6.58</b>	<b>9.97</b>	<b>24.47</b>	<b>558.13</b>
Charge for the year	-	3.37	77.29	1.08	1.08	0.77	-	0.59	84.18
Disposals	-	-	0.31	-	0.20	-	-	-	0.51
<b>Balance as at 31 March 2013</b>	-	<b>39.39</b>	<b>539.36</b>	<b>12.58</b>	<b>8.09</b>	<b>7.35</b>	<b>9.97</b>	<b>25.06</b>	<b>641.80</b>
Charge for the year	-	3.37	82.66	1.31	1.15	0.76	-	1.18	90.43
Disposals	-	-	21.64	-	-	-	-	-	21.64
<b>Balance as at 31 March 2014</b>	-	<b>42.76</b>	<b>600.38</b>	<b>13.89</b>	<b>9.24</b>	<b>8.11</b>	<b>9.97</b>	<b>26.24</b>	<b>710.59</b>
Charge for the year	-	5.97	79.36	3.03	1.49	1.25	-	1.70	92.80
Impact of Schedule II of the Companies Act, 2013	-	-	0.55	1.22	1.00	0.12	-	-	2.89
Disposals	-	-	14.17	-	-	0.04	0.10	-	14.31
<b>Balance as at 31 March 2015</b>	-	<b>48.73</b>	<b>666.12</b>	<b>18.14</b>	<b>11.73</b>	<b>9.44</b>	<b>9.87</b>	<b>27.94</b>	<b>791.97</b>
<b>Net block</b>									
31 March 2011	37.30	68.31	334.41	7.33	6.64	1.79	-	0.81	456.59
31 March 2012	37.30	64.94	353.34	6.61	5.54	2.65	-	0.70	471.08
31 March 2013	37.50	61.57	355.19	6.55	4.15	3.04	-	1.32	469.32
31 March 2014	37.50	58.20	398.38	7.78	6.33	3.48	-	3.29	514.96
31 March 2015	<b>37.50</b>	<b>52.23</b>	<b>440.92</b>	<b>6.86</b>	<b>3.90</b>	<b>3.50</b>	-	<b>2.94</b>	<b>547.85</b>

During the year, the Company has reassessed the useful life of the fixed assets internally which coincide with the indicative useful life given in Schedule II of the Companies Act, 2013. The aforesaid change did not have material impact on Statement of Profit and Loss for the year ended 31 March 2015. However, in accordance with the transitional provision, unamortised depreciation of ₹ 2.89 million and related deferred tax impact amounting to ₹ 0.98 million towards tangible assets that should have been fully depreciated based on the revised useful life given in Schedule II of the Companies Act 2013, has been adjusted to the opening reserves and surplus.

**ANNEXURE 14 - SUMMARY STATEMENT OF INTANGIBLE ASSETS, AS RESTATED**

(Amounts in ₹ million)

	As at				
	31 March 2015	31 March 2014	31 March 2013	31 March 2012	31 March 2011
<b>Software</b>					
<b>Gross block</b>					
Opening balance	21.72	19.69	17.73	14.89	8.36
Additions	6.16	2.02	1.96	2.84	6.66
Disposals	-	-	-	-	-
Disposals on discontinued operations	-	-	-	-	0.13
<b>Closing balance</b>	<b>27.88</b>	<b>21.71</b>	<b>19.69</b>	<b>17.73</b>	<b>14.89</b>
<b>Accumulated amortisation</b>					
Opening balance	18.38	15.19	11.08	6.59	3.83
Charge for the year	2.15	3.19	4.11	4.49	2.78
Disposals	-	-	-	-	-
Disposals on discontinued operations	-	-	-	-	0.02
<b>Closing balance</b>	<b>20.53</b>	<b>18.38</b>	<b>15.19</b>	<b>11.08</b>	<b>6.59</b>
<b>Net block</b>	<b>7.35</b>	<b>3.33</b>	<b>4.50</b>	<b>6.65</b>	<b>8.30</b>

**ANNEXURE 15- STATEMENT OF DEFERRED TAX ASSETS/(LIABILITIES), NET, AS RESTATED**

(Amounts in ₹ million)

	As at				
	31 March 2015	31 March 2014	31 March 2013	31 March 2012	31 March 2011
<b>Deferred tax assets</b>					
Provision for doubtful debts and advances	1.56	1.14	1.26	1.46	1.80
Provision for employee benefits	29.10	17.70	17.34	12.69	11.97
Provision for bonus	-	0.01	2.66	2.17	2.08
Provision for inventory	-	7.81	5.41	4.01	2.68
Fair value of derivatives	-	2.15	-	1.44	-
	<b>30.66</b>	<b>28.81</b>	<b>26.67</b>	<b>21.77</b>	<b>18.53</b>
<b>Deferred tax liability</b>					
Fixed assets: Impact of difference between tax depreciation and depreciation/amortisation charged for the financial reporting	26.07	22.97	23.61	28.21	30.89
Fair value of derivatives	-	-	2.95	-	2.16
	<b>26.07</b>	<b>22.97</b>	<b>26.56</b>	<b>28.21</b>	<b>33.05</b>
<b>Deferred tax asset/(liability), net</b>	<b>4.59</b>	<b>5.84</b>	<b>0.11</b>	<b>(6.44)</b>	<b>(14.52)</b>

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**ANNEXURE 16 - STATEMENT OF NON-CURRENT INVESTMENTS, AS RESTATED**

(Amounts in ₹ million)

	As at				
	31 March 2015	31 March 2014	31 March 2013	31 March 2012	31 March 2011
<b>Non-current investments</b>					
(Valued at cost, unless stated otherwise)					
<b>Investments in equity instruments, quoted, non-trade</b>					
704 Equity shares of ₹ 10 each, fully paid-up in IDBI Bank Limited	0.02	0.02	0.02	0.02	0.02
<b>Investments in equity instruments, unquoted, trade</b>					
<b>Investment in subsidiary</b>					
931,000 Equity shares of ₹ 10 each, fully paid-up in Sudarshan Maini Precision Private Limited (refer note (a) below)	-	7.55	7.55	7.55	7.55
99,998 Equity shares of ₹ 10 each, fully paid-up in Maini Global Aerospace Private Limited (refer note (b) below)	-	1.00	1.00	1.00	1.00
2,502,369 Equity shares of € 1 each, fully paid-up in Maini Precision Products Holding S.L., Spain (refer note (c) below)	-	-	-	-	-
	<b>0.02</b>	<b>8.57</b>	<b>8.57</b>	<b>8.57</b>	<b>8.57</b>
<b>Aggregate amount of:</b>					
Quoted investments (at cost)	0.02	0.02	0.02	0.02	0.02
Market value of quoted investments	0.05	0.05	0.06	0.07	1.00
Unquoted investments	-	8.55	8.55	8.55	8.55

**Note:**

- a) On 12 March 2015, the Company has sold its investment of 931,000 equity shares of ₹ 10 each, in 'Sudarshan Maini Precision Private Limited' to a related party, 'All Terrain Solutions Private Limited' for a total consideration of ₹ 19.40 million (refer annexure 31).
- b) On 12 March 2015, the Company has sold its investment of 99,998 equity shares of ₹ 10 each, in 'Maini Global Aerospace Private Limited' to related parties, 'Mr. Sandeep Maini' and 'Mr. Gautam Maini' (49,999 equity shares each) for a total consideration of ₹ 0.01 million (refer annexure 31).
- c) The Company made Overseas Direct Investment (ODI) under automatic route to its wholly-owned subsidiary companies, namely Mechanical Components GMBH, Austria and Preci Metal SRO, Slovakia, through its wholly-owned subsidiary Maini Precision Products Holding S.L., Spain. Due to global recession, during fiscal 2009 and 2010, the management evaluated diminution of the net asset value amounting ₹ 199.78 million, including its step subsidiaries, to be 'Other-than-temporary' and accordingly recorded suitable provision in its financial statements during those periods.

During the fiscal 2009 and 2010, the Company filed an application to the regulatory authority, along with all the requisite documents, requesting approval for writing-off foreign currency long-term investments. The Company had provided necessary clarifications and is in process of submitting all the requested documents as required by the regulatory authority to their satisfaction.

On 31 March 2015, the Company has sold its investment of 2,502,369 equity shares of € 1 each in 'Maini Precision Products Holding SL' to FRANK ABEGG CONSULT, SL Spain for a total consideration of € 1. The Company has incurred ₹ 0.69 million (€ 10,000) towards consultation fee, for preparing all the relevant documents and completing the transaction.

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**ANNEXURE 17 - STATEMENT OF LOANS AND ADVANCES, AS RESTATED**

(Amounts in ₹ million)

	As at									
	31 March 2015		31 March 2014		31 March 2013		31 March 2012		31 March 2011	
	Long-term	Short-term	Long-term	Short-term	Long-term	Short-term	Long-term	Short-term	Long-term	Short-term
<b>Loans and advances</b>										
(unsecured, considered good, unless stated otherwise)										
Capital advances	11.85	-	17.76	-	4.12	-	4.20	-	8.40	-
Security deposits	10.00	-	8.63	-	8.72	-	6.47	-	5.97	1.80
Prepaid expenses	-	9.85	0.11	8.39	0.18	9.45	0.39	7.97	-	8.72
Advance to employees	2.00	11.03	2.53	9.74	2.92	4.42	3.25	7.25	2.28	6.49
Accrued income	-	0.11	-	0.31	-	0.57	-	0.68	-	1.59
Export incentives receivable	-	49.95	-	44.29	-	14.58	-	9.56	-	27.35
Advance tax, net of provision for tax ^	12.61	-	14.61	-	13.08	-	13.84	-	7.39	-
MAT credit entitlement	-	-	-	-	-	-	-	-	-	3.27
Balances with the excise department **	9.15	61.37	8.30	58.69	8.30	35.87	6.03	29.69	8.30	31.27
Advances to suppliers and service providers *	2.41	22.16	2.72	15.51	1.10	21.97	1.10	10.56	1.10	9.70
Fair value of forward exchange contract	-	57.64	-	-	-	9.10	-	-	-	6.51
	<b>48.02</b>	<b>212.11</b>	<b>54.66</b>	<b>136.93</b>	<b>38.42</b>	<b>95.96</b>	<b>35.28</b>	<b>65.71</b>	<b>33.44</b>	<b>96.70</b>
Less: Provisions for doubtful advances/deposits	2.27	-	3.37	-	3.37	-	3.37	-	0.55	-
	<b>45.75</b>	<b>212.11</b>	<b>51.29</b>	<b>136.93</b>	<b>35.05</b>	<b>95.96</b>	<b>31.91</b>	<b>65.71</b>	<b>32.89</b>	<b>96.70</b>
^ provision for tax	67.20	-	82.74	-	81.73	-	80.97	-	64.43	-

\* Includes Nil (2011 - ₹ 0.55 million; 2012 - 2014 - ₹ 1.10 million) considered doubtful.

\*\* Includes ₹ 2.27 million (2012-2014: ₹ 2.27 million) considered doubtful. Balance paid to the department under protest

The total outstanding balance due to the Company from promoters/group companies/subsidiaries / material associate companies and from others is as follows :

(Amounts in ₹ million)

	As at									
	31 March 2015		31 March 2014		31 March 2013		31 March 2012		31 March 2011	
	Long-term	Short-term	Long-term	Short-term	Long-term	Short-term	Long-term	Short-term	Long-term	Short-term
Promoters	-	-	-	-	-	-	-	-	-	-
Group companies	-	1.03	-	1.85	-	0.97	-	-	-	-
Subsidiaries	-	-	-	-	-	-	-	-	-	-
Material associate companies	-	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-	-
	-	<b>1.03</b>	-	<b>1.85</b>	-	<b>0.97</b>	-	-	-	-

**ANNEXURE 18 - SUMMARY STATEMENT OF OTHER NON-CURRENT ASSETS, AS RESTATED**

(Amounts in ₹ million)

	As at				
	31 March 2015	31 March 2014	31 March 2013	31 March 2012	31 March 2011
Margin money (refer note (a))	1.73	4.38	4.06	7.42	10.15
	<b>1.73</b>	<b>4.38</b>	<b>4.06</b>	<b>7.42</b>	<b>10.15</b>

**Note**

a) Margin money deposits are under lien with banks for issuance of bank guarantee and letter of credits.

**ANNEXURE 19 - SUMMARY STATEMENT OF INVENTORIES, AS RESTATED**

(Amounts in ₹ million)

	As at				
	31 March 2015	31 March 2014	31 March 2013	31 March 2012	31 March 2011
Raw materials	105.38	175.75	143.88	128.05	119.49
Work-in-progress	115.40	92.47	67.34	55.27	38.23
Finished goods*	231.82	260.30	149.39	182.04	136.29
Stores and spares	26.41	42.12	35.13	21.01	16.79
	<b>479.01</b>	<b>570.64</b>	<b>395.74</b>	<b>386.37</b>	<b>310.80</b>
Less : Provision for obsolete inventory	-	(22.98)	(16.67)	(12.35)	(8.13)
	<b>479.01</b>	<b>547.66</b>	<b>379.07</b>	<b>374.02</b>	<b>302.67</b>

\* includes goods-in-transit

**Details of opening and closing stocks of work-in-progress and finished goods**

Finished goods opening stock

- Auto components (Non filter)	224.72	130.85	169.06	125.78	121.51
- Auto components (Filter)	3.74	2.20	2.13	3.28	3.03
- Aero components	31.84	16.34	10.85	7.23	7.65
	<b>260.30</b>	<b>149.39</b>	<b>182.04</b>	<b>136.29</b>	<b>132.19</b>

Finished goods closing stock

- Auto components (Non filter)	183.17	224.72	130.85	169.06	125.78
- Auto components (Filter)	4.51	3.74	2.20	2.13	3.28
- Aero components	44.14	31.84	16.34	10.85	7.23
	<b>231.82</b>	<b>260.30</b>	<b>149.39</b>	<b>182.04</b>	<b>136.29</b>

Work-in-progress opening stock

- Auto components (Non filter)	55.19	42.48	32.94	23.56	25.24
- Auto components (Filter)	5.96	9.02	8.16	7.47	7.47
- Aero components	31.32	15.84	14.17	7.20	7.20
	<b>92.47</b>	<b>67.34</b>	<b>55.27</b>	<b>38.23</b>	<b>39.91</b>

Work-in-progress closing stock

- Auto components (Non filter)	80.43	55.19	42.48	32.94	23.56
- Auto components (Filter)	6.03	5.96	9.02	8.16	7.47
- Aero components	28.94	31.32	15.84	14.17	7.20
	<b>115.40</b>	<b>92.47</b>	<b>67.34</b>	<b>55.27</b>	<b>38.23</b>

**ANNEXURE 20 - SUMMARY STATEMENT OF TRADE RECEIVABLES, AS RESTATED**

(Amounts in ₹ million)

	<b>As at</b>				
	<b>31 March 2015</b>	<b>31 March 2014</b>	<b>31 March 2013</b>	<b>31 March 2012</b>	<b>31 March 2011</b>
<b>Trade receivables</b>					
(Unsecured)					
Outstanding for a period exceeding six months from the due date					
- considered good	3.50	3.22	7.07	8.25	13.82
- considered doubtful	2.24	-	0.51	1.13	4.90
	<b>5.74</b>	<b>3.22</b>	<b>7.58</b>	<b>9.38</b>	<b>18.72</b>
Other receivables - considered good	483.49	417.50	343.23	290.41	322.17
	<b>489.23</b>	<b>420.72</b>	<b>350.81</b>	<b>299.79</b>	<b>340.89</b>
Less: Provision for bad and doubtful debts	2.24	-	0.51	1.13	4.90
	<b>486.99</b>	<b>420.72</b>	<b>350.30</b>	<b>298.66</b>	<b>335.99</b>

The total outstanding balance due to the Company from promoters/group companies/subsidiaries / material associate companies and from others is as follows :

(Amounts in ₹ million)

	<b>As at</b>				
	<b>31 March 2015</b>	<b>31 March 2014</b>	<b>31 March 2013</b>	<b>31 March 2012</b>	<b>31 March 2011</b>
Promoters	-	-	-	-	-
Group companies	4.87	8.79	6.23	2.93	1.48
Subsidiaries	-	-	-	-	-
Material associate companies	-	-	-	-	-
Others	-	-	-	-	-
	<b>4.87</b>	<b>8.79</b>	<b>6.23</b>	<b>2.93</b>	<b>1.48</b>

**ANNEXURE 21 - SUMMARY STATEMENT OF CASH AND CASH EQUIVALENTS, AS RESTATED**

(Amounts in ₹ million)

	<b>As at</b>				
	<b>31 March 2015</b>	<b>31 March 2014</b>	<b>31 March 2013</b>	<b>31 March 2012</b>	<b>31 March 2011</b>
Balances with banks					
- in current accounts	4.29	3.60	3.89	8.13	0.82
- in Exchange Earner's Foreign Currency (EEFC) accounts	0.34	0.30	0.52	17.50	0.81
Cash on hand	0.04	0.03	0.01	0.05	0.08
	<b>4.67</b>	<b>3.93</b>	<b>4.42</b>	<b>25.68</b>	<b>1.71</b>

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**ANNEXURE - 22 STATEMENT OF REVENUE FROM OPERATIONS, AS RESTATED**

(Amounts in ₹ million)

Particulars	Year ended				
	31 March 2015	31 March 2014	31 March 2013	31 March 2012	31 March 2011
<b>Revenue from operations</b>					
Manufactured goods					
- Auto components (Non filter)	2,000.36	1,845.72	1,190.86	1,090.00	933.26
- Auto components (Filter)	545.23	512.35	604.10	587.75	732.64
- Aero components	325.26	289.70	219.14	235.32	151.73
	<u>2,870.85</u>	<u>2,647.77</u>	<u>2,014.10</u>	<u>1,913.07</u>	<u>1,817.63</u>
Less : Excise duty	(143.23)	(142.60)	(107.97)	(80.61)	(92.65)
<b>Sub-total (A)</b>	<b>2,727.62</b>	<b>2,505.17</b>	<b>1,906.13</b>	<b>1,832.46</b>	<b>1,724.98</b>
Sales of services	7.74	2.84	2.09	10.15	4.47
Other operating revenues					
Export incentive entitlement					
- DEPB licences	-	-	-	24.77	64.00
- duty draw-back scheme	21.41	25.65	13.66	5.90	-
- focus product scheme	13.84	13.88	7.99	-	-
- incremental export scheme	-	8.65	-	-	-
Scrap sales	27.51	27.43	23.60	24.08	16.47
<b>Sub-total (B)</b>	<b>62.76</b>	<b>75.61</b>	<b>45.25</b>	<b>54.75</b>	<b>80.47</b>
	<u><b>2,798.12</b></u>	<u><b>2,583.62</b></u>	<u><b>1,953.47</b></u>	<u><b>1,897.36</b></u>	<u><b>1,809.92</b></u>

**ANNEXURE - 23 STATEMENT OF OTHER INCOME, AS RESTATED**

(Amounts in ₹ million)

Particulars	Year ended				
	31 March 2015	31 March 2014	31 March 2013	31 March 2012	31 March 2011
<b>Other income</b>					
Interest from bank deposits	0.84	0.96	0.74	0.56	0.94
Liabilities no longer required, written back	-	-	0.33	6.30	1.81
Exchange differences, gain net	39.54	-	2.17	-	0.42
Realised gain on cancellation of forward contracts	6.32	-	-	0.62	-
Net profit on sale of investments	10.18	-	-	-	-
Unrealised gain on fair valuation of derivatives	-	-	13.53	-	26.01
Profit on sale of assets	1.86	-	-	0.14	-
Miscellaneous	3.74	1.28	1.92	5.43	0.87
	<u><b>62.48</b></u>	<u><b>2.24</b></u>	<u><b>18.69</b></u>	<u><b>13.05</b></u>	<u><b>30.05</b></u>

**ANNEXURE - 24 STATEMENT OF COST OF MATERIAL CONSUMED, AS RESTATED**

(Amounts in ₹ million)

Particulars	Year ended				
	31 March 2015	31 March 2014	31 March 2013	31 March 2012	31 March 2011
<b>Cost of material consumed</b>					
Raw material consumed	1,258.67	1,191.40	773.81	792.21	792.55
Consumption of stores and spare parts	211.43	205.83	160.22	164.51	118.13
Carriage inwards	16.35	16.98	13.13	18.00	18.55
	<b>1,486.45</b>	<b>1,414.21</b>	<b>947.16</b>	<b>974.72</b>	<b>929.23</b>

**ANNEXURE 25- STATEMENT OF CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROCESS, AS RESTATED**

(Amounts in ₹ million)

Particulars	Year ended				
	31 March 2015	31 March 2014	31 March 2013	31 March 2012	31 March 2011
<b>Changes in inventories of finished goods and work-in-progress</b>					
Opening stock					
- Manufactured goods	258.50	148.48	179.54	133.94	125.70
- Work-in-progress	92.47	67.34	55.27	38.23	39.91
	<b>350.97</b>	<b>215.82</b>	<b>234.81</b>	<b>172.17</b>	<b>165.61</b>
Provision utilised on write down of inventory	(7.99)	-	-	-	-
	<b>342.98</b>	<b>215.82</b>	<b>234.81</b>	<b>172.17</b>	<b>165.61</b>
Closing stock					
- Manufactured goods	229.65	258.50	148.48	179.54	133.94
- Work-in-progress	115.40	92.47	67.34	55.27	38.23
	<b>345.05</b>	<b>350.97</b>	<b>215.82</b>	<b>234.81</b>	<b>172.17</b>
	<b>(2.07)</b>	<b>(135.15)</b>	<b>18.99</b>	<b>(62.64)</b>	<b>(6.56)</b>
Excise duty on finished goods					
- Opening provision	1.80	0.91	2.50	2.35	6.49
- Closing provision	2.17	1.80	0.91	2.50	2.35
- (Increase)/decrease in excise duty on finished goods	(0.37)	(0.89)	1.59	(0.15)	4.14
	<b>(2.44)</b>	<b>(136.04)</b>	<b>20.58</b>	<b>(62.79)</b>	<b>(2.42)</b>

**ANNEXURE 26 - STATEMENT OF EMPLOYEE BENEFIT EXPENSES, AS RESTATED**

(Amounts in ₹ million)

Particulars	Year ended				
	31 March 2015	31 March 2014	31 March 2013	31 March 2012	31 March 2011
<b>Employee benefits expense</b>					
Salaries, wages and bonus	410.29	368.89	300.81	272.75	239.93
Contribution to provident and other funds	31.15	28.12	22.49	21.06	19.43
Gratuity expenses	31.80	5.64	16.47	9.88	8.16
Compensated absence expenses	8.63	2.97	3.87	3.41	2.37
Staff welfare expenses	34.84	30.92	23.29	19.65	19.07
	<b>516.71</b>	<b>436.54</b>	<b>366.93</b>	<b>326.75</b>	<b>288.96</b>

**ANNEXURE 27 - STATEMENT OF FINANCE COST, AS RESTATED**

(Amounts in ₹ million)

Particulars	Year ended				
	31 March 2015	31 March 2014	31 March 2013	31 March 2012	31 March 2011
<b>Finance cost</b>					
Interest on loans	31.25	28.10	34.59	31.39	34.73
Discounting, loan processing and bank charges	11.35	13.37	15.04	20.47	27.82
Interest on advance tax	5.80	5.41	3.85	4.75	2.70
	<b>48.40</b>	<b>46.88</b>	<b>53.48</b>	<b>56.61</b>	<b>65.25</b>

**ANNEXURE 28 - STATEMENT OF DEPRECIATION AND AMORTISATION, AS RESTATED**

(Amounts in ₹ million)

Particulars	Year ended				
	31 March 2015	31 March 2014	31 March 2013	31 March 2012	31 March 2011
<b>Depreciation and amortisation expense</b>					
Depreciation of tangible assets (refer annexure 13)	92.80	90.43	84.18	76.43	68.86
Amortisation of intangible assets (refer annexure 14)	2.15	3.19	4.11	4.49	2.78
	<b>94.95</b>	<b>93.62</b>	<b>88.29</b>	<b>80.92</b>	<b>71.64</b>

## ANNEXURE 29 - STATEMENT OF OTHER EXPENSES, AS RESTATED

(Amounts in ₹ million)

Particulars	Year ended				
	31 March 2015	31 March 2014	31 March 2013	31 March 2012	31 March 2011
<b>Other expenses</b>					
Rent	8.52	4.56	4.15	5.76	5.49
Contract labour charges	19.30	12.56	7.20	3.92	4.80
Job contract charges	221.66	190.72	167.30	178.40	163.34
Power, fuel and water	44.19	39.73	33.13	33.10	29.37
Repairs and maintenance					
Buildings	5.77	7.30	2.60	1.58	2.08
Plant and machinery	12.18	8.30	7.91	9.53	14.35
Others	15.16	11.46	9.44	9.74	8.43
Insurance	7.18	7.73	9.56	9.85	8.69
Rates and taxes	3.30	5.27	4.60	5.48	6.23
Printing and stationery	3.94	3.32	2.29	2.17	2.33
Communication	3.48	3.25	2.75	2.92	3.40
Advertisement and publicity	2.34	1.07	2.38	2.30	2.24
Carriage outwards	61.70	54.30	43.20	48.38	53.35
Warehousing handling charges	38.40	34.51	29.12	25.10	22.98
Legal and professional	59.13	48.61	54.09	13.97	13.30
Travelling and conveyance	26.93	25.66	21.11	19.55	13.11
Loss on sale of fixed assets	-	1.04	0.41	-	0.54
Provision for obsolete inventory	-	6.31	4.32	4.22	3.43
Provision for doubtful receivables	2.24	-	0.51	1.13	4.90
Bad debts	1.59	0.41	-	-	3.19
Provision for doubtful advances/deposits	-	-	-	2.82	0.55
Deposits, loans and advances written off	0.94	-	-	-	1.43
Exchange differences, net	-	58.47	-	15.27	-
Unrealised loss on fair valuation of derivatives	-	6.32	-	10.94	-
Realised loss on cancellation of forward contracts	0.67	1.81	5.00	-	12.83
Miscellaneous	16.62	14.81	14.16	10.18	16.71
	<b>555.24</b>	<b>547.52</b>	<b>425.23</b>	<b>416.31</b>	<b>397.07</b>



**ANNEXURE 30 - STATEMENT OF RATES AND AMOUNTS OF DIVIDEND PAID/PROPOSED, AS RESTATED**

Particulars	(Amounts in ₹ million, unless otherwise stated)				
	As at				
	31 March 2015	31 March 2014	31 March 2013	31 March 2012	31 March 2011
Number of equity shares ₹ 100 each	147,965	147,965	147,965	147,965	147,965
<b>Rate of dividend (%)</b>					
Interim dividend	-	-	-	743.85%	-
<b>Amount dividend</b>					
Interim dividend	-	-	-	110.09	-
Dividend distribution tax	-	-	-	17.86	-

*(This space has been intentionally left blank)*

**ANNEXURE 31 - STATEMENT OF RELATED PARTY TRANSACTIONS, AS RESTATED**

**List of related parties and transactions as per the requirements of Accounting Standard - 18, "Related Party Disclosures" notified by Central Government under section 133 of Companies Act, 2013**

*i. Parties where control exists:*

<b>Name of party</b>	<b>Nature of relationship</b>
a) Sudarshan Maini Precision Products Limited	Subsidiary (w.e.f from 12 March 2015, entity controlled by KMP)
b) Maini Global Aerospace Private Limited	Subsidiary (w.e.f from 12 March 2015, entity controlled by KMP)
c) Maini Precision Products Holding S.L., Spain	Subsidiary (until 31 March 2015)
d) Mechanical Components GMBH	Subsidiary (until 31 March 2015)
e) Precip Metal SRO, Slovakia	Subsidiary (until 31 March 2015)

*ii. Key management personnel (KMP):*

Gautam Maini	Managing director
V Sridhar	Chief Financial Officer (Key management personnel w.e.f 1 April 2014)

*iii. Other related parties:*

Maini Materials Movement Private Limited	Entity controlled by KMP
Armes Maini Storage System Private Limited	Entity controlled by KMP
Bangalore Transport Finance Company	Entity controlled by KMP
All Terrain Solutions Private Limited	Entity controlled by KMP
Maini Industries Ltd	Entity controlled by KMP
Maini Plastic and Composites Private Limited	Entity controlled by KMP
Bangalore Commercial Corporation	Entity controlled by KMP
Gramothan Foundation	Entity controlled by KMP
Sudarshan K. Maini	Relatives of KMP
Sandeep Maini	Relatives of KMP

*iv. Transactions with related parties during the year:*

(Amounts in ₹ million)

Nature of transaction	Nature of relationship	Year ended				
		31 March 2015	31 March 2014	31 March 2013	31 March 2012	31 March 2011
<b>Remuneration (including commission, bonus and sitting fees)</b>						
Gautam Maini	KMP	9.55	11.57	10.95	9.91	10.00
V Sridhar	KMP	4.71	-	-	-	-
<b>Rent</b>						
Gautam Maini	KMP	3.24	-	1.20	2.40	2.40
<b>Loan repaid</b>						
Sudarshan K. Maini	Relative of KMP	-	15.00	5.00	-	-
Sudarshan Maini Precision Products Limited	Subsidiary	19.40	-	-	-	9.70
Gautam Maini	KMP	-	-	-	-	2.53
Maini Global Aerospace	Subsidiary	-	-	-	-	0.35
Bangalore Commercial Corporation	Entity controlled by KMP	-	-	-	-	1.00
Maini Materials Movement Private Limited	Entity controlled by KMP	-	-	-	-	18.50
<b>Loan taken</b>						
Sudarshan K. Maini	Relative of KMP	-	-	20.00	-	-
Sudarshan Maini Precision Products Limited	Subsidiary	-	-	-	19.40	-
<b>Sale of investments</b>						
All Terrain Solutions Private Limited	Entity controlled by KMP	19.40	-	-	-	-
Gautam Maini	KMP	0.01	-	-	-	-
Sandeep Maini	Relative of KMP	0.01	-	-	-	-
<b>Sale of business</b>						
Maini Plastic and Composites	Entity controlled by KMP	-	-	-	-	52.72
<b>Purchase of capital goods</b>						
Armes Maini Storage System Private Limited	Entity controlled by KMP	0.59	-	-	-	0.66
<b>Sale of goods and services rendered</b>						
Maini Materials Movement Private Limited	Entity controlled by KMP	7.12	12.03	11.80	4.33	1.16

**ANNEXURE 31 - STATEMENT OF RELATED PARTY TRANSACTIONS, AS RESTATED**

iv. Transactions with related parties during the year:

**Purchase of goods and services received**

Bangalore Transport Finance Company	Entity controlled by KMP	11.05	9.44	7.58	7.39	6.71
Maini Materials Movement Private Limited		0.75	0.76	1.75	1.75	0.89

**Rent income**

Maini Materials Movement Private Limited	Entity controlled by KMP	-	-	0.01	0.28	0.25
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**Interest paid**

Gautam Maini	Director/KMP	-	-	-	-	0.14
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**Expenses reimbursed**

Maini Materials Movement Private Limited	Entity controlled by KMP	-	-	-	-	0.18
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**Donations given**

Gramothan Foundation	Entity controlled by KMP	-	-	-	-	2.00
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v. Balances with related parties are summarised below:

Nature of transaction	Nature of relationship	As at				
		31 March 2015	31 March 2014	31 March 2013	31 March 2012	31 March 2011
(Amounts in ₹ million)						
<b>Trade receivables</b>						
Maini Materials Movement Private Limited	Entity controlled by KMP	4.87	8.79	6.23	2.93	1.48
<b>Advance paid</b>						
Bangalore Transport Finance Company	Entity controlled by KMP	0.97	1.85	0.97	-	-
Maini Materials Movement Private Limited	Entity controlled by KMP	0.06	-	-	-	-
<b>Remuneration (including commission, bonus and sitting fees) payable</b>						
Gautam Maini	Director/KMP	1.22	0.73	-	-	-
V Sridhar	KMP	0.18	-	-	-	-
<b>Trade Payables</b>						
Armes Maini Storage System Private Limited	Entity controlled by KMP	0.23	0.01	-	-	-
Bangalore Transport Finance Company	Entity controlled by KMP	-	-	-	0.57	-
<b>Borrowings</b>						
Sudarshan Maini Precision Products Limited	Subsidiary	-	19.40	19.40	19.40	-
Mr. Sudarshan K. Maini		-	-	15.00	-	-
<b>Investment in subsidiaries</b>						
Sudarshan Maini Precision Products Limited	Subsidiary	-	7.55	7.55	7.55	7.55
Maini Global Aerospace Private Limited	Subsidiary	-	1.00	1.00	1.00	1.00
Maini Precision Products Holding SL, Spain	Subsidiary	-	-	-	-	-
<b>Personal guarantees received</b>						
Gautam Maini & Sandeep Maini	KMP/Relative of KMP	585.74	657.70	530.80	431.77	-
<b>Guarantees given</b>						
Gautam Maini	KMP	39.17	51.16	42.81	43.84	44.30

**ANNEXURE 32 - STATEMENT OF ACCOUNTING RATIO, AS RESTATED**

Particulars	As at				
	31 March 2015	31 March 2014	31 March 2013	31 March 2012	31 March 2011
<b>A</b> Net worth (in ₹ million)	673.62	511.94	392.93	346.12	395.75
<b>B</b> Net profit after tax, as restated (in ₹ million)	105.95	119.01	46.81	78.32	58.93
<b>C</b> Number of shares outstanding (Nos.) (refer note 2 below)	9,321,795	9,321,795	9,321,795	9,321,795	9,321,795
<b>D</b> Basic and diluted earnings per share (in ₹) of ₹ 10 each ( <b>B/C</b> ) (refer note 2 below)	11.37	12.77	5.02	8.40	6.32
<b>E</b> Return on net worth (%) ( <b>B/A</b> )	15.73%	23.25%	11.91%	22.63%	14.89%
<b>F</b> Net assets value per share (in ₹) of ₹ 10 each ( <b>A/C</b> )	72.26	54.92	42.15	37.13	42.45
<b>G</b> Nominal value per share (in ₹)	10	10	10	10	10

**Notes:**

- Net Worth is sum of subscribed and paid-up equity and reserves of the Company as per Restated Financial Information excluding revaluation reserve, in accordance with Regulation 2(1)(v) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended.
- The Company has subdivided the equity shares of face value of ₹ 100 each into face value of ₹ 10 each which has been approved by the share holders in extra ordinary general meeting held on 14 August 2015. Accordingly, number of equity shares outstanding as of 14 August 2015 post share split is 1,479,650. In addition, the Company has also declared bonus shares in the ratio of 5.3 : 1 to all existing shares holders which has been approved by the share holders in extra ordinary general meeting held on 16 August 2015. Accordingly, the number of equity shares outstanding as of 16 August 2015 amounting to 9,321,795 and face value of shares of ₹ 10 each has been considered for computation of basis and diluted earnings per share and Net asset value per share for the year ended 31 March 2011, 2012, 2013, 2014 and 2015, post adjustment for the impact of share split and bonus issue.
- Earning per shares (EPS) calculation is in accordance with the notified Accounting Standard 20 'Earnings per share' prescribed by the Companies (Accounting Standards) Rules, 2006.
- The ratio has been computed as below

Basic earnings per share	=	$\frac{\text{Net profit after tax, as restated}}{\text{Weighted average number of equity shares outstanding during the year}}$
Return on net worth (%)	=	$\frac{\text{Net profit after tax, as restated}}{\text{Net worth, as restated as at year end}}$
Net asset value per share (₹)	=	$\frac{\text{Net worth, as restated}}{\text{Number of equity shares as at year end}}$
- The figures disclosed above are based on the Restated Financial Information of the Company.

## ANNEXURE 33 - STATEMENT OF TAX SHELTER, AS RESTATED

(Amounts in ₹ million)

S. No.	Particulars	Year ended				
		31 March 2015	31 March 2014	31 March 2013	31 March 2012	31 March 2011
	<b>Income tax rate (in %)</b>					
	Basic tax rate	30.00%	30.00%	30.00%	30.00%	30.00%
	Surcharge (on basic tax rate)	10.00%	10.00%	5.00%	5.00%	7.50%
	Education cess (On basic tax rate + surcharge)	3.00%	3.00%	3.00%	3.00%	3.00%
	<b>Total tax rate (in %)</b>	<b>33.99%</b>	<b>33.99%</b>	<b>32.45%</b>	<b>32.45%</b>	<b>33.22%</b>
<b>A</b>	<b>INCOME FROM HOUSE PROPERTY</b>					
	Rent received (Annual value)	1.29	0.85	0.46	0.49	0.45
	Less: Deduction of 30% under section 24	0.39	0.26	0.14	0.15	0.14
	<b>Total (A)</b>	<b>0.90</b>	<b>0.59</b>	<b>0.32</b>	<b>0.34</b>	<b>0.31</b>
<b>B</b>	<b>PROFITS OR GAINS FROM BUSINESS OR PROFESSION</b>					
<b>I</b>	<b>Profit before tax, as restated</b>	161.29	183.13	70.49	117.89	90.24
	Less:					
	Income considered separately under other heads of income					
	Rent received	(1.29)	(0.85)	(0.46)	(0.49)	(0.45)
	Interest income	(0.84)	(0.96)	(0.74)	(0.56)	(0.94)
	Sale of investments	(10.18)	-	-	-	-
	(i)	<b>148.98</b>	<b>181.32</b>	<b>69.29</b>	<b>116.84</b>	<b>88.85</b>
	Adjustments [additions/ (deductions)]:					
	<b>a. Permanent differences</b>					
	Interest on delay in remittance of tax	5.80	5.41	3.85	4.75	2.70
	Other disallowances	0.12	0.05	0.01	0.11	2.01
	(a)	<b>5.92</b>	<b>5.46</b>	<b>3.86</b>	<b>4.86</b>	<b>4.71</b>
	<b>b. Timing difference</b>					
	Depreciation/ amortization	(8.86)	3.96	13.65	6.19	12.58
	Loss on sale of fixed assets	-	(1.04)	(0.41)	-	(0.54)
	Profit on sale of assets	(1.86)	-	-	(0.14)	-
	Fair valuation of derivatives (net)	-	6.32	(13.53)	10.94	(26.01)
	Provision for bonus and other employee benefits	29.03	1.63	14.41	3.97	4.54
	Provision for doubtful debts, advances and inventory (net)	(21.84)	6.30	4.83	3.27	8.88
	Set off of brought forward losses	-	-	-	-	(42.04)
	Others	(2.80)	-	-	-	(2.70)
	(b)	<b>(6.33)</b>	<b>17.17</b>	<b>18.95</b>	<b>24.23</b>	<b>(45.29)</b>
	Total adjustments (ii) = (a) + (b)	<b>(0.41)</b>	<b>22.63</b>	<b>22.81</b>	<b>29.09</b>	<b>(40.58)</b>
	<b>Total (B) = (i) + (ii)</b>	<b>148.57</b>	<b>203.95</b>	<b>92.10</b>	<b>145.93</b>	<b>48.27</b>

**ANNEXURE 33 - STATEMENT OF TAX SHELTER, AS RESTATED**

(Amounts in ₹ million)

S. No.	Particulars	Year ended				
		31 March 2015	31 March 2014	31 March 2013	31 March 2012	31 March 2011
<b>C</b>	<b>INCOME FROM CAPITAL GAINS</b>					
	<b>Long term capital gain under Section 50(B)</b>					
	Sales consideration	-	-	-	-	52.72
	Less : Book value of assets transferred	-	-	-	-	(49.52)
	(i)	-	-	-	-	3.20
	<b>Short term capital gain</b>					
	From depreciable asset	-	-	-	-	-
	From sale of shares	6.81	-	-	-	-
	(ii)	6.81	-	-	-	-
	<b>Total (C) = (i) + (ii)</b>	<b>6.81</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3.20</b>
		0.00	0.00	0.00	0.00	0.00
<b>D</b>	<b>INCOME FROM OTHER SOURCE</b>					
	Interest income	0.84	0.96	0.74	0.56	0.94
	Dividend income	-	-	-	-	-
	Less: Exempt under section 10(34)	-	-	-	-	-
	<b>Total (D)</b>	<b>-</b>	<b>0.96</b>	<b>0.74</b>	<b>0.56</b>	<b>0.94</b>
<b>E</b>	<b>TOTAL INCOME</b>	<b>156.28</b>	<b>205.50</b>	<b>93.16</b>	<b>146.83</b>	<b>52.72</b>
<b>F</b>	<b>TAX LIABILITY</b>					
	Tax under normal provisions of Income tax Act, 1961	53.11	69.85	30.23	47.65	17.52
	<b>Tax liability on restated profits</b>	<b>53.11</b>	<b>69.85</b>	<b>30.23</b>	<b>47.65</b>	<b>17.52</b>
	<b>Tax on restated adjustments</b>	<b>(12.16)</b>	<b>1.29</b>	<b>(1.11)</b>	<b>12.31</b>	<b>6.20</b>
	<b>Tax liability on profit before restated adjustments</b>	<b>40.95</b>	<b>71.14</b>	<b>29.12</b>	<b>59.96</b>	<b>23.72</b>

1 The above Statement is in accordance with Accounting Standard 22, 'Accounting for Taxes on Income', as notified under Section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014.

2 The permanent/ timing differences for the year ended 31 March 2011, 2012, 2013 and 2014 have been computed based on the Income-tax returns after incorporating adjustments based on the orders received from the Income Tax Authorities and other changes as considered necessary by the Company.

3 The permanent/ timing differences for the year ended 31 March 2015 has been derived on the basis of provisional computation of total income prepared by the Company in line with the final return of income filed for the assessment year 2014-15 and are subject to any change that may be considered at the time of filing of final return of the income for the assessment year 2015-16.

4 Income tax rate includes applicable surcharge, education cess and higher education cess of the year concerned.

## MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

*The following discussion and analysis of our financial condition and results of operations are based on, and should be read in conjunction with, our Restated Financial Information as of and for the Financial Years ended 2015, 2014 and 2013, the notes and significant accounting policies thereto and the reports thereon in "Financial Statements" on page F-1, which have been prepared in accordance with the Indian GAAP, the Companies Act, 2013 and the relevant rules issued thereunder and the SEBI ICDR Regulations.*

*Our Financial Year ends on March 31 of each year. Accordingly, all references to Financial Year are to the 12 months ended March 31 of that year.*

*The Restated Financial Information as aforesaid has been prepared on a basis that differs in certain material respects from generally accepted accounting principles in other jurisdictions, including US GAAP and IFRS. We do not provide a reconciliation of our Restated Financial Information to US GAAP or IFRS and we have not otherwise quantified or identified the impact of the differences between Indian GAAP and US GAAP or IFRS as applied to our Restated Financial Information. Accordingly, the degree to which the Restated Financial Information in this Draft Red Herring Prospectus will provide meaningful information to a prospective investor in countries other than India depends entirely on such potential investor's level of familiarity with Indian accounting practices. This discussion also contains certain forward-looking statements and reflects our management's current views with respect to future events and our financial performance. Actual results may differ materially from those anticipated in these forward-looking statements. Our actual results and the timing of selected events could differ materially from those anticipated in these forward-looking statements as a result of various factors, including those set forth under "Risk Factors" and elsewhere in this Draft Red Herring Prospectus.*

### Overview

We are a diversified manufacturer and supplier of high precision components and assemblies, catering to a global clientele in the automotive & industrial and aerospace sectors. Our key clients include major Tier I Customers and OEMs such as Bosch, Eaton, Stanley Black & Decker and others.

We believe we are a one-stop solution provider to our clients, with a capability to manufacture a diverse range of products across sectors. Key products manufactured by us for the automotive & industrial sectors include precision components, machined castings & forgings, fuel filters and sub-assemblies used in engines, transmissions, fuel injection, turbo chargers, steering & chassis, for passenger/commercial vehicles and precision components, machined castings and forgings for other industries; and for the aerospace sector include precision components and sub-assemblies used in aero structures, aero engines and aircraft systems. During the five year period between April, 2010 and March, 2015, we manufactured and supplied over 1,121 varieties of components for automotive & industrial sector, which includes 755 varieties of components for customers catering to passenger/commercial vehicles and 366 varieties of components for other industries. Further, we manufactured and supplied over 1,196 varieties of components in the aerospace sector.

We have long-term relationships with several global Tier I Customers and OEMs. We have been suppliers to Bosch for over 40 years and Eaton for over 14 years each, and Stanley Black & Decker for over seven years respectively. We have been recognized as a "Preferred Supplier" by Robert Bosch GmbH and Eaton, for the components manufactured and supplied to them. During the Financial Year 2015, we supplied our components to 86 customers in automotive & industrial sector, which includes 60 customers catering to passenger/commercial vehicles and 26 customers catering to other industries. Further, we supplied our components to 23 customers in the aerospace sector. We have also been conferred with many awards and recognitions over the years by our clients and various industry bodies.

We believe that our manufacturing processes are robust, fungible and adaptable to our customers' bespoke requirements and we endeavor to keep abreast with the latest technological developments. We have in-house capabilities to engage with a client at various stages of product development including design, validation, testing and delivery. We supply parts and sub-assemblies through our global delivery platform and third-party warehousing facilities situated in the USA, Sweden and Germany. During the Financial Year 2015, apart from India our components were shipped to customers in Austria, Belgium, Brazil, Canada, China, Czech Republic, France, Germany, Italy, Slovakia, Poland, South Korea, Sweden and the USA.

We benefit from a large and reliable supplier base for our raw materials and special processes, such as surface treatment and heat treatment, which enables timely manufacturing and delivery of components.

We have six manufacturing facilities and one storage facility in industrial zones in and around Bengaluru, Karnataka, having a total area of approximately 136,498 sq. ft. and 5,300 sq. ft. (built up area) respectively. Our manufacturing facilities located at Bommasandra, Nelamangala and Peenya have been duly certified for conforming to and applying international standards of quality management systems such as ISO/ TS 16949:2009 and EN 9100:2009 (technically equivalent to AS9100C and JIS Q 9100:2009); environmental management system standards - ISO14001:2004; occupational health and safety management systems - BS OHSAS 18001:2007; and specialized processes such as Non Destructive Testing by NADCAP-AS7003. We are currently in the process of setting up a new manufacturing facility at Jigani, Bengaluru and propose to commence commercial production by Financial Year 2016.

We believe that our advanced manufacturing processes coupled with our technological and engineering expertise have enabled us to provide high precision components to the advanced technological markets. Our capability to manufacture critical precision components enables us to reach out to existing Tier I Customers and OEMs in India, who currently import such components, thereby reducing their cost of sourcing component from outside India.

Our Company was incorporated on March 3, 1973 at Bengaluru, Karnataka, and is part of the Maini Group. Our Company is promoted by Dr. Sudarshan Kumar Maini, Sandeep Kumar Maini, Gautam Maini and Chetan Kumar Maini.

Our Company, MMMPL and our Promoters, Dr. Sudarshan Kumar Maini and Chetan Kumar Maini were the promoters of Reva Electric Car Company Private Limited (“**RECC**”), a joint venture with Amerigon Electric Vehicle Technologies Inc., which manufactured and launched India’s first commercial electric car, the “Reva”. In May 2010, our Promoters undertook the strategic sale of a controlling stake in RECC to Mahindra and Mahindra Limited and RECC has since been renamed as Mahindra Reva Electric Vehicles Private Limited.

For the Financial Year 2015, our revenue from supplying components to customers catering to automotive & industrial sector was ₹2,464.06 million, which includes revenues from supply of components to customers catering to passenger/commercial vehicles of ₹1,591.98 million and from other industries of ₹872.12 million. Further, our revenue from supply of components to customers catering to aerospace sector was ₹334.06 million. For the Financial Year 2015, we derived 55.55% and 44.45% of our revenue from the sale of products to customers outside India and customers in India, respectively.

### **Factors affecting our Results of Operations**

#### ***Global economic conditions and trends affecting the end user industries for products manufactured and supplied by us***

Sales of our machined components and sub-assemblies are directly dependent upon the production and sales of the end products by our customers in the automotive, industrial and aerospace sectors. These sectors are generally impacted by global economic or industry conditions, including seasonal trends in their sectors, volatile fuel prices, rising employee costs and challenges in maintaining amicable labor relations as well as compliance with evolving regulatory requirements, government initiatives, trade agreements and other factors. Any downturn in manufacture and sales of end products in the automotive, industrial or aerospace sectors, either globally or in the regions in which we, or our customers operate, may significantly affect our revenues across periods and geographies.

Our business depends substantially on global economic conditions. Global financial and credit market disruptions have weakened markets, diminished demand and credit availability across sectors, since 2008. There may also be a number of secondary effects of an economic downturn, such as the insolvency of suppliers or customers, delays in deliveries by suppliers, payment delays and/or stagnant demand by customers. Cuts in federal or central, state and local government investment as well as consequent impairment in infrastructural facilities and growth can also drag down global and national growth rates.

Our exports contributed to 53.11%, 55.39% and 56.08% of our total operating revenue for Financial Years 2015, 2014 and 2013 respectively. A significant majority of the end users of our products are located and operate in Europe and the USA and some of them were adversely impacted by the recession in some of these



economies, disruption in banking and financial systems, economic instability, unfavorable government policies, rising inflation, lowering spending power, customer confidence and political uncertainty. While the global economy has recovered to some extent, we are unable to predict with any degree of certainty the pace or sustainability of economic recovery, the volumes of federal or central, state and local government investment, or the effects of regulatory intervention.

Further, our business plans envisage expanding our operations in line with our customers' requirements in India, Europe and the USA. We expect to continue to incur substantial expenditure in connection with such planned expansion, which would require us to successfully attract additional business from our existing and new customers. Accordingly, our successful expansion in any market is subject to business, economic and competitive uncertainties and contingencies, many of which are beyond our control.

#### ***Changes in customer specifications, demand for our products and terms of supply arrangements***

Sales to Tier I Customers contribute to a significant portion of our revenue. For Financial Years 2015, 2014 and 2013, revenue from our top five customers constituted 77.37%, 75.55% and 72.13% of our total revenue. Bosch is one of our key customers and revenue from Bosch contributed 35.82%, 34.97% and 30.84% of our total revenue for Financial Years 2015, 2014 and 2013 respectively. The demand for products manufactured and supplied by us to top five customers has a significant impact on our results of operations and financial condition, and our sales are particularly affected by the inventory and production levels of our key Tier I Customers and OEMs. Our cash flows and liquidity position can be affected adversely if we lose one or more of our major customers or if the amount of business from them is reduced for any reason.

We have entered into agreements with our key customers pursuant to which we are required to manufacture and supply products on a rolling forecast basis for meeting their product requirements. In the event of any significant reduction or increase in demand for products by the customers with little or no advance notice, we may be unable to undertake corresponding production and inventory management. Such modifications in the customers' requirements may result in an increased inventory cost and higher working capital, thereby affecting our cash flows, which would have an adverse effect on our business, liquidity, financial condition, operational costs, results of operations and prospects.

Our contracts and supply arrangements with our customers also require us to meet certain quality standards and performance obligations. Our failure to meet such specifications could result in reduction of business, termination of contracts or additional costs and penalties.

#### ***Evolving product and market mix***

Through a continuous process of skill building and learning coupled with employing innovative processes, we have evolved from being a machined precision component manufacturer for the automotive sector to a diversified manufacturer of components and sub-assemblies for the automotive & industrial and aerospace sectors.

Prior to entering into contractual arrangements for new products, some of our customers inspect our manufacturing facilities, review our manufacturing processes, and financial capabilities, and undertake a technical review of the designs and specifications of the proposed products as well as prototypes. The finished product delivered by us is subject to further validation by our customers. This extensive review process generally takes between three to eighteen months and firm orders are placed only after the review process is completed. This requires us to incur substantial working capital and time costs. In the event the customer does not contract with us to manufacture the product for any reason, including but not limited to decrease in market demand for the product or failure to meet to the customer's specifications, our business and results of operation may be adversely affected.

Our ability or inability to expand our product portfolio and the resultant change in the mix of products can have a significant impact on our results of operations due to different margins and sale trends in each product segment. As the production volume of our various products fluctuates primarily based on market demand and production capacity for such products, the percentage of revenue from those products may also fluctuate between products with varying margins and average realizations, which in turn, may cause our revenues and operating margins to fluctuate.

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. 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 results of operations and prospects.

### ***Material and employee costs***

Our expenditure on materials consumed, (including net change in inventory) represented 51.88%, 49.43% and 49.07% of our total revenue for Financial Years 2015, 2014 and 2013, respectively. Our financial condition and results of operations are significantly impacted by the availability and cost of material consumed particularly steel rounds & bar stocks, castings, forgings and various alloys including ferrous, aluminum based alloys, nickel based alloys (e.g. inconel, monel), cobalt based & titanium-based alloys.

We have a diverse portfolio of vendors from whom we procure materials and stores and spares. We are not significantly dependent on any single vendor. We also engage certain vendors on a job-works basis for semi-finished processes such as machining, surface treatment and heat treatment.

Commodity prices are generally influenced by, among other factors, changes in global economic conditions, industry cycles, demand-supply dynamics and speculation in the market. Any significant changes in material and stores and spares costs are generally passed through to our customers. However, such price adjustments based on cost changes only occur at periodic intervals, there is generally a time lag between changes in our cost of material consumed and any adjustments to our prices which, if such cost of material consumed increase significantly during this period, can have a negative impact on our profitability and affect our results of operations. While we seek to increase our margins by improving our procurement costs, primarily for steel and obtaining better credit terms from our suppliers and better financing terms under our working capital facilities, failure to secure favourable credit terms may adversely affect the results of our operations.

Employee costs comprise our second largest expense after cost of material consumed. In Financial Years 2015, 2014 and 2013, our employee costs represented 18.06%, 16.88% and 18.61% of our total revenue respectively. We believe that we have sufficient human resources to sustain our current operations and planned growth, particularly at the management level, and we expect to improve our operational efficiency by reducing our employee costs as a percentage of our total income in future periods. As a material portion of our overall manpower is located in India, rising wages in India as well as any change in applicable laws, may have a material impact on our net income. We have also, in the past, entered into wage settlements agreements with trade unions for our workers. The said agreements provide for the terms and conditions of employment of our employees including wages and allowance, increments and promotions or incentives and are valid until March 31, 2017.

### ***Inventory requirement to operate global delivery service model***

We employ a global delivery service model for supplying products to our customers, which includes local delivery in India, logistical support and direct export through third party warehousing facilities located in the USA, Sweden and Germany. We maintain a safety stock at each of these warehousing facilities, which ensures that additional products are available in case of any contingencies. This model allows us to ensure timely delivery of products to our customers. We believe that our global delivery service model is one of the key factors that influence global Tier I Customers and OEMs to choose us as their supplier of choice for precision components. For example, Robert Bosch GmbH has recognized us as a preferred supplier for machined parts.

However, an increased proportion of warehouse sales may lead to increased requirement of inventory maintained at our warehouses, leading to a higher overall working capital requirement. In addition, if a significant customer defaults in taking delivery of the products manufactured or in payment for any order towards which we have devoted significant resources or built significant unsold inventory, such default may affect our profitability and liquidity and decrease capital resources available to us for other uses.

### ***Foreign currency fluctuations***

Our Restated Financial Information is presented in Indian Rupees. However, our revenues and operating expenses and finance charges are influenced by the currencies of those countries where we sell our products for

example, the USA and Europe. The exchange rate between the Indian Rupee and these currencies, primarily the U.S. Dollar and the Euro has fluctuated in the past and our results of operations have been impacted by such fluctuations and may be impacted by such fluctuations in the future as well. For example, during times of strengthening of the Indian Rupee, we expect that our overseas sales and revenues will generally be negatively impacted, as foreign currency received will be translated into fewer Indian Rupees. However, the converse positive effect on depreciation of the Indian Rupee may not be sustained or may not show an appreciable impact in our results of operations in any given financial period due to other variables impacting our business and results of operations during the same period. Moreover, we expect that our cost of borrowing as well as our cost of imported raw materials, imported stores and spares, overseas professional costs, freight and overseas warehousing costs incurred by us may rise during a sustained depreciation of the Indian Rupee against the U.S. Dollar or the Euro.

While we seek to hedge our foreign currency risk by entering into forward exchange contracts, any steps undertaken to hedge the risks on account of fluctuations in currencies may not adequately hedge against any losses we incur due to such fluctuations. Our net foreign exchange gain for Financial Year 2015, is ₹39.54 million, net foreign exchange loss for Financial Year 2014 is ₹58.47 million and net foreign exchange gain for Financial Year 2013 amounted to ₹2.17 million respectively.

As on March 31, 2015, our total un-hedged foreign currency receivables amounted to ₹300.62 million, our total un-hedged foreign currency loans and borrowings amounted to ₹401.74 million, balances with the bank is ₹0.34 million, supplier advances is ₹9.32 million, while our total unhedged foreign currency payables amounted to ₹22.37 million.

For more details, see “Risk Factors” and “Our Business”, on pages 16 and 103 respectively.

### **Basis of preparation of our Restated Financial Information**

Our Restated Financial Information has been prepared by applying the necessary adjustments to the audited financial statements of our Company. The Restated Financial Information is prepared on an accrual basis, in accordance with Indian GAAP under the historical cost convention and complies in all material respects with the accounting standards notified under Section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounting Standards) Rules, 2006, as amended, to the extent applicable. The accounting policies have been consistently applied by us and are consistent with those used for the purpose of preparation of Restated Financial Information as at and for the years ended March 31, 2015, March 31, 2014, March 31, 2013, March 31, 2012 and March 31, 2011.

### **Significant Accounting Policies of our Company**

Our significant accounting estimates are those that we believe are the most important to the portrayal of our financial condition and results of operations and that require our management’s most difficult, subjective or complex judgments. In many cases, the accounting treatment of a particular transaction is specifically dictated by Indian GAAP with no need for the application of our judgment. In certain circumstances however, the preparation of financial statements in conformity with Indian GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. We base our estimates on historical experience and on various other assumptions that our management believes are reasonable under the circumstances. However, critical accounting estimates are reflective of significant judgments and uncertainties and are sufficiently sensitive to result in materially different results under different assumptions and conditions.

#### ***i. Revenue recognition***

Revenue is recognised to the extent that it is probable that the economic benefits will flow to our Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized:

##### *Sale of goods*

We recognize revenue from sale of goods when all the significant risks and rewards of ownership of the goods have been passed to the buyer. Revenue is stated at net of applicable sales tax, value added taxes and trade

discounts.

#### *Interest*

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "other income" in the Statement of Profit and Loss.

#### *Export entitlement*

Export incentive entitlements including duty drawbacks and duty credits are recognized as income when the right to receive credit as per the terms of the scheme is established and where there is no significant uncertainty regarding the measurability and ultimate realization.

#### *Income from services*

Revenues from job work contracts are recognized as and when the related service is rendered. Revenue is stated net of applicable service tax and trade discount.

#### **ii. Inventories**

Raw materials including components, stores and spares are valued at lower cost and net realizable value. However, raw materials and other items held for use in the production of inventories are not written down below cost and if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost is determined on a weighted average basis.

Work- in progress and finished goods are valued at lower of cost and net realizable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost of finished goods includes excise duty. Cost is determined on a weighted average basis.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

#### **iii. Tangible fixed assets**

Tangible fixed assets are stated at cost less accumulated depreciation and impairment losses. The cost comprises purchase price and directly attributable costs of bringing the asset to its working condition for its intended use, net of refundable taxes. Any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent expenditure related to an item of tangible fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing tangible fixed assets including day-to day repair and maintenance expenditure and cost of replacing parts, are charged to the Statement of Profit and Loss for the period during which such expenses are incurred.

Advances paid towards the acquisition of fixed assets outstanding at each balance sheet date are disclosed as capital advances under long term loans and advances. The cost incurred towards tangible fixed assets, but not ready for their intended use before each balance sheet date is disclosed as capital work in progress, if any.

Gains or losses arising from de-recognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Statement of Profit and Loss when the asset is derecognized.

#### **iv. Depreciation**

Depreciation on fixed assets is provided on the basis of the straight-line method using the rates arrived at based on the useful lives estimated by the management, as specified in Schedule II to the Companies Act, 2013 for Financial Year 2015 and as specified in Schedule XIV to the Companies Act, 1956 for Financial Years 2014 and 2013. We have used the following useful life to provide depreciation on our fixed assets:

Category	Year ended 2015	Year ended 2014, 2013, 2012, 2011
	Useful life	Useful life
Buildings	30	10 - 20
Plant and machinery	15	5 - 7
Office equipment	5	7
Computer equipment	3	3
Furniture and fixtures	10	5
Vehicles	8	4

Note: We use our plant and machinery for three shifts. Hence, we have charged additional depreciation of 100% of the original depreciation costs.

**v. Intangible assets**

Intangible assets acquired separately are measured on initial recognition at cost. Intangible assets are amortized on a straight line basis over the estimated useful economic life, i.e., 3 years. The amortization period and the amortization method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortization period is changed prospectively.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Statement of Profit and Loss when the asset is derecognized.

**vi. Impairment of assets**

We assesses, at each reporting date, whether there is indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, we estimate the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's cash generating unit ("CGU") net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining the net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation mode is used.

Our Company bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of our cash generating units to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. For longer periods, a long term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations, including impairment on inventories, are recognized in the Statement of Profit and Loss, except for previously revalued fixed assets, where the revaluation was taken to revaluation reserve. In this case, the impairment is also recognized in the revaluation reserve up to the amount of any previous revaluation. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, our Company estimates the assets or cash generating unit's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the Statement of Profit and Loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

**vii. Borrowing costs**

Borrowing costs include interest and amortization of ancillary costs incurred in connection with the arrangements of borrowings.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are capitalized as part of assets. Other borrowing costs are recognized an expense in the period in which they occur.

**viii. Derivative instruments and hedge accounting**

We are exposed to foreign currency fluctuations on foreign current assets, liabilities and forecasted cash flows denominated in foreign currencies. Our Company limits the effects of foreign exchange rate fluctuations by following established risk management policies including the use of forward cover derivatives. We enter into derivative financial instruments, such as foreign currency forward contracts, to hedge foreign currency risk arising in future transactions which are highly probable forecast transactions.

Our Company has adopted principles of hedge accounting as set out in Accounting Standard (AS) 30, "Financial Instruments; Recognition and Measurement", to the extent that the adoption does not conflict with existing accounting standards and other authoritative pronouncements.

Based on the recognition and measurement principles of hedge accounting set out in AS 30, the effective portion on changes in the fair values of derivative financial instruments designated as cash flow hedges are recognized directly under shareholders' funds in the hedging reserve and are reclassified to the Statement of Profit and Loss upon the occurrence of the hedged transaction. The ineffective portion of the gain or loss on the hedging instrument is recognized immediately in the Statement of Profit and Loss. Changes in fair value relating to derivatives not designated as hedges are recognized in the Statement of Profit and Loss.

Hedge accounting is discontinued when the hedging instrument expires or is sold, or terminated, or exercised or no longer qualifies for hedge accounting. Any cumulative gain or loss on the hedging instrument is recognized in hedging reserve is transferred to Statement of Profit and Loss when forecasted transaction occurs or when a hedged transaction is no longer expected to occur.

**ix. Investments**

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long term investments. On initial recognition, all investments are measured at cost. The cost comprises of purchase price and directly attributable acquisition charges such as brokerage, free and duties.

Current investments are however carried in the financial statements at the lower of cost or fair value determined on individual investment basis.

Long term investments are carried at cost. Provision for diminution in value is made to recognize a decline, other than temporary, in the value of such investments. On disposal of investments, the difference between its carrying amount and net disposal proceeds is charged or credited to the Statement of Profit and Loss.

**x. Operating leases**

*When our Company is the lessee*

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased term, are classified as operating leases. Operating lease payments are recognized as an expense in the Statement of Profit and Loss on a straight line basis over the lease term.

*When our Company is the lessor*

Leases in which we do not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Assets subject to operating leases are included in fixed assets. Lease income on an operating lease is recognized in the Statement of Profit and Loss on a straight-line basis over the lease term. Costs, including depreciation, are recognized as an expense in the Statement of Profit and Loss.

***xi. Earnings per share***

Basic earnings/(loss) per equity share is calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting preference dividends, if any and attributable taxes) by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings/(loss) per equity share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

***xii. Foreign currency transactions***

*Initial recognition*

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

*Conversion*

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

*Exchange differences*

Exchange differences arising on foreign currency transactions settled during the year are recognized in the Statement of Profit and Loss as income or as expense in the period in which they arise.

***xiii. Income taxes***

Tax expense comprises current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the IT Act. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date. Deferred income tax relating to items recognized directly in equity is recognized in equity and not in the Statement of Profit and Loss.

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

At each reporting date, we re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax asset to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The carrying amount of deferred tax assets are reviewed at each reporting date. Our Company writes down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current

tax assets against current tax liabilities and the deferred tax assets and deferred taxes relate to the same taxable entity and the same taxation authority.

MAT paid in accordance with the tax laws, which gives rise to future economic benefits in the form of adjustments of future income tax liability, is considered as an asset if there is convincing evidence that our Company will pay income taxes at the enacted rates. MAT credit entitlement can be carried forward and utilized for ten years from the year in which the same is availed.

**xiv. Provision and contingent liabilities**

*Provisions*

A provision is recognized when an enterprise has a present obligation as a result of a past event and it is probable that an overflow of resources will be required to settle the obligation and in respect of which a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

*Contingent liabilities*

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of our Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. Our Company does not recognize a contingent liability but discloses its existence in the financial statements.

**xv. Retirement benefits**

*Provident fund*

Retirement benefit in the form of provident fund is a defined contribution scheme. We have no obligation, other than the contribution payable to the provident fund. Our Company recognizes the contribution payable to the provident fund scheme as an expenditure when an employee renders the related service.

*Gratuity*

Our Company operates a defined benefit plan for its employees, viz., gratuity liability. The cost of providing benefits under gratuity plan is determined on the basis of actuarial valuation at each year end using projected unit credit method. Actuarial gains and losses are recognized in full in the period in which they occur in the Statement of Profit and Loss.

*Computed absences*

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short term employee benefit. We measure the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

Our Company treats accumulated leave expected to be carried forward beyond twelve months, as long term employee benefit for measurement purposes. Such long term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year end. Actuarial gains/losses are immediately taken to the Statement of Profit and Loss and are not deferred. Our Company presents the leave as a current liability in the balance sheet to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date. Where our Company has the unconditional legal and contractual right to defer the settlement for a period beyond 12 months, the same is presented as non current liability.

We recognize termination benefit as a liability and an expense when the Company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the termination benefits fall due more than 12 months after the balance sheet date, they are measured at present value of future



cash flows using the discount rate determined by reference to market yields at the balance sheet date on government bonds.

**xvi. Segment reporting**

*Identification of segments*

Our operating businesses are organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the areas in which significant operating divisions operate.

*Allocation of common costs*

Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common.

*Unallocated items*

Unallocated items include general corporate income and expense items which are not allocated to any business segment.

*Segment accounting policies*

Our Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.

**xvii. Cash and cash equivalents**

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short term investments with an original maturity of three months or less.

**Results of Operations and Financial Condition**

The following table sets out selected data for Financial Years 2015, 2014 and 2013, together with the percentage each line item represents of our total revenue for the periods presented:

(in ₹ million)

Particulars	Financial Year 2015		Financial Year 2014		Financial Year 2013	
	Amount	%	Amount	%	Amount	%
<b>Income</b>						
Revenue from operations	2,798.12	97.82	2,583.62	99.91	1,953.47	99.05
Other income	62.48	2.18	2.24	0.09	18.69	0.95
<b>Total revenue</b>	<b>2,860.60</b>	<b>100.00</b>	<b>2,585.86</b>	<b>100.00</b>	<b>1,972.16</b>	<b>100.00</b>
<b>Expenditure</b>						
Cost of materials consumed	1,486.45	51.96	1,414.21	54.69	947.16	48.03
Increase/(decrease) in inventory of finished, work in progress and traded goods	(2.44)	(0.09)	(136.04)	(5.26)	20.58	1.04
Employee benefit expenses	516.71	18.06	436.54	16.88	366.93	18.61
Other expenses	555.24	19.41	547.52	21.17	425.23	21.56
<b>Total expenditure</b>	<b>2,555.96</b>	<b>89.35</b>	<b>2,262.23</b>	<b>87.48</b>	<b>1,759.90</b>	<b>89.24</b>
<b>EBITDA</b>	<b>304.64</b>	<b>10.65</b>	<b>323.63</b>	<b>12.52</b>	<b>212.26</b>	<b>10.76</b>
Depreciation and amortization	94.95	3.32	93.62	3.62	88.29	4.48
<b>Earnings before interest, tax</b>	<b>209.69</b>	<b>7.33</b>	<b>230.01</b>	<b>8.89</b>	<b>123.97</b>	<b>6.29</b>
Finance charges	48.40	1.69	46.88	1.81	53.48	2.71
<b>Restated profit before tax</b>	<b>161.29</b>	<b>5.64</b>	<b>183.13</b>	<b>7.08</b>	<b>70.49</b>	<b>3.57</b>
Less: Tax expenses						

(in ₹ million)

Particulars	Financial Year 2015		Financial Year 2014		Financial Year 2013	
	Amount	%	Amount	%	Amount	%
-Current tax	53.11	1.86	69.85	2.70	30.23	1.53
-Deferred tax	2.23	0.08	(5.73)	(0.22)	(6.55)	(0.33)
<b>Total tax expenses</b>	<b>55.34</b>	<b>1.93</b>	<b>64.12</b>	<b>2.48</b>	<b>23.68</b>	<b>1.20</b>
<b>Restated Profit after Tax</b>	<b>105.95</b>	<b>3.70</b>	<b>119.01</b>	<b>4.60</b>	<b>46.81</b>	<b>2.37</b>

## Our Revenues

Our total revenue comprises of revenue from operations and other income. Our revenue from operations includes our revenue from sale of manufactured goods, sale of services and other operating revenues. The following table shows our revenue from operations and other income:

(in ₹ million)

Particulars	Financial Year 2015		Financial Year 2014		Financial Year 2013	
	Amount	%	Amount	%	Amount	%
Revenue from sale of manufactured goods (gross)	2,870.85		2,647.77		2,014.10	
Less: excise duty	(143.23)		(142.60)		(107.97)	
Revenue from sale of manufactured goods (net)	2,727.62		2,505.17		1,906.13	
% of Revenue	95.35%		96.88%		96.65%	
Revenue from sale of services	7.74		2.84		2.09	
% of Revenue	0.27%		0.11%		0.11%	
Other Operating Revenues	62.76		75.61		45.25	
% of Revenue	2.19%		2.92%		2.29%	
<b>Revenue from Operations</b>	<b>2,798.12</b>		<b>2,583.62</b>		<b>1,953.47</b>	
% of total revenue	97.82%		99.91%		99.05%	
Other Income	62.48		2.24		18.69	
% of total Revenue	2.18%		0.09%		0.95%	
<b>Total Revenue</b>	<b>2,860.60</b>		<b>2,585.86</b>		<b>1,972.16</b>	

## Revenue from Operations

Our revenue from operations are primarily generated from (i) sale of manufactured goods; (ii) sale of services; (iii) sale of scrap; and (iv) export incentives.

### *Revenue from sale of manufactured goods*

Our revenue from sale of manufactured goods (net) accounted for 95.35%, 96.88%, and 96.65% of our revenue for Financial Years 2015, 2014 and 2013, respectively. Our revenue from sale of manufactured goods consists of sale of components and sub-assemblies to automotive & industrial and aerospace sectors. The components and sub-assemblies manufactured by us are supplied to Tier I Customers and OEMs.

### *Revenue from sale of services*

Our revenue from sale of services accounted for 0.27%, 0.11%, and 0.11% of our revenue for Financial Years 2015, 2014 and 2013, respectively. Our revenue from sale of services primarily consists of revenue from undertaking job works.

### *Export incentives*

Our Company became eligible to avail certain benefits under the export promotion schemes introduced by the Government of India including the Duty Drawback Scheme, Focus Product Scheme, Incremental export Incentivisation Scheme, and pursuant to these schemes, our Company can avail cash refund or custom duty entitlement scrip at the rate of 1% to 5% on export realisation.

Our revenue from export incentives accounted for 1.23%, 1.86%, and 1.10% of our revenue for Financial Years

2015, 2014 and 2013, respectively.

#### *Revenue from scrap sales*

Our revenue from scrap sales includes income from sale of items such as borings, endbits, component scrapes, lubricants, waste packing materials, used consumables such as grinding wheels, and inserts.

Our revenue from scrap sales accounted for 0.96%, 1.06%, and 1.20% of our revenue for Financial Years 2015, 2014 and 2013, respectively.

#### **Other income**

Our other income includes certain recurring income items such as interest earned on bank deposits, net gain on exchange differences (including on account of exchange rate difference, both realized and unrealized, arising on receivables and payables, cancellation of forward contracts, fair valuation of derivatives); and certain non-recurring income items such as net profit on sale of investments, profit on sale of assets, etc.

Other income accounted for 2.18%, 0.09%, and 0.95% of our total revenue for Financial Years 2015, 2014 and 2013, respectively.

#### **Expenses**

Our expenses comprise of (i) cost of materials consumed, (ii) increase/decrease in inventories, (iii) employee benefit expenses, (iv) other expenses, (v) depreciation and amortization expense and (vi) finance costs.

The following table sets forth our expenditure in Rupees and as a percentage of our total revenue for the periods indicated:

<i>(in ₹ million)</i>			
<b>Particulars</b>	<b>Financial Year 2015</b>	<b>Financial Year 2014</b>	<b>Financial Year 2013</b>
Cost of materials consumed	1,486.45	1,414.21	947.16
% of Total Revenue	51.96%	54.69%	48.03%
Changes in inventories of work-in-progress and finished goods	(2.44)	(136.04)	20.58
% of Total Revenue	(0.09%)	(5.26%)	1.04%
Employee benefits expense	516.71	436.54	366.93
% of Total Revenue	18.06%	16.88%	18.61%
Other expenses	555.24	547.52	425.23
% of Total Revenue	19.41%	21.17%	21.56%
Depreciation and amortization	94.95	93.62	88.29
% of Total Revenue	3.32%	3.62%	4.48%
Finance cost	48.40	46.88	53.48
% of Total Revenue	1.69%	1.81%	2.71%
<b>Total expenses</b>	<b>2,699.31</b>	<b>2,402.73</b>	<b>1,901.67</b>

#### *Cost of materials consumed*

Cost of materials consumed consist primarily of raw materials particularly steel rounds & bar stocks, castings, forgings and various alloys including ferrous, aluminum based alloys, nickel based alloys (e.g. inconel, monel), cobalt based & titanium-based alloys In addition to the above, this is also includes, cost of stores and spare parts consumed, like oil, packing materials, tools, maintenance spares, and carriage inwards.

Cost of materials consumed accounted for 51.96%, 54.69%, and 48.03% of our total revenue for Financial Years 2015, 2014 and 2013, respectively.

#### *Changes in inventories of work-in-progress and finished goods*

Our changes in inventories of work-in-progress and finished goods include (i) changes in the opening stock and the closing stock of our finished goods, and (ii) changes in the opening stock and the closing stock of work-in-

progress goods which we manufacture.

#### *Employee benefit expense*

Our employee benefit expenses comprise employee salaries, wages and bonuses, contribution to employee's provident fund and other funds, staff welfare expenses, provision of gratuity, and provision of compensated absence expense.

Employee benefit expenses accounted for 18.06%, 16.88%, and 18.61% of our total revenue for Financial Years 2015, 2014 and 2013, respectively.

#### *Other expenses*

Our other expenses primarily include job contract charges, carriage outwards, net loss on foreign exchange (including on account of exchange rate differences both realized and unrealized, arising on receivables and payables, cancellation of forward contracts, fair valuation of derivatives), legal and professional fees, costs for power, fuel and water, warehousing handling charges, travelling and conveyance, contract labour charges, repairs and maintenance of our buildings, plant and machinery, insurance, rent, and other miscellaneous expenses.

The two major components of our other expenses are job contract charges, and loss on foreign exchange (including on account of exchange rate differences both realized and unrealized, arising on receivables and payables, cancellation of forward contracts, fair valuation of derivatives) which were ₹221.66 million, ₹190.72 million, ₹167.30 million and ₹0.67 million, ₹66.60 million, and ₹5.00 million for the Financial Years 2015, 2014 and 2013, respectively. Other expenses accounted for 19.41%, 21.17%, and 21.56% of our total revenue for the Financial Years 2015, 2014 and 2013, respectively.

Set forth below is a detailed break down of the other expenses incurred by our Company during the Financial Years 2015, 2014 and 2013, respectively.

(in ₹million)

<b>Other Expenses</b>	<b>Financial Year 2015</b>	<b>Financial Year 2014</b>	<b>Financial Year 2013</b>
Rent	8.52	4.56	4.15
Contract labour charges	19.30	12.56	7.20
Job contract charges	221.66	190.72	167.30
Power, fuel and water	44.19	39.73	33.13
Repairs and maintenance			
Buildings	5.77	7.30	2.60
Plant and machinery	12.18	8.30	7.91
Others	15.16	11.46	9.44
Insurance	7.18	7.73	9.56
Rates and taxes	3.30	5.27	4.60
Printing and stationery	3.94	3.32	2.29
Communication	3.48	3.25	2.75
Advertisement and publicity	2.34	1.07	2.38
Carriage outwards	61.70	54.30	43.20
Warehousing handling charges	38.40	34.51	29.12
Legal and professional	59.13	48.61	54.09
Travelling and conveyance	26.93	25.66	21.11
Loss on sale of fixed assets	0.00	1.04	0.41
Provision for obsolete inventory	0.00	6.31	4.32
Provision for doubtful receivables	2.24	0.00	0.51
Bad debts written off	1.59	0.41	0.00
Provision for doubtful advances/deposits	0.00	0.00	0.00
Deposits, loans and advances written off	0.94	0.00	0.00
Exchange differences, net	0.00	58.47	0.00
Unrealised loss on fair valuation of derivatives	0.00	6.32	0.00
Realised loss on cancellation of forward contracts	0.67	1.81	5.00

(in ₹ million)

Other Expenses	Financial Year 2015	Financial Year 2014	Financial Year 2013
Miscellaneous	16.62	14.81	14.16
<b>Total</b>	<b>555.24</b>	<b>547.52</b>	<b>425.23</b>

#### *Depreciation and amortization expense*

Depreciation on fixed assets is provided on the basis of the straight-line method using the rates arrived at based on the useful lives estimated by the management. For details of comparison of useful lives, see “Significant Accounting Policies – Depreciation”, above. Intangible assets are amortized on a straight line basis over the estimated useful economic life i.e. 3 years.

Our depreciation and amortization expense accounted for 3.32%, 3.62%, and 4.48% of our total revenue for the Financial Years 2015, 2014 and 2013, respectively.

#### *Finance cost*

Our finance cost comprise of interest paid on our loans, bill discounting, loan processing fees, bank charges, interest on delayed payment of tax.

Our finance costs accounted for accounted for 1.69%, 1.81%, and 2.71% of our total revenue for the Financial Years 2015, 2014 and 2013 respectively.

#### **Our Segments**

The primary segments of our Company are its business segments as follows:

- (i) Automotive & industrial – includes manufacturing of precision components, machined castings & forgings, fuel filters and sub-assemblies used in engines, transmissions, fuel injection, turbo chargers, steering & chassis, for passenger and/ or commercial vehicles and precision components, machined castings and forgings for hydraulic power products, pumps, material handline and power tools; and
- (ii) Aerospace – includes manufacture of various precision components and sub-assemblies used in aero structures, aero engines and aircraft systems.

Revenue and direct expenses in relation to segments are categorised based on items that are individually identifiable to that segment, while other costs, wherever allocable, are apportioned to the segments on an appropriate basis. Certain expenses are not specifically allocable to individual segments as the underlying services are used interchangeably.

(in ₹ million)

Particulars	Financial Year 2015	Financial Year 2014	Financial Year 2013
<b>Revenue from operations</b>			
Automotive & Industrial	2,464.06	2,281.92	1,725.90
Aerospace	334.06	301.70	227.57
Total	2,798.12	2,583.62	1953.47
<b>Segment income</b>			
Automotive & Industrial	155.28	311.22	183.12
Aerospace	61.81	50.82	1.18
<b>Total</b>	<b>217.09</b>	<b>362.05</b>	<b>184.30</b>
Unallocable expenses	118.28	181.15	131.14
Unallocable income	62.48	2.24	17.33
Profit before taxes	161.29	183.13	70.49
Income tax	55.34	64.12	23.68
Profit after taxes	105.95	119.01	46.81

## Financial Year 2015 compared with Financial Year 2014

### *Income*

Our total revenues comprise revenue from operations (revenue from the sale of products and other operating revenue, net of excise duty paid or payable) and other income (interest income, gain or loss on sale of assets and income on account of foreign exchange gains, if any).

Our total revenue increased by ₹274.74 million, or 10.62%, from ₹2,585.86 million in Financial Year 2014 to ₹2,860.60 million in Financial Year 2015, with the automotive & industrial segment accounting for 88.32% and 88.06% of our revenue from operations in Financial Year 2014 and Financial Year 2015 respectively, and the aerospace segment accounting for 11.68% and 11.94% of our revenue from operations in Financial Year 2014 and Financial Year 2015 respectively. Our top five customers constituted 75.55% of our revenue in Financial Year 2014 and 77.37% in Financial Year 2015. The increase in the total revenue in Financial Year 2015 was due to an increase in demand for our existing products as well as the new products manufactured and supplied by our Company.

Our sales of finished goods (net of returns/rebates) increased by ₹222.45 million, or 8.88%, from ₹2,505.17 million in Financial Year 2014 to ₹2,727.62 million in Financial Year 2015. The increase in the sales of finished goods was on account of increase in demand for our existing products as well as the new products manufactured and supplied by our Company.

### *Expenditure*

Our total expenditure increased by ₹296.58 million, or 12.34%, from ₹2,402.73 million in Financial Year 2014 to ₹2,699.32 million in Financial Year 2015.

- (i) *Cost of materials consumed, net of change in inventory of finished and work-in-progress:* Our cost of materials consumed, net of change in inventories, increased by ₹205.84 million, or 16.10%, from ₹1,278.17 million in Financial Year 2014 to ₹1,484.01 million in Financial Year 2015. Our cost of materials consumed net of change in inventories was 51.88% of our total revenues in Financial Year 2015 as compared to 49.43% of our total revenue in Financial Year 2014. The increase is primarily on account of product mix changes.
- (ii) *Employee benefit expenses:* Our employee benefit expenses, which primarily consist of salaries, wages and bonus (including Directors' remuneration, contribution to provident and other funds, gratuity expenses, leave encashment expenses and staff welfare expenses), increased by ₹80.17 million, or 18.36%, from ₹436.54 million in Financial Year 2014 to ₹516.71 million in Financial Year 2015 primarily due to an increase in the number of employees to support our business requirement and an increased gratuity provisioning of ₹26.16 million primarily due to reduction in discount rates used for actuarial valuation.
- (iii) *Other expenses:* Our other expenses, which primarily consists of sub- contracting expenses, foreign exchange loss (including on account of exchange rate differences both realized and unrealized, arising on receivables and payables, cancellation of forward contracts, fair valuation of derivatives), power, fuel and water expenses, carriage, freight and forwarding expenses and repair and maintenance costs, increased by ₹7.72 million, or 1.41% from ₹547.52 million in Financial Year 2014 to ₹555.24 million in Financial Year 2015, primarily as a result of our increase in operational cost, increase in job work charges due to product mix changes and and increase in revenue. We incurred a loss from net foreign exchange fluctuation, which amounted to ₹66.60 million in Financial Year 2014. We gained ₹45.19 million from net foreign exchange fluctuation in Financial Year 2015, and the same is reflected under other income.

### *Depreciation & Amortization*

Our depreciation and amortization increased by ₹1.33 million, or 1.42% from ₹93.62 million in Financial Year 2014 to ₹94.95 million in Financial Year 2015. Our depreciation and amortization was 3.32% of our total revenue in Financial Year 2015 as compared to 3.62% of our total revenues in Financial Year 2014. There was a change in the method of calculating depreciation in accordance with the provision of Companies Act, 2013. In

accordance with the provisions of Companies Act, 2013, the depreciation has to be charged to the Statement of Profit and Loss according to useful life of the assets with effect from April 1, 2014.

#### *Finance Cost*

Our finance cost, increased by ₹1.52 million, or 3.24%, from ₹46.88 million in Financial Year 2014 to ₹48.40 million in Financial Year 2015. Our finance cost primarily consists of interest on term loan, working capital, and other bank charges.

#### *EBITDA*

Our EBITDA decreased by ₹18.99 million, or 5.87%, from ₹323.63 million in Financial Year 2014 to ₹304.64 million in Financial Year 2015. The decrease in EBITDA in Financial Year 2015 compared to Financial Year 2014 is primarily on account of product mix changes, operational costs increases, increase in employee costs owing to increased gratuity provisions and increase in manpower.

#### *Profit Before Tax*

Our profit before tax decreased by ₹21.84 million, or 11.93%, from ₹183.13 million in Financial Year 2014 to ₹161.29 million in Financial Year 2015, largely due to the factors discussed above.

#### *Total Tax Expenses*

Our total tax expenses decreased by ₹8.78 million, or 13.69% from ₹64.12 million in Financial Year 2014, representing 2.48% of our total revenues, to ₹55.35 million in Financial Year 2015, representing 1.93% of our total revenues.

#### *Profit After Tax*

As a result of the foregoing, our profit after tax decreased by ₹13.06 million, or 10.97%, from ₹119.01 million in Financial Year 2014 to ₹105.95 million in Financial Year 2015.

#### *Segment Revenue*

**Automotive & industrial:** Revenue from our operations in the automotive & industrial segment increased by ₹182.14 million or 7.98%, from ₹2,281.92 million in Financial Year 2014 to ₹2,464.06 million in Financial Year 2015. The increase in revenues from our automotive & industrial segment was driven by an increase in demand for our existing products as well as the new products manufactured and supplied by our Company. During the year we added 51 new varieties of products being manufactured for this segment.

**Aerospace:** Revenue from our operations in aerospace segment increased by ₹32.36 million or 10.73%, from ₹301.70 million in Financial Year 2014 to ₹334.06 million in Financial Year 2015. The increase in revenues from our aerospace segment was driven by increase in demand for our existing products as well as the new products manufactured and supplied by our Company. During the year we added 115 new varieties of products being manufactured for this segment.

#### *Segment Income*

**Automotive & industrial:** Segment income of our automotive & industrial segment decreased by ₹155.94 million or 50.11%, from ₹311.22 million in Financial Year 2014 to ₹155.28 million in Financial Year 2015. The decrease in our income and margins in this segment was primarily on account of product mix changes, increase in operational costs and employee costs.

**Aerospace:** Segment income of our aerospace segment increased by ₹10.99 million or 21.63%, from ₹50.82 million in Financial Year 2014 to ₹61.81 million in Financial Year 2015. The increase in our income in this segment was primarily on account of increased revenue, product mix changes and improved operational efficiencies resulting in lower material costs.

## Financial Year 2014 compared with Financial Year 2013

### *Income*

Our total revenues comprise revenue from operations (revenue from the sale of products and other operating revenue, net of excise duty paid or payable) and other income (interest income, gain or loss on sale of assets and income on account of foreign exchange gains, if any).

Our total revenue increased by ₹613.70 million or 31.12% from ₹1,972.16 million in Financial Year 2013 to ₹2,585.86 million in Financial Year 2014, with the automotive and industrial sector accounting for 88.35% and 88.32% of our revenue from operations in Financial Year 2013 and Financial Year 2014 respectively and the aerospace sector accounting for 11.65% and 11.68% of our revenue from operations in Financial Year 2013 and Financial Year 2014 respectively. Our top five customers constituted 72.13% of our revenue in Financial Year 2013 and 75.55% in Financial Year 2014. The increase in the total revenue in Financial Year 2014 was primarily on account of new businesses developed of which the manufacture and supply of the PF pump to Bosch was significant, and the increase in existing customers' requirements.

Our sales of finished goods (net of returns/rebates) increased by ₹599.04 million or 31.43% from ₹1,906.13 million in Financial Year 2013 to ₹2,505.17 million in Financial Year 2014.

### *Expenditure*

Our total expenditure increased by ₹501.06 million or 26.35% from ₹1901.67 million in Financial Year 2013 to ₹2,402.73 million in Financial Year 2014.

- (i) *Cost of materials consumed, net of change in inventory of finished and work-in-progress:* Our cost of materials consumed net of change in inventories increased by ₹310.43 million, or 32.08% from ₹967.74 million in Financial Year 2013 to ₹1,278.17 million in Financial Year 2014. Our cost of materials consumed net of change in inventories was 49.43% of our total revenue in Financial Year 2014 as compared to 49.07% of our total revenues in Financial Year 2013. The increase in costs is primarily attributable to the manufacture and supply of a new product, the PF pump assembly, which has high raw material content.
- (ii) *Employee benefit expenses:* Our employee benefit expenses, which primarily consist of salaries, wages and bonus (including Directors' remuneration, contribution to provident and other funds, gratuity expenses, leave encashment expenses and staff welfare expenses), increased by ₹69.61 million, or 18.97%, from ₹366.93 million in Financial Year 2013 to ₹436.54 million in Financial Year 2014, primarily due to an increase in the number of our employees to support our business requirements as well as employee cost increases. However, as the total revenue increased by 31.12%, the employee cost fell as a percentage of the total revenues on account of operating leverage. Our employee benefit expenses was 16.88% of our total revenue in Financial Year 2014 as compared to 18.61% of our total revenues in Financial Year 2013.
- (iii) *Other expenses:* Our other expenses, which primarily consists of sub-contracting expenses, foreign exchange loss, power, fuel and water expenses, carriage, freight and forwarding expenses and repair and maintenance costs increased by ₹122.29 million, or 28.76%, from ₹425.23 million in Financial Year 2013 to ₹547.52 million in Financial Year 2014, primarily due to a loss of ₹66.60 million in foreign exchange as compared to ₹5.00 million in Financial Year 2013. Excluding the loss on account of foreign exchange, our other expenses increased by 14.44%, while our total revenue increased by 31.12%. Our other expenses represented 21.17% of our total revenue in Financial Year 2014 as compared to 21.56% of our total revenues in Financial Year 2013.

### *Depreciation & Amortization*

Our depreciation and amortization increased by ₹5.33 million, or 6.04% from ₹88.29 million in Financial Year 2013 to ₹93.62 million in Financial Year 2014 primarily due to purchase of new plant and machinery during the financial year.



### *Finance Cost*

Our finance cost, which primarily consists of interest on term loan, working capital, and other bank charges, decreased by ₹6.60 million or 12.34% from ₹53.48 million in Financial Year 2013 to ₹46.88 million in Financial Year 2014. The decrease was primarily on account of improved working capital management.

### *EBITDA*

Our EBITDA increased by ₹111.37 million or 52.47% from ₹212.26 million in Financial Year 2013 to ₹323.63 million in Financial Year 2014. Our EBITDA in Financial Year 2014 represented 12.52% of our total revenue as compared to 10.76% of our total revenues in Financial Year 2013. The increase in EBITDA was primarily on account of increased revenue and product mix changes.

### *Profit Before Tax*

Our Profit Before Tax increased by ₹112.64 million or 159.80%, from ₹70.49 million in Financial Year 2013 to ₹183.13 million in Financial Year 2014. Our Profit Before Tax represented 7.08% of our total revenue in Financial Year 2014 as compared to 3.57% of our total revenues in Financial Year 2013.

The increase was primarily on account of our increase in revenues of 31.12% as well as the other factors discussed above.

### *Total Tax Expenses*

Our total tax expenses increased by ₹40.44 million or 170.78% from ₹23.68 million in Financial Year 2013 to ₹64.12 million in Financial Year 2014. Our total tax expenses represented 2.48% of our total revenue in Financial 2014 as compared to 1.20% of our total revenues in Financial Year 2013.

### *Profit After Tax*

As a result of the foregoing, our profit after tax increased by ₹72.20 million or 154.24% from ₹46.81 million in Financial Year 2013 to ₹119.01 million in Financial Year 2014. Our Profit After Tax represented 4.60% of our total revenue in Financial Year 2014 as compared 2.37% of our total revenues in Financial Year 2013.

### **Segment Revenue**

**Automotive & industrial:** Revenue from our operations in the automotive & industrial segment increased by ₹556.02 million or 32.22%, from ₹1,725.90 million in Financial Year 2013 to ₹2,281.92 million in Financial Year 2014. The increase in revenues from our automotive & industrial segment was driven by an increase in demand for our existing products as well as the new products manufactured and supplied by our Company. During the year we added 98 new varieties of products being manufactured for this segment, notably, the PF pump assembly.

**Aerospace:** Revenue from our operations in aerospace segment increased by ₹74.13 million or 32.57%, from ₹227.57 million in Financial Year 2013 to ₹301.70 million in Financial Year 2014. The increase in revenues from our aerospace segment was driven by increase in demand for our existing products as well as the new products manufactured and supplied by our Company. During the year we added 61 new varieties of products being manufactured for this segment.

### *Segment Income*

**Automotive & industrial:** Segment income of our automotive & industrial segment increased by ₹128.10 million or 69.95%, from ₹183.12 million in Financial Year 2013 to ₹311.22 million in Financial Year 2014. The increase in our income and margins in this segment was primarily on account of increased segment revenue, product mix changes and improved operating leverage resulting in lower operational costs.

**Aerospace:** Segment income of our aerospace segment increased by ₹49.64 million or 4,206.78%, from ₹1.18 million in Financial Year 2013 to ₹50.82 million in Financial Year 2014. The increase in our income and

margins in this segment was primarily on account of increase in revenue, product mix changes and improved operational efficiencies.

## Liquidity and Capital Resources

### Cash Flows

Our restated financial information of cash flows have been prepared under the “Indirect method” set out in Accounting Standard 3 on “Cash Flow Statements”, as notified under Section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounting Standards) Rules, 2006.

As on March 31, 2015, 2014 and 2013, we had cash and cash equivalents of ₹4.67 million, ₹3.93 million and ₹4.42 million, respectively. Cash and cash equivalents consist of cash on hand, cheques on hand and deposit accounts including fixed deposits. Our primary liquidity requirement has been to finance our working capital requirements. We have met this requirement from cash flows from operations and short-term and long-term borrowings. Our business requires a significant amount of working capital. We expect to meet our working capital requirements for the next 12 months primarily from operating cash flows and bank borrowings.

The table below summarises our net cash flows for Financial Years 2015, 2014 and 2013

(in ₹ million)

Particulars	Financial Year 2015	Financial Year 2014	Financial Year 2013
Net cash flow from/(used in) operating activities	214.53	86.57	120.20
Net cash flow (used in) investing activities	(110.34)	(145.51)	(78.37)
Net cash flow from/(used in) financing activities	(103.46)	59.01	(63.72)
Net increase/(decrease) in cash and cash equivalents	0.73	0.07	(21.89)
Cash and bank balances at the beginning of the year	3.93	4.42	25.68
Effect of exchange rate changes on cash and cash equivalents held	0.01	(0.56)	0.63
Cash and cash equivalents at the end of the period	4.67	3.93	4.42

### Cash flow from operating activities

Our net cash from operating activities in Financial Year 2015 was ₹214.53 million. Our cash flows from operating activities for this period were positively impacted primarily due to improved working capital management. The net working capital position improved due to reduction in inventories of ₹68.65 million, an increase in payables of ₹29.76 million and other current liabilities and provisions of ₹46.88 million and was partially offset by increase in receivables by ₹73.82 million, an increase in loans and advances of ₹21.05 million and higher tax payout of ₹105.70 million.

Our net cash from operating activities in Financial Year 2014 was ₹86.57 million. Our cash flows from operating activities for this period were positively impacted primarily due to increased profitability owing to improved margins and growth in total revenue. The net working capital position was impacted by increase in trade receivables of ₹76.76 million, increase in inventory of ₹174.90 million, increase in loans and advances of ₹42.30 million and decrease in current liabilities and provisions of ₹12.40 million, and which was partially offset by increase in trade payables of ₹68.41 million. The direct tax paid amounted to ₹29.39 million.

Our net cash from operating activities in Financial Year 2013 was ₹120.20 million. Our cash flows from operating activities for this period was ₹203.88 million. The net working capital position was impacted by an increase in trade receivables of ₹53.93 million, an increase in inventory of ₹9.37 million, increase in loans and advances of ₹20.81 million and offset by increase in trade payables of ₹20.52 million and an increase in current liabilities and provisions of ₹18.05 million and higher tax payment amount of ₹38.14 million.

### Cash flow from investing activities

Our net cash used in investing activities in Financial Year 2015 was ₹110.34 million. We had invested in the purchase of tangible and intangible assets primarily plant and machinery for ₹135.52 million. Further, ₹18.73 million was the net proceeds realized from the sale of our investments in our erstwhile subsidiaries. The proceeds from the sale of tangible assets was ₹2.76 million, interest received was ₹1.04 million and realization

from bank deposits and margin money was ₹2.65 million.

Our net cash from investing activities in Financial Year 2014 was ₹145.51 million. We had invested in the purchase of tangible and intangible assets primarily plant and machinery for an amount of ₹148.54 million. The proceeds from the sale of tangible assets was ₹2.13 million, interest received was ₹1.22 million and investment in bank deposits and margin money was ₹0.32 million.

Our net cash used in investing activities in Financial Year 2013 was ₹78.37 million. We had invested in the purchase of tangible and intangible assets primarily plant and machinery for an amount of ₹82.68 million. The proceeds from the sale of tangible assets was ₹0.10 million, interest received was ₹0.85 million and realization from bank deposits and margin money was ₹3.36 million.

#### *Cash flow used in financing activities*

Our net cash used in financing activities in Financial Year 2015 was ₹(103.46) million, which primarily comprised of repayment of term loan of ₹65.75 million, proceeds from new term loan of ₹19.22 million and proceeds of short-term borrowings of ₹5.07 million and repayment of unsecured loan of our erstwhile subsidiary, SMPPL, of ₹19.40 million and interest payment of ₹42.60 million.

Our net cash used in financing activities in Financial Year 2014 was ₹59.01 million, which primarily comprised of repayment of term loan of ₹48.53 million, proceeds from new term loan of ₹80.13 million and proceeds of short-term borrowings of ₹83.95 million and repayment of unsecured loan of ₹15 million to our Promoter, Dr. Sudarshan Kumar Maini and interest payment of ₹41.54 million.

Our net cash used in financing activities in Financial Year 2013 was ₹(63.72) million, which primarily comprised of repayment of term loan of ₹43.66 million, proceeds from new term loan of ₹99.18 million and proceeds of short-term borrowings of ₹43.59 million and proceeds of unsecured loan of ₹15.00 million from our Promoter, Dr. Sudarshan Kumar Maini and interest payment of ₹49.88 million and dividend (including dividend distribution tax) of ₹127.95 million.

#### *Capital expenditure*

Our capital expenditure principally includes purchases of machinery and equipment, furniture and fixtures and IT infrastructure. Land is added infrequently on specific need basis. The following table provides a breakdown of our fixed assets by category as at Financial Years 2015, 2014 and 2013.

*(in ₹million)*

Asset Class	Financial Year 2015	Financial Year 2014	Financial Year 2013
Tangible Assets			
Land and building	-	-	-
Plant and machinery	123.35	129.02	79.34
Other fixed assets	6.13	10.22	3.39
<b>Total</b>	<b>129.48</b>	<b>139.24</b>	<b>82.94</b>

#### *Capital commitments*

Our outstanding capital commitments as on March 31, 2015, 2014 and 2013 were ₹20.20 million, ₹24.98 million and ₹2.32 million, respectively, on account of contracts remaining to be executed on capital accounts and not provided for as on those dates, net of advances.

#### **Indebtedness**

Our business requires significant amount of working capital, primarily on account of high inventory levels required to be maintained by us on account of our global delivery service model as well as towards funding normal credit periods extended to customers and inventory of raw material stocks, work in progress, stock of tools and consumables and others which is partly funded by credit extended by our vendors/ suppliers.

The following table sets out the principal elements of our indebtedness as of March 31, 2015, 2014 and 2013.

<i>(in ₹ million)</i>			
<b>Borrowings</b>	<b>Financial Year 2015</b>	<b>Financial Year 2014</b>	<b>Financial Year 2013</b>
Secured term loans from banks	108.47	155.00	123.40
Secured Working capital loans from banks	477.27	502.69	407.40
Unsecured term loans from related parties	-	19.40	34.40
<b>Total Debt</b>	<b>585.74</b>	<b>677.09</b>	<b>565.20</b>
Less: current maturities of long term debt (12 months)	61.71	67.23	48.52
<b>Total Debt (net of current maturities)</b>	<b>524.03</b>	<b>609.86</b>	<b>516.68</b>

As on March 31, 2015, our total debt aggregated to ₹585.74 million, which consisted of long term secured loans from banks amounting to ₹108.47 million. We have also availed of short term secured working capital loans of ₹477.27 million from our banks. Over the last three Financial Years, loans from related parties have been repaid in full and currently, all our borrowings have been availed from banks and financial institutions.

As on March 31, 2014, our total debt aggregated to ₹677.09 million, which consisted of long term secured loans from banks amounting to ₹155.00 million. We had also availed of short term secured working capital loans of ₹502.69 million from our banks. We had an unsecured loan from our erstwhile subsidiary of ₹19.40 million.

As on March 31, 2013, our total debt aggregated to ₹565.20 million, which consisted of long term secured loans from banks amounting to ₹123.40 million. We had also availed of short term secured working capital loans of ₹407.40 million from our banks. We had an unsecured loan from our erstwhile subsidiary of ₹19.40 million and an unsecured loan from our Promoter, Dr. Sudarshan Kumar Maini of ₹15.00 million.

For more details, see “Financial Indebtedness” on page 175.

#### **Off Balance Sheet commitments and Contingent Liabilities**

As of March 31, 2015, we did not have any material contingent liabilities and commitments other than those disclosed in the Restated Financial Information reproduced below:

<i>(in ₹ million)</i>	
<b>Particulars</b>	<b>As of March 31, 2015</b>
<b>Contingent liabilities</b>	
Disputed Tax Matters	
- Excise and Customs Duty	104.34
- Service tax	26.01
Corporate guarantees	39.17
<b>Other commitments</b>	
Capital commitments yet to be executed	20.20
Export obligations	55.73

The excise and custom duty demands comprise of tax demands, including interest, from the excise authorities for payment of additional tax upon completion of assessment for the several financial years between April, 2004 and March, 2013. The aforesaid demands have arisen primarily on account of ineligible CENVAT credit availed and appropriateness of the method of valuation used for merchandise sold by the Company. We have deposited an amount of ₹6 million under protest for the above tax demands. Our appeals against the said demands are pending before appellate authorities in various stages of litigation.

The service tax demands comprise of tax demands, including interest, from the authorities for payment of additional tax upon completion of assessment for the several financial years from April, 2008 to March, 2013. The demands have arisen primarily on account of ineligibility of services tax credit taken by the Company. The Company’s appeals against the said demands are pending before appellate authorities in various stages of litigation.

For details of our outstanding tax, labor and other matters, see “Outstanding Litigation and Material

Developments” on page 182.

## **Quantitative and Qualitative Disclosure about Market Risk**

We are exposed to various types of market risks in the ordinary course of business, including commodity price risks in relation to our raw materials, foreign currency exchange risks and inflation risks. From time to time, we use derivatives to hedge against exposures to market risks or for any other purposes, and we may use derivatives to hedge against exposures to market risks in the future.

### **Commodity price risk**

Commodity price risk is the possibility of impact from changes in the prices of raw materials such as steel, castings, forgings, bar stocks, ferrous and aluminum based alloys, nickel and cobalt based alloys and titanium based alloys, which we use in the manufacture of our products. All raw materials used in our aerospace sector are imported from customer-approved sources. While we seek to pass on input cost increases to our customers, we may not be able to fully achieve this in all situations or at all times.

### **Foreign exchange risk**

We face foreign exchange risk in respect of our export earnings, foreign currency loans, imports and expenses in foreign currency, in respect of which we selectively hedge currency exchange rate risk.

### **Interest rate risk**

We are subject to market interest risks due to fluctuations in interest rates primarily in relation to our debt obligations with floating interest rates. As on March 31, 2015, most of our loans carried floating interest rate. The interest rate on remaining loans, although fixed, are subject to periodic review by lending banks / financial institutions in relation to their respective base lending rates, which may vary over a period.

### **Inflation risk**

Inflationary factors such as increases in the input costs and overhead costs may adversely affect our operating results. There may be time lag in recovering the inflation impact from our customer and we may not be able to recover the full impact of such inflation. A high rate of inflation in the future may, therefore, have an adverse effect on our ability to maintain our profit margins.

### **Credit risk**

We are subject to the risk that our counterparties under various financial or customer agreements will not meet their obligations. Our credit risk exposure relates to our operating activities and our financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

Our provision for doubtful debts and bad debts written off amounted to ₹3.83 million as on March 31, 2015, and ₹0.41 million as on March 31, 2014 respectively.

### **Unusual or infrequent events of transactions**

To the best of our knowledge, there have been no other events or transactions that may be described as “unusual” or “infrequent” during the last three Financial Years, except as disclosed herein or disclosed elsewhere in this Draft Red Herring Prospectus.

Our Company undertook a sale of its investments in the following entities during Financial Years 2015:

- (i) SMPPL, a private limited company incorporated under the provisions of the Companies Act, 1956. SMPPL was a wholly owned subsidiary of our Company, which did not carry on any operations during the preceding five years. Our investment in SMPPL was sold to All Terrain Solutions Private Limited, a promoter group entity, for ₹19.40 million.
- (ii) MGAPL, a private limited company incorporated under the provisions of the Companies Act, 1956.

MGAPL was a wholly owned subsidiary of our Company, which did not carry on any operations and had a negative net worth. Our investment in MGAPL was sold to our Promoters, Mr. Sandeep Maini and Mr. Gautam Maini, for an amount of ₹0.01 million.

- (iii) Maini Precision Products Holdings SL (“**Maini Spain**”), a company incorporated under the laws of Spain, was a wholly owned subsidiary of our Company. Neither Maini Precision Products Holdings SL, nor its subsidiaries Mechanical Components GMBH (Austria) and Preci Metal SRO, (Slovakia) during Financial Year 2010 carry on any business operations. Our Company had written off our investments in Mechanical Components GMBH (Austria) during Financial Year 2009 and in Preci Metal SRO, (Slovakia) during Financial Year 2010. Our Company sold its entire equity shareholding (i.e. 2,502,369 equity shares) in Maini Spain to Frank Abegg Consult, SL vide Deed of Units Social dated March 31, 2015 for a consideration of one Euro. During the Financial Years 2009 and 2010, our Company filed an application with the regulatory authority, along with all the requisite documents, requesting approval for writing-off foreign currency long-term investments. Our Company had provided necessary clarifications and is in process of submitting all the requested documents as required by the regulatory authority to their satisfaction.

### **Significant economic and regulatory changes**

Except as described in “Risk Factors” and “Regulations and Policies” on pages 16 and 116, respectively, to the best of our knowledge, there have been no significant economic or regulatory changes that we expect could have a material adverse effect on our results of operations.

### **Seasonality of Business**

Our business is not seasonal in nature.

### **Future relationship between costs and income**

Except as described in this section and in “Risk Factors” and “Our Business” on pages 16 and 103, respectively, to the best of our knowledge, there are no factors that are expected to have a material adverse effect on the relationship between our costs and income.

### **Known trends or uncertainties**

Except as described in this section and in “Risk Factors” and “Our Business” on pages 16 and 103, respectively, to the best of our knowledge, there are no trends or uncertainties that have or had or are expected to have a material adverse impact on our results of operations.

### **Dependence on a few customers and suppliers**

A significant majority of our income from operations is from sales to Tier I Customers and OEMs. For Financial Years 2015, 2014 and 2013, revenue from our top five customers constituted 77.37%, 75.55% and 72.13% of our total revenue. Bosch is one of our key customers and revenue from Bosch contributed to 35.82%, 34.97% and 30.84% of our revenue for Financial Years 2015, 2014 and 2013.

Demand for our products is directly related to the production and sales of automotive, industrial and aerospace products by our major customers. The production and sales of automotive, industrial and aerospace products may be affected by a general change in economic or industry conditions, trends in the global and domestic economies, as well as evolving regulatory requirements, government initiatives, trade agreements and other factors. A sustained decline in the demand for our customers’ products could prompt them to cut their production volumes, in turn affecting their demand for our products. 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.

As our business is currently concentrated among relatively few significant customers, we may experience reduction in cash flows and liquidity if we lose one or more of our major customers or if the amount of business from them is significantly reduced for any reason, including as a result of a dispute with or disqualification by, a major customer. Further, consolidation of any of our customers may also adversely affect our existing

relationships and arrangements with such customers, and any of our customers that are acquired may cease to use our services.

### **Competitive Conditions**

We operate in a competitive environment. For further details, see the discussions regarding our competition in “Risk Factors” and “Our Business” at pages 16 and 103, respectively.

### **Related party transactions**

We have, in the ordinary course of our business, entered into transactions with certain related parties.

For instance, we have in the past purchased goods and services from and sold goods and services to MMMPL, a Group Entity. We have also, in the past purchased services from BTFC, a partnership firm Group Entity.

While, in our view, all such related party transactions that we have entered into are legitimate business transactions conducted on an arms’ length basis, we cannot assure you that we could not have achieved more favorable terms had such arrangements not been entered into with related parties. Further, we cannot assure you that these or any future related party transactions that we may enter into, individually or in the aggregate, will not have an adverse effect on our financial condition and results of operations.

For details of our related party transactions, see “Risk Factors” and “Financial Statements” on pages 16 and F-1, respectively.

### **Significant developments subsequent to the last financial period**

In the opinion of our Board, other than as disclosed below in this section and elsewhere in this Draft Red Herring Prospectus, there have not arisen any circumstances since March 31, 2015, which materially and adversely affect or are likely to materially and adversely affect our profitability, the value of our assets or our ability to pay our liabilities within the next 12 months:

- (i) Pursuant to Shareholders’ resolution dated August 14, 2015 our Company approved a share split whereby, each equity shares of ₹100 each was subdivided into 10 Equity Shares of ₹10 each;
- (ii) On August 14, 2015, our Company capitalized its share premium account and issued bonus equity shares to each of its shareholders in the ratio of 5.3 equity shares for every 1 equity share held;
- (iii) Our Company has, pursuant a loan agreement dated July 21, 2015, availed of a term loan of ₹100 million from Tata Capital Limited for the purposes of funding purchase of plant and machinery;
- (iv) Our Company was converted from a private limited company to a public limited company with effect from September 9, 2015, in accordance with the provisions of the Companies Act, 2013; and
- (v) Our Company has executed loan agreements dated September 16, 2015 with HDFC Bank Limited to avail of a term loan of ₹50 million for the purposes of funding purchase of plant and machinery, and ₹100 million for funding our working capital requirements.

## FINANCIAL INDEBTEDNESS

As on August 31, 2015, the aggregate outstanding borrowings of our Company are as follows:

Sl. No.	Nature of Borrowing	Amount <i>(in ₹ million)</i>
1.	Secured Borrowings	660.32
2.	Unsecured Borrowings	10.00
<b>Total</b>		<b>670.32</b>

A brief summary of the indebtedness of our Company as at August 31, 2015, together with a brief description of certain material covenants of the relevant financing agreements, are provided below:

Sl. No.	Lender	Particulars of the documentation	Amount Sanctioned (in ₹ million)	Amount outstanding (in ₹ million)	Interest rate/Commission rate (%)	Purpose	Repayment	Security
<b>Secured borrowings</b>								
1.	Kotak Mahindra Bank Limited (“Kotak”)  For material covenants see note I	Sanction letter dated January 24, 2015  Ancillary security documents*	Cash Credit/WCDL: 20.00  Pre-shipment Credit (PCL/PCFC): 100.00  Post Shipment Credit (PSL/EBRD): 170.00  Letter of Credit (ILC/FLC)/ Buyers Credit: 20.00  Term Loan I: 40.10  Term Loan II:	Cash Credit/WCDL: 5.35  Pre-shipment Credit (PCL/PCFC): 96.85  Post Shipment Credit (PSL/EBRD): 158.79  Letter of Credit (ILC/FLC)/ Buyers Credit:  Nil  Term Loan I: 23.61	Cash Credit/WCDL: <i>Cash Credit:</i> base rate + 2.50% p.a  Pre-shipment Credit  PCL: base rate + 1.25% p.a  PCFC: LIBOR + 2.50  Post Shipment Credit  PSL: base rate + 1.25% p.a  EBRD: LIBOR + 2.50  Term Loan I:	Cash Credit/WCDL, Pre-shipment Credit (PCL/PCFC) and Post Shipment Credit (PSL/EBRD): To meet working capital requirements of our Company  Letter of Credit (ILC/FLC)/ Buyers Credit: For import/ local purchases of raw materials  Term Loan I and Term Loan II: Towards expansion project of our Company	Cash Credit/WCDL:  <i>Cash Credit:</i> repayable on demand  <i>WCDL:</i> tenor up to 180 days  Pre-shipment Credit (PCL/PCFC): tenor up to 180 days  Post Shipment Credit (PSL/EBRD): tenor up to 180 days  Letter of Credit (ILC/FLC)/ Buyers Credit:  ILC: tenor up to 90 days  FLC/Buyers Credit: tenor	Cash Credit/WCDL, Pre-shipment Credit (PCL/PCFC), Post Shipment Credit (PSL/EBRD) and Letter of Credit (ILC/FLC)/Buyer’s Credit:  The facilities are secured by:  (i) First charge on entire current assets of our Company on pari passu basis with ICICI;  (ii) First pari passu charge on the moveable and immoveable fixed assets of our Company along with ICICI excluding the specific assets funded by the term lenders; and  (iii) Personal guarantees from Sandeep Maini and



Sl. No.	Lender	Particulars of the documentation	Amount Sanctioned (in ₹ million)	Amount outstanding (in ₹ million)	Interest rate/Commission rate (%)	Purpose	Repayment	Security
			77.90	Term Loan II: 58.41	Base rate + 2.50% p.a  Term Loan II: Base rate + 1.95% p.a		up to 180 days  Term Loan I: repayable in 42 monthly instalments of ₹2.36 million with first instalment commencing from January 31, 2013  Term Loan II: repayable in 36 monthly instalments of ₹2.52 million with a moratorium of 6 months and the first instalment commencing from June 30, 2014	Gautam Maini  Term Loan I: (i) Exclusive charge on assets financed by our Company using Term Loan I; and  (ii) Personal guarantees from Sandeep Maini and Gautam Maini  Term Loan II: (i) Exclusive charge on assets financed by our Company using Term Loan II; and  (ii) Personal guarantees from Sandeep Kumar Maini and Gautam Maini
2.	ICICI Bank Limited ("ICICI")  For material covenants see note 1	Credit Arrangement Letter dated June 30, 2015  Ancillary security documents*	PCFC: 200.00  Export Packing Credit (as a sub-limit of PCFC): 200.00  PSCFC (as a sub-limit of PCFC): 150.00  FUBD/FBP (as a sub-limit of PCFC): 150.00	Export Packing Credit: 148.73  PSCFC: 38.13  Cash credit: 30.45	PCFC: COF + 0.50%  Export Packing Credit: COF + 1.50%  PSCFC : COF + 0.50%  FUBD/FBP: COF + 1.50%  Cash Credit: 12.45% p.a (I-	PCFC, Export Packing Credit, FUBD/FBP, Cash Credit: To meet working capital of our Company  Bank Guarantee: For performance and financial guarantees  Letters of Credit: For procurement of raw materials, consumable stores,	PCFC, Export Packing Credit: up to 180 days or expiry of contracts/ export letter of credit or expiry of process cycle whichever is earlier	PCFC (including all facilities granted within its sub-limit):  (i) first charge by way of hypothecation of our Company's entire stocks of raw materials, semi-finished and finished goods, consumable stores and spares and such other moveables including book-debts, bills whether documentary or clean, outstanding monies, receivables, both present

Sl. No.	Lender	Particulars of the documentation	Amount Sanctioned (in ₹ million)	Amount outstanding (in ₹ million)	Interest rate/Commission rate (%)	Purpose	Repayment	Security
			Cash Credit (as a sub-limit of PCFC): 70.00  Bank Guarantee (as a sub-limit of PCFC): 3.00  Letters of Credit (as a sublimit of PCFC): 20.00		Base + spread, subject to a minimum of I-Base +2.75% p.a)	spares and tools		and future, in a form and manner satisfactory to ICICI ranking <i>pari passu</i> with Kotak; and  (ii) First charge on the immoveable fixed assets of our Company, excluding specific assets funded by Kotak, with cumulative value of ₹591.10 million.
3.	Tata Capital Financial Services Limited (“TCFSL”)  For material covenants see note 1	Sanction letter dated July 1, 2015  Loan Agreement dated July 21, 2015  Ancillary security documents*	Term Loan: 100.00	100.00	6.25% p.a below LTLR, subject to a minimum of 11.50% p.a	For the purchase of machinery	Interest to be paid on monthly basis on every month from the date of first disbursement till maturity  After 6 months from the date of first tranche disbursement, principal amount shall be repayable in 48 monthly installments	The term loan shall be secured by:  (i) Hypothecation of machinery purchased or to be purchased out of the term loan granted by TCFSL  (ii) Unconditional and irrevocable personal guarantee to be given by Sandeep Kumar Maini

Sl. No.	Lender	Particulars of the documentation	Amount Sanctioned (in ₹ million)	Amount outstanding (in ₹ million)	Interest rate/Commission rate (%)	Purpose	Repayment	Security
<b>Unsecured Borrowings</b>								
4.	ABFL For material covenants see note 1	Sanction letter dated April 16, 2015	Line of credit: 10.00	10.00	15.75% +/- spread	For general corporate purpose	Interest payable monthly	-

\* Ancillary security documents include indemnity deeds, letters of comfort, deeds of guarantees, demand promissory notes, memoranda of mortgage, deeds of hypothecation letters of continuity and non disposal undertakings

**Note 1:**

**Material Covenants of facilities availed from Kotak:**

1. Without the prior approval of Kotak:
  - Our Company shall not pay any dividend;
  - Our Company shall not extend further corporate guarantee;
  - There shall be no change in the management control of our Company;
  - Our Promoters shall not further dilute their stake in our Company;
  - Our Promoters shall not further pledge shares;
  - Our Company shall not enter into any joint venture for its aerospace division
2. Our Company shall maintain the following ratios during the validity of the term loan facilities availed from Kotak:
  - DSCR of at least 1.5x
  - Asset cover shall be at a minimum of 1.35x
  - Interest cover shall be at a minimum of 2.25x

- Current ratio ( CPLTD adjusted) shall be at a minimum of 1.1x
- IBD/ TNW shall be at 1.8x

***Material covenants in respect of facilities availed from ICICI:***

1. Our Company shall ensure comprehensive insurance cover against risks on the security offered for the facilities, except stocks, and maintain the value of the insurance policy equal to the value of the insurable assets
2. Our Company shall not avail of any credit facility from other banks or financial institutions without prior written permission of ICICI prior to disbursement, during the tenure of the facilities availed from ICICI
3. Our Company shall provide net worth statements of the personal guarantors to be obtained prior to disbursement of the facility availed from ICICI and ensure that the net worth shall not be less than ₹500.00 million as on March 31, 2014 (with a maximum negative deviation of five percent)
4. Our Company shall not avail any credit facility/ open current account from other banks or financial institutions without prior written consent of ICICI during the tenure of the facilities availed from ICICI
5. There shall not be more than 10% negative variation between Financial Year 2016 projected financial figures and the audited financial statement for the Financial Year 2016 in respect of TOI, EBITDA, PAT, ATNW and TOL:
  - TOI: ₹ 3,323.20 million
  - EBITDA: ₹ 363.10 million
  - PAT: ₹ 147.40 million
  - ATNW: ₹ 815.40 million
  - TOL: ₹ 1,32.70 million

***Material covenants in respect of facilities availed from TCFSL:***

1. Dividend payment by our Company shall be restricted to the current year's profit.
2. Funds shall not be diverted by our Company to group companies during the tenure of the facilities availed from TCFSL
3. Our Company shall not undertake any capital restructuring by way of spin off/ divesture/ buy-back of Equity Shares without the prior approval of TCFSL
4. Our Promoters shall not further pledge their shares

5. Our Company shall not extend corporate guarantee without prior approval of TCFSL.
6. Our Company shall maintain the following financial ratios which shall be monitored annually:
  - TOL/ATNW shall be maintained below 2.00 times during the tenure of the facilities availed from TCFSL; and
  - Our Promoters shall have more than 51% stake in our Company and have management control
7. The occurrence of the following shall amount to an event of default:
  - Failure to pay the outstanding dues to TCFSL
  - Breach of representations and warranties given by our Company
  - Insolvency of our Company
  - Breach of applicable laws, rules, regulations and/or ordinances
  - Default in respect of obligations of our Company under the Loan Agreement dated July 21, 2015
  - Change in the constitution/ownership/management/control of our Company that in the opinion of TCFSL would adversely affect the interest of TCFSL
  - Default in the terms of any agreements entered into by any of our Group Entities, Directors, Promoters or associates, if any.

***Material covenants in respect of facilities availed from ABFL:***

1. Our Company shall maintain the following financial ratios:
  - TOL/TNW : maximum of 2.50
  - DSCR: minimum of 1.50
  - ICR: minimum of 2.00
2. During the currency of the facilities availed from ABFL, our Company shall provide prior written intimation before:
  - Concluding any fresh borrowing agreement either secured or unsecured with any other bank or financial institutions, or create any further charge over its fixed assets, except with prior approval in writing;
  - Undertaking any expansion or fresh project or acquire fixed assets, except by way of normal capital expenditure;

- Investing by way of share capital in or lend or advance to or place deposits with any other concern (except normal trade credit or security deposit in the routine course of business or advances to employees);
  - Formulating any scheme of amalgamation with any other borrower, reconstructing or acquiring any borrower;
  - Undertaking guarantee obligations on behalf of any other borrower or any third party;
  - Declaring dividend for any year except out of profits relating to that year after making all the due and necessary provisions provided that no defaults had occurred; in any repayment obligation and prior permission from Kotak has been obtained;
  - Making any repayment of the loans and deposits and discharge other liabilities except those shown in the funds flow statement submitted from time to time;
  - Making any change in its management set-up;
3. ABFL reserves the right to alter, amend any of the condition or withdraw the facility, at any time without assigning any reason and also without giving any notice.

## SECTION VI: LEGAL AND OTHER INFORMATION

### OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

*Except as stated in this section, there are no (i) outstanding criminal proceedings, (ii) actions taken by statutory or regulatory authorities, (iii) material litigations, in each case involving our Company, our Promoter(s), our Directors, or our Group Entities, and (iv) any litigation involving Company, our Promoter, our Directors, or our Group Entities or any other person whose outcome could have a material adverse effect on the position of our Company.*

*For the purpose of material litigation in (iii) above, our Board has considered, (a) civil litigation involving the Company, the Directors, the Promoters or the Group Entities (the “**Relevant Parties**”) having a monetary impact exceeding 1% of the net worth of the Company, as on the latest audited financial statements; (b) civil litigation wherein a monetary liability is not quantifiable, but where the outcome may have a bearing on the operations or performance of the Company; and (c) notices received by the Relevant Parties from third parties (excluding statutory/ regulatory/ tax authorities or notices threatening criminal action), pursuant to which the Relevant Parties are impleaded as defendants in litigation proceedings before any court or authority having jurisdiction.*

*Further, except as stated in this section, there are no (i) inquiries, inspections or investigations initiated or conducted under the Companies Act against our Company, (ii) fines imposed or compounding of offences against our Company, (iii) material frauds committed against our Company, in each case in the preceding five years from the date of this Draft Red Herring Prospectus; (iv) proceedings initiated against our Company for economic offences, and (v) defaults and non-payment of statutory dues payable.*

#### **Litigation involving our Company**

##### *Criminal Litigation*

Our Company had filed a first information report in 2008 against KM Lokashi, former account assistant of our Company, G Ranganath Bin Guddaiah and DS Dharmappa against fraud committed by KM Lokashi while making payments against the purchase orders received from suppliers of our Company. The matter was brought before the Additional Chief Metropolitan Magistrate, Bengaluru who had issued summons to our Company on March 9, 2015. The aggregate amount involved is ₹1.61 million.

##### *Civil Litigation*

There are no pending material civil litigations involving our Company.

#### **Material frauds committed against our Company**

There have been no material frauds committed against our Company in the last five years.

#### **Inquiries, inspections or investigations under the Companies Act**

There are no inquiries, inspections or investigations under the Companies Act, 2013 or any previous companies law against our Company in the past five years.

#### **Fines imposed or compounding of offences**

There are no fines that have been imposed on or compounding of offences by our Company in the past.

#### **Litigation involving our Promoters**

Except as disclosed below, there are no outstanding litigation proceedings involving our Promoters.

## **Gautam Maini**

### *Criminal Proceedings*

- (i) Gautam Maini has filed a complaint against Atlanta Elevators (I) Private Limited (the “**Accused**”) before XII Additional Chief Metropolitan Magistrate, Bengaluru in relation to dishonour of four cheques given by the Accused under Section 200 of Code of Criminal Procedure, 1973 read with Section 138 of the Negotiable Instruments Act, 1881. The aggregate amount involved is ₹0.50 million. The matter is currently pending adjudication.
- (ii) Gautam Maini and a member of the Promoter Group filed a case before the court of the Metropolitan Magistrate, Andheri, Mumbai against Aman Mihani alleging offences of criminal breach of trust, cheating and under Sections 405, 406 and 420 of the Indian Penal Code, 1860. A chargesheet has also been filed by the Oshiwara Police Station in Andheri, Mumbai before the court of the Metropolitan Magistrate, Andheri. The matter is presently pending adjudication.

### *Notices*

Gautam Maini has received a notice dated July 13, 2015 from the RBI seeking certain clarifications under FEMA regulations and additional documentation in relation to certain bonus shares issued by AM Formula UNO Private Limited, a company promoted by him. Gautam Maini has replied to the RBI on August 10, 2015.

### **Litigation or legal action against our Promoters taken by any Ministry, Department of Government or any statutory authority**

Except as disclosed above, there is no litigation or legal action pending or taken by any Ministry or Department of the Government or a statutory authority against the Promoters of our Company during the last five years immediately preceding the year of the issue of this Draft Red Herring Prospectus.

### **Litigation involving our Directors**

Except as disclosed in “– Litigation involving our Promoters” above there are no outstanding litigation proceedings involving our Directors.

### **Litigation involving our Group Entities**

There are no outstanding litigation proceedings involving our Group Entities.

### **Tax proceedings**

There are no outstanding tax proceedings against our Promoters, our Directors and our Group Entities. A summary of tax proceedings involving our Company is stated below:

<b>Nature of case</b>	<b>Number of cases</b>	<b>Amount involved (in ₹ million)</b>
<b><i>Direct Tax</i></b>		
Income Tax	4	17.00
<b><i>Indirect Tax</i></b>		
Service Tax	5	26.01
Excise Duty	13	104.34



### **Proceedings initiated against our Company for economic offences**

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

### **Defaults in respect of dues payable**

Our Company has no outstanding defaults in relation to statutory dues payable, dues payable to holders of any debentures (including interest) or dues in respect of deposits (including interest) or any defaults in repayment of loans from any bank or financial institution (including interest).

### **Material developments since March 31, 2015**

Other than as disclosed in “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on page 150, in the opinion of the Board, there has not arisen, since the date of the last Restated Financial Information included in this Draft Red Herring Prospectus, any circumstance that materially and adversely affects or is likely to affect the trading or profitability of our Company taken as a whole or the value of its consolidated assets or its ability to pay its liabilities over the next 12 months.

### **Outstanding dues to Creditors**

For the purpose of material creditors to be disclosed in the Draft Red Herring Prospectus, our Board has considered small scale undertakings, capital creditors and revenue creditors of the Company towards whom dues of a monetary value exceeding 1% of the total outstanding liabilities of the Company are outstanding as on the latest audited financial statements as material (“**Material Creditors**”). As on March 31, 2015, outstanding dues to Material Creditors are as follows:

<b>Material Creditors</b>	<b>Number of creditors</b>	<b>Amount involved (in ₹ million)</b>
Small scale undertakings	-	-
Other creditors	1	413.11

The details pertaining to net outstanding dues towards our Material Creditors are available on the website of our Company at [www.mainiprecisionproducts.com](http://www.mainiprecisionproducts.com). It is clarified that such details available on our website do not form a part of this Draft Red Herring Prospectus. Anyone placing reliance on any other source of information, including our Company’s website, [www.mainiprecisionproducts.com](http://www.mainiprecisionproducts.com), would be doing so at their own risk.

## GOVERNMENT AND OTHER APPROVALS

Our Company has received the necessary consents, licenses, permissions, registrations and approvals from the Government of India, various governmental agencies and other statutory and/or regulatory authorities, required for carrying on our present business and except as mentioned below, no further material approvals are required, or if required, such applications have been made by our Company for carrying on our present business. Unless otherwise stated, these approvals or licenses are valid as of the date of this Draft Red Herring Prospectus. Certain approvals may have elapsed in their normal course and our Company has made applications to the appropriate authorities for renewal of such licenses and/ or approvals. The object clause and objects incidental to the main objects of the Memorandum of Association enable our Company to undertake its existing activities.

The approvals required to be obtained by our Company include the following:

### I. Incorporation details of our Company

1. Certificate of Incorporation dated March 3, 1973, issued by the RoC to our Company in the name of Maini Precision Products Private Limited.
2. Fresh Certificate of Incorporation dated September 9, 2015, issued by the RoC to our Company consequent upon change into a public limited company and upon change of name to Maini Precision Products Limited.
3. Our Company was allotted a corporate identification number U27201KA1973PLC002307.

### II. Approvals in relation to the Offer

For details, see “Other Regulatory and Statutory Disclosures” on page 189.

### III. Approvals in relation to our Business Operations

#### A. Approvals from Central and Sales Tax Authorities

1. Permanent Account Number AABCM8269R issued by Chief Commissioner of Income Tax, Karnataka and Goa to our Company on January 7, 2000 under the IT Act.
2. Service tax registration number AABCM8269RST001 issued by Superintendent of Registration, Service Tax Commissionerate, Bengaluru (the “**Superintendent of Registration**”) to our Company on September 26, 2006 under the Finance Act, 1994 for our place of business at B-165, 3<sup>rd</sup> Cross, 1<sup>st</sup> Phase, Peenya SSI, Bengaluru, Urban, Karnataka.
3. Service tax registration number AABCM8269RST002 issued by Superintendent of Registration on September 26, 2006, under the Finance Act, 1994 for our place of business at B-59, 2<sup>nd</sup> Cross, 1<sup>st</sup> Phase, Peenya SSI, Bengaluru, Urban, Karnataka.
4. Service tax registration number AABCM8269RST003 issued by Superintendent of Registration on September 26, 2006 under the Finance Act, 1994 for our place of business at B-163, 3<sup>rd</sup> Cross, 1<sup>st</sup> Phase, Peenya SSI, Bengaluru, Urban, Karnataka.
5. Service tax registration number AABCM8269RST005 issued by Superintendent of Registration on September 26, 2006, under the Finance Act, 1994 for our place of business at 5A Bommasandra Industrial Area, Bengaluru, Karnataka.
6. Service tax registration number AABCM8269RSD009 issued by Superintendent of Registration on February 28, 2014, under the Finance Act, 1994 for our place of business at C-217, 4<sup>th</sup> Cross, Peenya Industrial Estate, Peenya SSI, Bengaluru, Karnataka.
7. Service tax registration number AABCM8269RSD010 issued by Superintendent of Registration on February 28, 2014, under the Finance Act, 1994 for our place of business at No. 169, Kasaba Hobli, Nelamangala, Bengaluru, Karnataka.
8. Value Added Tax Registration number 29630054422 issued by Assistant Commissioner of Commercial

Tax to our Company vide Value Added Tax Registration Certificate dated January 9, 2008, having its principal place of business at B-165, 3rd Cross, 1st Stage, Tumkur Road, Peenya Industrial Area, Bengaluru, Karnataka to act as a dealer under section 22 of the Karnataka Value Added Tax Act, 2003 and rules thereunder.

#### **B. Export- Import related Approvals**

1. Importer-Exporter Code 0788007530 issued by the Joint Director General of Foreign Trade, Bengaluru under the Foreign Trade Policy on November 16, 1989.
2. Exporter code LM 000049 issued by Exchange Control Department, Reserve Bank of India, Bengaluru on July 23, 1976 under Foreign Exchange Management (Export of Goods and Services) Regulations, 2000.
3. Certificate of Recognition as a Trading House issued by Joint Director General of Foreign Trade, Ministry of Commerce & Industry to our Company on April 3, 2014 in accordance with the provisions of the Exim Policy.
4. Registration number AABCM8269RXM001 issued by Assistant Commissioner of Central Excise (the "ACCE") vide Central Excise Registration Certificate dated July 15, 2004 under Rule 9 of the Central Excise Rules, 2002 (the "Excise Rules"), to manufacture excisable goods at B-165 & B-166, III Cross, Peenya Industrial Estate, Peenya SSI, Bengaluru Urban, Karnataka.
5. Registration number AABCM8269RXM002 issued by Superintendent of Central Excise, Bengaluru vide Central Excise Registration Certificate dated December 5, 2001 under the Excise Rules, to manufacture excisable goods at B-59, 1<sup>st</sup> Cross, 1<sup>st</sup> Phase, Peenya Industrial Estate, Bengaluru, Karnataka.
6. Registration number AABCM8269RXM003 issued by ACCE vide Central Excise Registration Certificate dated October 3, 2008 under the Excise Rules, to manufacture excisable goods at Plot No. 5A, Bommasandra Industrial Area, Bengaluru, Karnataka.
7. Registration number AABCM8269RXM004 issued by ACCE vide Central Excise Registration Certificate dated August 14, 2006 under the Excise Rules, to manufacture excisable goods at B-163, 3rd Cross, I Stage, Peenya Industrial Area, Peenya SSI, Bengaluru Urban, Karnataka.
8. Registration number AABCM8269RXM010 issued by ACCE vide Central Excise Registration Certificate dated December 18, 2007 under the Excise Rules, to manufacture excisable goods at Shed No. C-217, 4<sup>th</sup> Cross, Peenya Industrial Estate, Peenya SSI, Bengaluru Urban, Karnataka.
9. Registration number AABCM8269REM012 issued by ACCE vide Central Excise Registration Certificate dated April 26, 2013 under the Excise Rules, to manufacture excisable goods at survey no 169, Kasaba Hobli, Neelamangala, Bengaluru Rural, Karnataka.
10. Registration number AABCM8269REM013 issued by ACCE vide Central Excise Registration Certificate dated April 26, 2013 under the Excise Rules, to manufacture excisable goods at Plot No.77, Bommasandra, Jigani Link Road, Bommasandra, Anekal, Bengaluru, Karnataka.

#### **C. Labour Related Approvals**

1. Registration number KN/0006276/-000, issued under the Employees Provident Funds and Miscellaneous Provisions Funds Act, 1952.
2. Registration number 11002013 issued by Assistant Professions Tax Officer, Bengaluru vide certificate of registration for employer dated July 17, 1976 having its place of business at B-59, Functional Industrial Estate, Tumkur Road, Peenya, Bengaluru, Karnataka under the Karnataka Tax on Professions, Trades, Calling and Employments Act, 1976.
3. Registration number 41/111/CE/6675/2014 issued by Senior Labour Inspector, Department of Labour, Government of Karnataka vide registration certificate for the establishment under the Karnataka Shops and Commercial Establishments Act, 1961 for our place of business at No. 603 and 604, Devatha Plaza, Residency Road, Ebenezer International School, Bengaluru 560 001, Karnataka, India.

4. Registration number MYB 2335 issued by Department of Factories and Boilers (“**DFB**”) on December 19, 1980 under the Factories Act, 1948 for our manufacturing facility at B-59, 2<sup>nd</sup> Cross, I Stage, Peenya Industrial Estate, Bengaluru, Karnataka.
5. Registration number MYB 5469 issued by DFB on December 19, 1980 under the Factories Act, 1948 for our manufacturing facility at B-165, 3<sup>rd</sup> Cross, I Stage, Peenya Industrial Estate, Bengaluru, Karnataka.
6. Registration number MYB 14471 issued by DFB on July 1, 2005 under the Factories Act, 1948 for our manufacturing facility at B-163, 3<sup>rd</sup> Cross, Peenya Industrial Area, Bengaluru, Karnataka.
7. Registration number MYB 20673 issued by DFB on September 13, 2013 under the Factories Act, 1948 for our manufacturing facility at Survey No. 169, Bypass Road, Kasaba Hoble, Nelamangala Town, Bengaluru, Karnataka.
8. Registration number MYB 16329 issued by DFB on March 14, 2008 under the Factories Act, 1948 for our manufacturing facility at B-163, 3<sup>rd</sup> Cross, Peenya Industrial Area, Bengaluru, Karnataka.
9. Registration number MYB 6564 issued by DFB on May 4, 1987 under the Factories Act, 1948 for our manufacturing facility at No. 5A, Bommasandra, Industrial Area, Anekal Taluk, Bengaluru, Karnataka.
10. Registration number ALCB-4/CLA/P-27/2005-06 issued by Department of Labour to our Company vide Certificate of registration dated April 30, 2005 for its premises at 5-A, Bommasandra Industrial Area, Bommasandra, Bengaluru, under Section 7 of the Contract Labour (Regulation and Abolition) Act, 1970, to act a principal employer.

**D. Environment related approvals**

1. Consent to operate at No. 163, I Stage, Peenya Industrial Estate, Bengaluru, Karnataka vide consent order number PCB/48/HLP/2013/R3060 issued by Environmental Officer, KSPCB on December 21, 2010, under Section 25 and 26 of the Water Act, and Section 21 of the Air Act.
2. Consent to operate at 5-A Bommasandra Industrial Area, Off Hosur Road, Anekal Taluk, Bengaluru, Karnataka vide consent order number PCB/RO-SJR/Reg.No.79044/Uin-0302030217/2014-2015/R2595 issued by Regional Officer, KSPCB to our Company on October 18, 2014 under Section 25 and 26 of the Water Act, and Section 21 of the Air Act.
3. Consent to operate premises at No. C-217, 4<sup>th</sup> Cross, I Stage, Peenya Industrial Estate, Bengaluru, Karnataka vide consent order number 339/KSPCB/RO/PEENYA/EO/AEO-1/IND/PIE/MG/WPC/2009-10/R- 4389 issued by Environmental Officer, KSPCB on March 31, 2010 under Section 25 and 26 of the Water Act and Section 21 of the Air Act.
4. Consent to operate at No B-165, I Stage, Peenya Industrial Estate, Bengaluru, Karnataka vide 8PCB/Peenya/Reg.No.48695/LG/2013-2014/R 333 issued by Environmental Officer, KSPCB on May 2, 2013, under Section 25 and 26 of the Water Act and Section 21 of the Air Act.
5. Consent to operate at B-59, 2<sup>nd</sup> Cross, I Stage, Peenya Industrial Estate, Bengaluru, Karnataka vide AWH-100499/Reg. No. 96598/R1423 issued by Environmental Officer, KSPCB on August 3, 2015, issued to our Company under Section 25 and 26 of the Water Act, and Section 21 of the Air Act.
6. Consent to operate at Survey No 169, Bypass Road, Neelamangala Town, Kasaba Hobli, Neelamangala Taluk, Bengaluru, Karnataka vide PCB/Ro-Nel/IND/CFO/WPC/APC/R.No.54910/13-14/1260 issued by Environmental Officer, RO Neelamangala, KSPCB on July 23, 2013 issued under Section 25 and 26 of the Water Act, and Section 21 of the Air Act.
7. Registration number 98624/2015-16/R1802 vide registration certificate issued by Senior Environmental Officer, KSPCB on September 5, 2015 for its unit at B-59, 2<sup>nd</sup> Cross, I Stage, Peenya Industrial Estate, Bengaluru, Karnataka under Rule 5(4) of the Hazardous Waste (Management, Handling and Trans Boundary Movement) Rules, 2008 (“**Hazardous Waste Rules**”).
8. Registration number 28564/2012-13/H492 vide registration certificate issued by KSPCB on August 1, 2012 for its unit at B-163, 3<sup>rd</sup> Cross, 1<sup>st</sup> Phase, Peenya, Bengaluru Urban, Karnataka under Rule 5(4) of the Hazardous Waste Rules.

9. Registration number 27026/2012-13/H374 vide registration certificate issued by Senior Environmental Officer, KSPCB to our Company on July 3, 2012 for its unit at Shed No. C-217, 4<sup>th</sup> Cross, Peenya Industrial Estate, Peenya SSI, Bengaluru Urban, Karnataka under Rule 5(4) of the Hazardous Waste Rules.
10. Registration number 54909/2013-2014/H1131 vide registration certificate issued by KSPCB to our Company on September 17, 2013 for its unit at Plot No 169, By Pass Road, Neelamangala Town, Kasaba Hobli, Nelamangala Taluk, Bengaluru, Karnataka under Rule 5(4) of the Hazardous Waste Rules.
11. Registration number 63641/2013-2014/R3946 vide registration certificate issued by Environmental Officer, KSPCB dated February 12, 2014 for its unit at B-165, 3<sup>rd</sup> Cross, I stage, Peenya Industrial Estate, Bengaluru, Karnataka under Rule 5(4) of the Hazardous Waste Rules.
12. Registration number 60385/Uin-0302031173/2013-14 vide registration certificate issued by Environmental Officer, RO Sarjapura, Bengaluru to our Company on November 16, 2013 for its unit at Plot No 5A, Bommasandra Industrial Area, Attibele Hobli, Anekal Taluk, Hosur Road, Bengaluru, Karnataka under Rule 5(4) of the Hazardous Waste Rules.

**E. DIPP and FIPB Approval**

1. Approval no. 30(2011)/224(2010) for foreign collaboration dated May 5, 2011 (as amended on October 20, 2014) issued by FIPB, Department of Economic Affairs, Ministry of Finance, Government of India.
2. Industrial License No. DIL: 25(2011) issued by Secretariat for Industrial Assistance, DIPP, Ministry of Commerce and Industry, Government of India on August 2, 2011 (as amended on December 16, 2011) for manufacture of parts and accessories N.E.C. for aircrafts or spacecrafts, falling under Scheduled Industry No. 37, under rule 7 of the Registration and Licensing of Industrial Undertaking Rules 1952 as amended pursuant to amendment letter dated December 16, 2011.

**F. Applications made by our Company**

1. Application for building plan approval dated September 23, 2015 submitted before Nelamangala Planning Authority, Nelamangala Taluk for construction of factory at Survey No. 48, Kalalugatta village, Tyamagondlu Hobli, Nelamangala Taluk, Nelamangala 562 123, Bengaluru, Karnataka.
2. Application for consent dated September 28, 2015 submitted before KSPCB under Section 23 of the Water Act, Section 24 of the Air Act and Section 10 of the EP Act for its proposed unit in Survey No. 48, Kalalugatta village, Tyamagondlu Hobli, Nelamangala Taluk.

## **OTHER REGULATORY AND STATUTORY DISCLOSURES**

### **Authority for the Offer**

Our Board has approved the Offer pursuant to the resolution passed in the meeting held on September 10, 2015 and our Shareholders have approved the Offer pursuant to a resolution passed at the EGM held on September 18, 2015 under Section 62(1)(c) of the Companies Act, 2013.

The Selling Shareholders have each consented to participate in the Offer for Sale in the following manner: (i) Dr. Sudarshan Kumar Maini has consented to offer up to 1,000,000 Equity Shares, (ii) Reva Maini has consented to offer up to 100,000 Equity Shares, (iii) Sandeep Kumar Maini has consented to offer up to 930,000 Equity Shares, (iv) Gautam Maini has consented to offer up to 500,000 Equity Shares, and (v) Chetan Kumar Maini has consented to offer up to 500,000 Equity Shares, each by way of letters dated September 25, 2015. For details on the authorisations of the Selling Shareholders in relation to the Offer, see “The Offer” on page 52. The Equity Shares being offered by the Selling Shareholders in the Offer, have been held by them for a period of at least one year prior to the filing of this Draft Red Herring Prospectus with SEBI and are eligible for being offered for sale in the Offer. The Selling Shareholders have also confirmed that they are the respective legal and beneficial owners of the Equity Shares being offered under the Offer for Sale.

Our Company has received in-principle approvals from the BSE and the NSE for the listing of the Equity Shares pursuant to letters dated [●] and [●], respectively.

Our Company will be seeking an approval from the Foreign Investment Promotion Board, Department of Economic Affairs (FIPB Unit), Ministry of Finance for the issue of Equity Shares by the Company and transfer of Equity Shares by the Selling Shareholders to non-residents under the Offer.

The Selling Shareholders have confirmed that they have not been prohibited from dealings in the securities market and the Equity Shares offered and sold are free from any lien, encumbrance or third party rights.

### **Prohibition by SEBI or other Governmental Authorities**

Our Company, our Promoters, our Directors, the members of the Promoter Group, the Group Entities, the persons in control of our Company and the Selling Shareholders have not been prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority. The Selling Shareholders confirm that they have not been prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.

The companies, with which our Promoters, Directors or persons in control of our Company are or were associated as promoter, directors or persons in control have not been prohibited from accessing the capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.

None of our Directors are associated with entities which are engaged in securities market related business and are registered with SEBI. For further details, see “Our Management” on page 124.

There has been no action taken by SEBI against our Directors or any of the entities in which our Directors are involved in as promoters or directors.

### **Prohibition by RBI**

Neither our Company, nor our Promoters, relatives (as defined under the Companies Act, 2013) of our Promoters, our Directors, the Group Entities, nor the Selling Shareholders have been identified as wilful defaulters by the RBI or any other governmental authority. There are no violations of securities laws committed by them in the past or are pending against them. The Selling Shareholders confirm that they have not been identified as wilful defaulters by the RBI or any other government authority and there are no violations of securities laws committed by them in the past nor are there any such cases pending against them.

### **Eligibility for the Offer**

Our Company is eligible for the Offer in accordance with the eligibility criteria provided in Regulation 26(1) of the SEBI ICDR Regulations, and as calculated from the Restated Financial Information prepared in accordance with the Companies Act and restated in accordance with the SEBI ICDR Regulations:

- our Company has net tangible assets of at least ₹30 million in each of the preceding three full years (of 12 months each) of which not more than 50% are held in monetary assets;
- our Company has a minimum average pre-tax operating profit of ₹150 million calculated on a restated basis, during the three most profitable years out of the immediately preceding five years;
- our Company has a pre-Offer net worth of at least ₹10 million in each of the three preceding full years (of 12 months each);
- the proposed Offer size does not exceed five times the pre-Offer net worth as per the audited accounts for the year ended March 31, 2015; and
- our Company has not changed its name since its incorporation.

Our Company's net worth, net tangible assets and pre-tax operating profit derived from the Restated Financial Information included in this Draft Red Herring Prospectus as at and for the five years ended Financial Year 2015 are set forth below:

(in ₹ million, except percentage values)

Particulars	Financial Year 2015	Financial Year 2014	Financial Year 2013
Net tangible assets	1,778.13	1,688.44	1,346.75
Monetary assets	704.98	573.86	454.07
Monetary assets as a percentage of the net tangible assets	39.65%	33.99%	33.72%

(in ₹ million, except percentage values)

Particulars	Financial Year 2015	Financial Year 2014	Financial Year 2013	Financial Year 2012	Financial Year 2011
Pre-tax Operating Profit	147.21	227.77	105.28	161.45	125.44
Net Worth	673.62	511.94	392.93	346.12	395.75

Note:

- Net tangible assets is the sum of all net assets of the issuer, excluding intangible assets as defined in Accounting Standard 26 (AS 26) issued by the Institute of Chartered Accountants of India, in accordance with Explanation (I) of Regulation 26 of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
- Monetary assets represent the sum of Cash and cash equivalents, Trade receivables, margin money deposit and Loans and advances, excluding Capital advances, Prepaid expenses and Advances to suppliers and service providers
- Pre-tax operating profits comprise profit from operations before other income, interest and exceptional items
- Net Worth is sum of subscribed and paid-up equity and reserves of the Company excluding revaluation reserve, in accordance with Regulation 2(1)(v) of the SEBI ICDR Regulations

Our average pre-tax operating profit calculated based on Restated Financial Information, during three most profitable years out of the above is ₹178.81 million.

Further, in accordance with Regulation 26(4) of the SEBI ICDR Regulations, our Company shall ensure that the number of prospective Allottees to whom the Equity Shares will be Allotted shall not be less than 1,000.

#### DISCLAIMER CLAUSE OF SEBI

**AS REQUIRED, A COPY OF THIS DRAFT RED HERRING PROSPECTUS HAS BEEN SUBMITTED TO SEBI. IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THIS DRAFT RED HERRING PROSPECTUS TO SEBI SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE OFFER IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THIS DRAFT RED HERRING PROSPECTUS. THE BRLMs, ICICI SECURITIES LIMITED AND IIFL HOLDINGS LIMITED HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THIS DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO**

**FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED OFFER.**

**IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS DRAFT RED HERRING PROSPECTUS, AND THE SELLING SHAREHOLDERS WILL BE RESPONSIBLE ONLY FOR THE STATEMENTS SPECIFICALLY CONFIRMED OR UNDERTAKEN BY THEM IN THIS DRAFT RED HERRING PROSPECTUS IN RELATION TO THEMSELVES FOR THEIR RESPECTIVE PROPORTION OF THE EQUITY SHARES OFFERED BY WAY OF THE OFFER FOR SALE, THE BRLMs ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY AND THE SELLING SHAREHOLDERS DISCHARGE THEIR RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BRLMs HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED SEPTEMBER 30, 2015 WHICH READS AS FOLLOWS:**

**WE, THE BRLMs TO THE ABOVE MENTIONED FORTHCOMING OFFER, STATE AND CONFIRM AS FOLLOWS:**

- 1. WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS, ETC. AND OTHER MATERIAL DOCUMENTS IN CONNECTION WITH THE FINALISATION OF THIS DRAFT RED HERRING PROSPECTUS PERTAINING TO THE SAID OFFER.**
- 2. ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE COMPANY, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, AND INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE OFFER, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY THE COMPANY AND THE SELLING SHAREHOLDERS, WE CONFIRM THAT:**
  - (A) THIS DRAFT RED HERRING PROSPECTUS FILED WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA (“SEBI”) IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE OFFER;**
  - (B) ALL THE LEGAL REQUIREMENTS RELATING TO THE OFFER AS ALSO THE REGULATIONS, GUIDELINES, INSTRUCTIONS, ETC. FRAMED/ISSUED BY THE SECURITIES AND EXCHANGE BOARD OF INDIA, THE CENTRAL GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND**
  - (C) THE DISCLOSURES MADE IN THIS DRAFT RED HERRING PROSPECTUS ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED OFFER AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, AS AMENDED (THE “SEBI ICDR REGULATIONS”) AND OTHER APPLICABLE LEGAL REQUIREMENTS.**
- 3. WE CONFIRM THAT BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THIS DRAFT RED HERRING PROSPECTUS ARE REGISTERED WITH SEBI AND THAT TILL DATE SUCH REGISTRATION IS VALID.**
- 4. WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFIL THEIR UNDERWRITING COMMITMENTS. –NOTED FOR COMPLIANCE**
- 5. WE CERTIFY THAT WRITTEN CONSENT FROM THE PROMOTERS HAVE BEEN OBTAINED FOR INCLUSION OF THEIR EQUITY SHARES AS PART OF PROMOTERS’ CONTRIBUTION SUBJECT TO LOCK-IN AND THE EQUITY SHARES 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 OF THIS DRAFT RED HERRING PROSPECTUS WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THIS DRAFT RED HERRING PROSPECTUS.

6. WE CERTIFY THAT REGULATION 33 OF THE SEBI ICDR REGULATIONS, WHICH RELATES TO EQUITY SHARES INELIGIBLE FOR COMPUTATION OF PROMOTERS' CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION HAVE BEEN MADE IN THIS DRAFT RED HERRING PROSPECTUS. – COMPLIED WITH AND NOTED FOR COMPLIANCE
7. WE UNDERTAKE THAT SUB-REGULATION (4) OF REGULATION 32 AND CLAUSE (C) AND (D) OF SUB-REGULATION (2) OF REGULATION 8 OF THE SEBI (ICDR) REGULATIONS SHALL BE COMPLIED WITH. WE CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE OFFER. WE UNDERTAKE THAT AUDITORS' CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO SEBI. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE COMPANY ALONG WITH THE PROCEEDS OF THE PUBLIC OFFER. – NOT APPLICABLE
8. WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE COMPANY FOR WHICH THE FUNDS ARE BEING RAISED IN THE PRESENT OFFER FALL WITHIN THE 'MAIN OBJECTS' LISTED IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OR OTHER CHARTER OF THE COMPANY AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED OUT UNTIL NOW ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION. – COMPLIED WITH TO THE EXTENT APPLICABLE
9. WE CONFIRM THAT NECESSARY ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE MONIES RECEIVED PURSUANT TO THE OFFER ARE KEPT IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SUB SECTION (3) OF SECTION 40 OF THE COMPANIES ACT, 2013 AND THAT SUCH MONEYS SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGES MENTIONED IN THE PROSPECTUS. WE FURTHER CONFIRM THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKERS TO THE OFFER AND THE COMPANY SPECIFICALLY CONTAINS THIS CONDITION. - NOTED FOR COMPLIANCE. ALL MONIES RECEIVED OUT OF THE OFFER SHALL BE CREDITED/ TRANSFERRED TO A SEPARATE BANK ACCOUNT AS REFERRED TO IN SUB-SECTION (3) OF SECTION 40 OF THE COMPANIES ACT, 2013.
10. WE CERTIFY THAT A DISCLOSURE HAS BEEN MADE IN THIS DRAFT RED HERRING PROSPECTUS THAT THE INVESTORS SHALL BE GIVEN AN OPTION TO GET THE SHARES IN DEMAT OR PHYSICAL MODE. – NOT APPLICABLE. UNDER SECTION 29 OF THE COMPANIES ACT, 2013, EQUITY SHARES IN THE OFFER HAVE TO BE ISSUED IN DEMATERIALISED FORM ONLY.
11. WE CERTIFY THAT ALL THE APPLICABLE DISCLOSURES MANDATED IN THE SEBI ICDR REGULATIONS HAVE BEEN MADE IN ADDITION TO DISCLOSURES WHICH, IN OUR VIEW, ARE FAIR AND ADEQUATE TO ENABLE THE INVESTOR TO MAKE A WELL INFORMED DECISION.
12. WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THIS DRAFT RED HERRING PROSPECTUS:

- (A) AN UNDERTAKING FROM THE COMPANY THAT AT ANY GIVEN TIME, THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE COMPANY; AND
- (B) AN UNDERTAKING FROM THE COMPANY THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY SEBI FROM TIME TO TIME.
13. WE UNDERTAKE TO COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENT IN TERMS OF THE SEBI (ICDR) REGULATIONS WHILE MAKING THE OFFER. – NOTED FOR COMPLIANCE
14. WE ENCLOSE A NOTE EXPLAINING HOW THE PROCESS OF DUE DILIGENCE HAS BEEN EXERCISED BY US IN VIEW OF THE NATURE OF CURRENT BUSINESS BACKGROUND OF THE COMPANY, SITUATION AT WHICH THE PROPOSED BUSINESS STANDS, THE RISK FACTORS, PROMOTERS' EXPERIENCE, ETC.
15. WE ENCLOSE A CHECKLIST CONFIRMING REGULATION-WISE COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE SEBI (ICDR) REGULATIONS, CONTAINING DETAILS SUCH AS THE REGULATION NUMBER, ITS TEXT, THE STATUS OF COMPLIANCE, PAGE NUMBER OF THIS DRAFT RED HERRING PROSPECTUS WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY.
16. WE ENCLOSE STATEMENT ON 'PRICE INFORMATION OF PAST ISSUES HANDLED BY MERCHANT BANKERS (WHO ARE RESPONSIBLE FOR PRICING THE ISSUE)', AS PER FORMAT SPECIFIED BY THE SECURITIES AND EXCHANGE BOARD OF INDIA THROUGH CIRCULAR.
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 CERTIFIED BY P. DILIP KUMAR AND ASSOCIATES, CHARTERED ACCOUNTANTS (FIRM REGISTRATION NUMBER: 010107S) PURSUANT TO ITS CERTIFICATE DATED SEPTEMBER 28, 2015.
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 THE SEBI ICDR REGULATIONS (IF APPLICABLE).– NOT APPLICABLE.

The filing of this Draft Red Herring Prospectus does not, however, absolve any person who has authorised the issue of this Draft Red Herring Prospectus from any liabilities under Sections 34 or 36 of Companies Act, 2013, or from the requirement of obtaining such statutory and/or other clearances as may be required for the purpose of the Offer. SEBI further reserves the right to take up at any point of time, with the BRLMs, any irregularities or lapses in this Draft Red Herring Prospectus.

The filing of this Draft Red Herring Prospectus does not absolve the Selling Shareholders from any liability to the extent of the statements made by them in respect of the Equity Shares offered by it under the Offer for Sale, under Sections 34 and 36 of the Companies Act, 2013.

All legal requirements pertaining to the Offer will be complied with at the time of filing of the Red Herring Prospectus with the RoC in terms of Section 32 of the Companies Act, 2013. All legal requirements pertaining to the Offer will be complied with at the time of registration of the Prospectus with the RoC in terms of Sections 26 and 30 of the Companies Act, 2013.

**Caution - Disclaimer from our Company, the Selling Shareholders and BRLMs**

Our Company, the Directors, the Selling Shareholders and the BRLMs accept no responsibility for statements made otherwise than in this Draft Red Herring Prospectus or in the advertisements or any other material issued by or at our Company's instance and anyone placing reliance on any other source of information, including our Company's website [www.mainiprecisionproducts.com](http://www.mainiprecisionproducts.com) or the respective websites of our Group Entities would be doing so at his or her own risk. The Selling Shareholders accept/undertake no responsibility for any

statements made other than those made by such Selling Shareholder in relation to them and to the Equity Shares offered by them respectively, by way of the Offer for Sale in the Offer.

The BRLMs accept no responsibility, save to the limited extent as provided in the Offer Agreement and the Underwriting Agreement to be entered into between the Underwriters, the Selling Shareholders and our Company.

All information shall be made available by our Company, the Selling Shareholders and the BRLMs to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever, including at road show presentations, in research or sales reports, at bidding centres or elsewhere.

None among our Company, the Selling Shareholders or any member of the Syndicate is liable for any failure in uploading the Bids due to faults in any software/hardware system or otherwise.

Investors who Bid in the Offer will be required to confirm and will be deemed to have represented to our Company, the Selling Shareholders, Underwriters and their respective directors, officers, agents, affiliates, and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares and will not issue, sell, pledge, or transfer the Equity Shares to any person who is not eligible under any applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Our Company, the Selling Shareholders, Underwriters and their respective directors, officers, agents, affiliates, and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares.

The BRLMs and their respective associates and affiliates may engage in transactions with, and perform services for, our Company, the Selling Shareholders and their respective group entities, affiliates or associates or third parties in the ordinary course of business and have engaged, or may in the future engage, in commercial banking and investment banking transactions with our Company, the Selling Shareholders and their respective group entities, affiliates or associates or third parties, for which they have received, and may in the future receive, compensation.

#### **Disclaimer in respect of Jurisdiction**

This Offer is being made in India to persons resident in India (including Indian nationals resident in India who are competent to contract under the Indian Contract Act, 1872, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorised to invest in shares, Indian Mutual Funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts under applicable trust law and who are authorised under their constitution to hold and invest in shares, permitted insurance companies and pension funds, insurance funds set up and managed by the army and navy and insurance funds set up and managed by the Department of Posts, India) and to FIIs, Eligible NRIs and FPIs. This Draft Red Herring Prospectus does not, however, constitute an invitation to purchase shares offered hereby in any jurisdiction other than India to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Draft Red Herring Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions. Any dispute arising out of the Offer will be subject to the jurisdiction of appropriate court(s) in Bengaluru only.

No action has been, or will be, taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that this Draft Red Herring Prospectus had been filed with SEBI for its observations. Accordingly, the Equity Shares represented thereby may not be offered or sold, directly or indirectly, and this Draft Red Herring Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Draft Red Herring Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of our Company, our Group Entities or the Selling Shareholders since the date hereof or that the information contained herein is correct as of any time subsequent to this date.

**The Equity Shares have not been and will not be registered under the Securities Act, and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable U.S. state securities laws. Accordingly, the Equity Shares are being offered and sold outside the United States in offshore transactions in reliance on Regulation S under the Securities Act and applicable laws of the jurisdictions where such offers and sales occur.**

### **Disclaimer Clause of BSE**

As required, a copy of this Draft Red Herring Prospectus has been submitted to BSE. The disclaimer clause as intimated by BSE to our Company, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus prior to the RoC filing.

### **Disclaimer Clause of NSE**

As required, a copy of this Draft Red Herring Prospectus has been submitted to NSE. The disclaimer clause as intimated by NSE to our Company, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus prior to the RoC filing.

### **Disclaimer in accordance with the industrial license dated August 2, 2011 issued by DIPP**

A license has been obtained from the Central Government for manufacture of parts and accessories N.E.C for aircrafts or spacecrafts, of which a copy is open to public for inspection at the Registered Office of our Company. It must be for the distinctly understood that in granting the industrial license dated August 2, 2011, the Government of India do not take any responsibility for the financial soundness of this undertaking or for the correctness of any statements made or opinions expressed in regard to it.

### **Filing**

A copy of this Draft Red Herring Prospectus has been filed with SEBI at The Regional Manager, Overseas Towers, 7<sup>th</sup> Floor, 756-L, Anna Salai, Chennai 600 002, India.

All legal requirements pertaining to the Offer will be complied with at the time of filing of the Red Herring Prospectus with the RoC in terms of Section 32 of the Companies Act, 2013. All legal requirements pertaining to the Offer will be complied with at the time of registration of the Prospectus with the RoC in terms of Sections 26 and 32 of the Companies Act, 2013.

### **Listing**

Applications have been made to the Stock Exchanges for permission to deal in and for an official quotation of the Equity Shares. [●] will be the Designated Stock Exchange with which the Basis of Allotment will be finalised.

If the permissions to deal in, and for an official quotation of, the Equity Shares are not granted by any of the Stock Exchanges mentioned above, our Company and the Selling Shareholders will forthwith repay, all monies received from the applicants in pursuance of the Red Herring Prospectus. If such money is not repaid within the prescribed time, then our Company, the Selling Shareholders and every officer in default shall be liable to repay the money, with interest, as prescribed under applicable law.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges mentioned above are taken within 12 Working Days from the Bid/Offer Closing Date. Further, the Selling Shareholders confirm that all steps, as may be reasonably required and necessary, will be taken for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed within 12 Working Days of the Bid/Offer Closing Date.

The Selling Shareholders severally and not jointly undertake to provide such reasonable support and extend reasonable cooperation as may be requested by our Company, to the extent such support and cooperation is required from such party to facilitate the process of listing and commencement of trading of the Equity Shares on the Stock Exchanges. All expenses in relation to the Offer other than listing fees (which will be borne by our Company) shall be paid by and shared between our Company and the Selling Shareholders in proportion to the Equity Shares contributed to the Offer in accordance with applicable law. However, for ease of operations, expenses of the Selling Shareholders may, at the outset, be borne by our Company on behalf of the Selling Shareholders, and the Selling Shareholders agree that they will reimburse the Company all such expenses.

## Price information of past issues handled by the BRLMs

### A. I-Sec

#### 1. Price information of past issues handled by I-Sec:

Sr No.	Issue Name	Issue Size (in ₹ million)	Issue price (₹)	Listing date	Opening price on listing date	Closing price on listing date	% Change in Price on listing date (Closing) vs. Issue Price	Benchmark index on listing date (Closing)	Closing price as on 10 <sup>th</sup> calendar day from listing day	Benchmark index as on 10 <sup>th</sup> calendar days from listing day (Closing)	Closing price as on 20 <sup>th</sup> calendar day from listing day	Benchmark index as on 20 <sup>th</sup> calendar days from listing day (Closing)	Closing price as on 30 <sup>th</sup> calendar day from listing day	Benchmark index as on 30 <sup>th</sup> calendar days from listing day (Closing)
1.	Shemaroo Entertainment Limited	1,200.00	170 <sup>(1)</sup>	October 1, 2014	180	171.00	0.59%	7,945.55	154.00	7,859.95	160.35	7,927.75	163.95	8,322.20
2.	Wonderla Holidays Limited	1,812.50	125	May 9, 2014	160	157.80	26.24%	6,858.80	166.80	7,263.55	212.60	7,235.65	216.15	7,654.60
3.	VRL Logistics Limited	4,678.78	205	April 30, 2015	288	294.10	43.46%	8,181.50	279.95	8,325.25	301.25	8,423.25	306.55	8,433.40
4.	PNC Infratech Limited	4,884.41	378	May 26, 2015	387.00	360.50	(4.63%)	8,339.35	379.45	8,114.70	379.90	8,013.90	390.35	8,398.00
5.	Manpasand Beverages Limited	4,000.00	320	July 9, 2015	300.00	327.75	2.42%	8,328.55	352.75	8,603.45	373.05	8,375.05	434.70	8,525.60
6.	Sadbhav Infrastructure Project Limited	4,916.57	103	July 16, 2015	111.00	106.20	3.11%	7899.15	102.00	7795.70	NA	NA	NA	NA

(1) Discount of ₹17 per equity share offered to retail investors. All calculations are based on Issue Price of ₹170.00 per equity share

#### Notes:

- All data sourced from [www.nseindia.com](http://www.nseindia.com)
- Benchmark index considered is NIFTY
- 10th, 20th, 30th calendar day from listed day have been taken as listing day plus 10, 20 and 30 calendar days, except wherever 10th, 20th, 30th calendar day is a holiday, in which case we have considered the closing data of the next trading date/day

2. Summary statement of price information of past issues handled by I-Sec:

Financial Year	Total No. of IPOs	Total Funds Raised (in ₹ million)	No. of IPOs trading at discount on listing date			No. of IPOs trading at premium on listing date			No. of IPOs trading at discount as on 30 <sup>th</sup> calendar day from listing day			No. of IPOs trading at premium as on 30 <sup>th</sup> calendar day from listing day		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2015-2016	4	18,479.76	0	0	1	0	1	2	0	0	0	0	2	1
2014-2015	2	3,012.50	0	0	0	0	1	1	0	0	1	1	0	0
2013-2014	0	-	0	0	0	0	0	0	0	0	0	0	0	0

**B. IIFL**

1. Price information of past issues handled by IIFL

Sr. No.	Issue Name	Issue size (in ₹ million)	Issue price (in ₹ million)	Listing date	Opening price on listing date	Closing price on listing date	% Change in Price on listing date (Closing) vs. Issue Price	Benchmark index on listing date (Closing)	Closing price as on 10 <sup>th</sup> calendar day from listing day	Benchmark index as on 10 <sup>th</sup> calendar day from listing day (Closing)	Closing price as on 20 <sup>th</sup> calendar day from listing day	Benchmark index as on 20 <sup>th</sup> calendar day from listing day (Closing)	Closing price as on 30 <sup>th</sup> calendar day from listing day	Benchmark index as on 30 <sup>th</sup> calendar day from listing day (Closing)
1.	Manpasand Beverages Limited	4,000	320.00	July 9, 2015	300.00	327.75	2.42%	8,328.55	338.90	8,609.85	373.05	8,375.05	394.25	8,564.60
2.	Power Mech Projects Limited	2,732	640.00	August 26, 2015	600.00	586.55	(8.35%)	7,791.85	601.05	7,655.05	584.75	78,29.10	580.10	7,868.50

Source: www.nseindia.com

**Note:**

- Benchmark Index taken as CNX NIFTY
- Price on NSE is considered for all of the above calculations
- The 10th, 20th, 30th calendar day from listed day have been taken as listing day plus 10, 20 and 30 calendar days, except wherever 10th / 20th / 30th calendar day from listing day is a holiday, the closing data of the previous trading day has been considered
- NA means not applicable

2. Summary statement of price information of past issues handled by IIFL

Financial Year	Total No. of IPOs	Total Funds Raised (in ₹ million)	No. of IPOs trading at discount on listing date			No. of IPOs trading at premium on listing date			No. of IPOs trading at discount as on 30 <sup>th</sup> calendar day from listing day			No. of IPOs trading at premium as on 30 <sup>th</sup> calendar day from listing day		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2015-2016	2	6,732.16	0	0	1	0	0	1	NA	NA	1	NA	NA	1

Financial Year	Total No. of IPOs	Total Funds Raised (in ₹ million)	No. of IPOs trading at discount on listing date			No. of IPOs trading at premium on listing date			No. of IPOs trading at discount as on 30 <sup>th</sup> calendar day from listing day			No. of IPOs trading at premium as on 30 <sup>th</sup> calendar day from listing day		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2014-2015	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2013-2014	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Note:

- i. Data for No. of IPOs trading at premium/discount taken as closing price on NSE on the respective data
- ii. In case any of the days falls on a non-trading day, the closing price on the previous trading day has been considered

### Track record of past issues handled by the BRLMs

For details regarding the track record of the BRLMs, as specified in circular reference CIR/MIRSD/1/2012 dated January 10, 2012 issued by the SEBI, see the websites of the BRLMs, as set forth in the table below:

Sr. No	Name of the BRLM	Website
1.	I-Sec	<a href="http://www.icicisecurities.com">www.icicisecurities.com</a>
2.	IIFL	<a href="http://www.iiflcap.com">www.iiflcap.com</a>

## **Consents**

Consents in writing of: (a) our Directors, our Company Secretary and Compliance Officer, our Chief Financial Officer, Auditors, legal advisors, Bankers/lenders to our Company, (b) the BRLMs, the Syndicate Members, the Escrow Collection Banks and the Registrar to the Offer to act in their respective capacities, and (c) the Independent Auditors, P. Dilip Kumar & Associates, Chartered Accountants and Iqbal Khan & Co., Chartered Accountants, will be obtained and filed along with a copy of the Red Herring Prospectus with the RoC as required under the Companies Act, 2013 and such consents shall not be withdrawn up to the time of delivery of the Red Herring Prospectus for registration with the RoC.

## **Expert to the Offer**

Except as stated herein, our Company has not obtained any expert opinions. Our Company has received written consent from the Statutory Auditors namely, Walker Chandiook & Co LLP, Chartered Accountants, to include its name as an expert under Section 26 of the Companies Act, 2013 in this Draft Red Herring Prospectus in relation to the report dated September 24, 2015 on the Restated Financial Information of our Company and the statement of tax benefits dated September 24, 2015 included in this Draft Red Herring Prospectus and such consent has not been withdrawn up to the time of delivery of this Draft Red Herring Prospectus. The term “expert” does not represent an expert within the meaning under the Securities Act of 1933.

## **Offer Expenses**

The expenses of the Offer include, among others, underwriting and management fees, selling commissions, printing and distribution expenses, legal fees, statutory advertisement expenses, registrar and depository fees and listing fees. For further details, of Offer expenses, see “Objects of the Offer” on page 75.

All expenses in relation to the Offer other than listing fees (which will be borne by our Company) shall be paid by and shared between the Company and the Selling Shareholders in proportion to the Equity Shares contributed to the Offer in accordance with applicable law. However, for ease of operations, expenses of the Selling Shareholders may, at the outset, be borne by our Company on behalf of the Selling Shareholders, and the Selling Shareholders agree that they will reimburse the Company all such expenses.

## **Fees Payable to the Syndicate**

The total fees payable to the Syndicate (including underwriting commission and selling commission and reimbursement of their out-of-pocket expense) will be as per the engagement letter dated [●], a copy of which is available for inspection at the Registered Office.

For details of the Offer expenses, see “Objects of the Offer” on page 75.

## **Commission payable to the Registered Brokers**

For details of the commission payable to the Registered Brokers, see “Objects of the Offer” on page 75.

## **Fees Payable to the Registrar to the Offer**

The fees payable by our Company and the Selling Shareholders to the Registrar to the Offer for processing of applications, data entry, printing of Allotment Advice/CAN/refund order, preparation of refund data on magnetic tape and printing of bulk mailing register will be as per the agreement dated September 28, 2015 entered into, between our Company, the Selling Shareholders and the Registrar to the Offer, a copy of which is available for inspection at the Registered Office.

The Registrar to the Offer will be reimbursed for all out-of-pocket expenses including cost of stationery, postage, stamp duty and communication expenses. Adequate funds will be provided to the Registrar to the Offer to enable it to send refund orders or Allotment advice by registered post/speed post/under certificate of posting.

## **Particulars regarding public or rights issues by our Company during the last five years**

Except as disclosed in “Capital Structure” on page 62, our Company has not made any public or rights issues during the five years preceding the date of this Draft Red Herring Prospectus.



### **Previous issues of Equity Shares otherwise than for cash**

Except as disclosed in “Capital Structure” on page 62, our Company has not issued any Equity Shares for consideration otherwise than for cash.

### **Commission and Brokerage paid on previous issues of the Equity Shares**

Since this is the initial public issue of Equity Shares, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of the Equity Shares since our Company’s inception.

### **Previous capital issue during the previous three years by listed Group Entities of our Company**

None of the Group Entities of our Company have undertaken a capital issue in the last three years preceding the date of this Draft Red Herring Prospectus.

### **Performance vis-à-vis objects – Public/rights issue of our Company and/or listed Group Entities of our Company**

Except as disclosed in “Capital Structure”, our Company has not undertaken any previous public or rights issue. There has been no shortfall in terms of performance *vis-a-vis* objects for any of the previous issues of our Company.

None of the Group Entities of our Company has its securities listed on any of the recognised stock exchanges.

### **Outstanding Debentures or Bonds**

Our Company does not have any outstanding debentures or bonds as on the date of this Draft Red Herring Prospectus.

### **Outstanding Preference Shares**

Our Company does not have any outstanding preference shares as on the date of this Draft Red Herring Prospectus.

### **Partly Paid-up Shares**

Our Company does not have any partly paid-up Equity Shares as on the date of this Draft Red Herring Prospectus.

### **Stock Market Data of Equity Shares**

This being an initial public offer of our Company, the Equity Shares are not listed on any stock exchange.

### **Mechanism for Redressal of Investor Grievances**

The agreement between the Registrar to the Offer, our Company and the Selling Shareholders will provide for retention of records with the Registrar to the Offer for a period of at least three years from the last date of despatch of the letters of allotment, demat credit and refund orders to enable the investors to approach the Registrar to the Offer for redressal of their grievances.

All grievances relating to the Offer may be addressed to the Registrar to the Offer, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount paid on application and the bank branch or collection centre where the application was submitted.

All grievances relating to the ASBA process may be addressed to the Registrar to the Offer with a copy to the relevant SCSB and the Syndicate Members at the Specified Locations or the Registered Broker with whom the Bid cum Application Form was submitted. In addition to the information indicated above, the ASBA Bidder should also specify the Designated Branch or the collection centre of the SCSB or the address of the centre of the Syndicate Member at the Specified Locations or the Registered Broker at the Broker Centre where the Bid cum Application Form was submitted by the ASBA Bidder.

Further, with respect to the Bid cum Application Forms submitted with the Registered Brokers, the investor shall also enclose the acknowledgment from the Registered Broker in addition to the documents/information mentioned hereinabove.

#### **Disposal of Investor Grievances by our Company**

Our Company estimates that the average time required by our Company or the Registrar to the Offer or the SCSB in case of ASBA Bidders, for the redressal of routine investor grievances shall be 10 Working Days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

Our Company has appointed a Stakeholders' Relationship Committee. For details, see "Our Management" on page 124.

Our Company has also appointed Neevrat Sharma, Company Secretary of our Company as the Compliance Officer for the Offer and he may be contacted in case of any pre-Offer or post-Offer related problems at the following address:

**Neevrat Sharma**  
Maini Precision Products Limited  
B-165, 3<sup>rd</sup> Cross  
1<sup>st</sup> Stage  
Peenya Industrial Estate  
Bengaluru 560 058  
Karnataka, India  
Tel: +91 80 4072 4006  
Fax: +91 80 4127 2500  
E-mail: [compliance.officer@mainimail.com](mailto:compliance.officer@mainimail.com)

#### **Changes in Auditors**

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

#### **Capitalisation of Reserves or Profits**

Our Company has not capitalised its reserves or profits at any time during the last five years, except as stated in "Capital Structure" on page 62.

#### **Revaluation of Assets**

Our Company has not revalued its assets at any time in the last five years.

## SECTION VII: OFFER INFORMATION

### TERMS OF THE OFFER

The Equity Shares being issued and transferred pursuant to the Offer shall be subject to the provisions of the Companies Act, SEBI ICDR Regulations, SCRA, SCRR, the Memorandum and Articles of Association, the terms of the Red Herring Prospectus, the Prospectus, the Abridged Prospectus, Bid cum Application Form, the Revision Form, the CAN, the Allotment Advice and other terms and conditions as may be incorporated in the Allotment Advices and other documents/certificates that may be executed in respect of the Offer. The Equity Shares shall also be subject to laws as applicable, guidelines, rules, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, the Government of India, the Stock Exchange, the RBI, RoC and/or other authorities, as in force on the date of the Offer and to the extent applicable or such other conditions as may be prescribed by the SEBI, the RBI, the Government of India, the Stock Exchanges, the RoC and/or any other authorities while granting its approval for the Offer. SEBI has notified the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the “**Listing Regulations**”) on September 2, 2015. The substantive portions of the Listing Regulations will become effective from the 90<sup>th</sup> day after its publication in the official gazette. If the Issue is not completed prior to such date, we would undertake necessary changes prior to filing of the Red Herring Prospectus with the RoC.

#### Offer for Sale

The Offer comprises an Offer for Sale by the Selling Shareholders. All expenses in relation to the Offer other than listing fees (which will be borne by our Company) shall be paid by and shared between our Company and the Selling Shareholders in proportion to the Equity Shares contributed to the Offer in accordance with applicable law. However, for ease of operations, expenses of the Selling Shareholders may, at the outset, be borne by our Company on behalf of the Selling Shareholders, and the Selling Shareholders agree that they will reimburse our Company all such expenses to our Company. For further details, see “Objects of the Offer” on page 75.

#### Ranking of the Equity Shares

The Equity Shares being issued and transferred pursuant to the Offer shall be subject to the provisions of the Companies Act, the MoA and AoA and shall rank *pari-passu* in all respects with the existing Equity Shares including in respect of the rights to receive dividend. The Allottees upon Allotment of Equity Shares under the Offer, will be entitled to dividend and other corporate benefits, if any, declared by our Company after the date of Allotment. For further details, see “Main Provisions of Articles of Association” on page 264.

#### Mode of Payment of Dividend

Our Company shall pay dividends, if declared, to the Shareholders in accordance with the provisions of the Companies Act, the Memorandum and Articles of Association and provisions of the Equity Listing Agreement to be entered into with the Stock Exchanges. For further details, in relation to dividends, see “Dividend Policy” and “Main Provisions of the Articles of Association” on pages 148 and 264, respectively. In relation to the Offer for Sale, the dividend for the entire year shall be payable to the transferee.

#### Face Value, Offer Price and Price Band

The face value of each Equity Share is ₹10 and the Offer Price at the lower end of the Price Band is [●] times the face value and at the higher end of the Price Band is [●] times the face value. The Offer Price is ₹[●] per Equity Share and the Anchor Investor Offer Price is ₹[●] per Equity Share.

The Price Band and the minimum Bid Lot size for the Offer will be decided by our Company and the Selling Shareholders in consultation with the BRLMs and advertised in [●] edition of the English national newspaper [●], [●] edition of the Hindi national newspaper [●] and the Kannada newspaper [●], each with wide circulation, at least five Working Days prior to the Bid/Offer Opening Date and shall be made available to the Stock Exchanges for the purpose of uploading the same on their websites. The Price Band, along with the relevant financial ratios calculated at the Floor Price and at the Cap Price, shall be pre-filled in the Bid cum Application Forms available on the websites of the Stock Exchanges.

At any given point of time there shall be only one denomination of Equity Shares.

### **Compliance with SEBI ICDR Regulations**

Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

### **Rights of the Equity Shareholders**

Subject to applicable laws, rules, regulations and guidelines and the Articles of Association, our equity Shareholders shall have the following rights:

- Right to receive dividends, if declared;
- Right to attend general meetings and exercise voting rights, unless prohibited by law;
- Right to vote on a poll either in person or by proxy, in accordance with the provisions of the Companies Act;
- Right to receive offers for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation, subject to any statutory and preferential claim being satisfied;
- Right of free transferability, subject to applicable laws including any RBI rules and regulations; and
- Such other rights, as may be available to a shareholder of a listed public company under the Companies Act, the terms of the Equity Listing Agreements with the Stock Exchange(s) and the and Articles of Association of our Company.

For a detailed description of the main provisions of the Articles of Association of our Company relating to voting rights, dividend, forfeiture and lien, transfer, transmission and/or consolidation/splitting, see “Main Provisions of Articles of Association” on page 264.

### **Market Lot and Trading Lot**

Pursuant to Section 29 of the Companies Act, 2013 the Equity Shares shall be allotted only in dematerialised form. As per the SEBI ICDR Regulations, the trading of the Equity Shares shall only be in dematerialised form. In this context, two agreements have been signed amongst our Company, the respective Depositories and the Registrar to the Offer:

- Agreement dated October 18, 2012 amongst NSDL, our Company and the Registrar to the Offer;
- Agreement dated September 28, 2015 amongst CDSL, our Company and the Registrar to the Offer.

Since trading of the Equity Shares is in dematerialised form, the tradable lot is one Equity Share. Allotment in the Offer will be only in electronic form in multiples of one Equity Share subject to a minimum Allotment of [●] Equity Shares.

### **Joint Holders**

Where two or more persons are registered as the holders of the Equity Shares, they shall be entitled to hold the same as joint tenants with benefits of survivorship.

### **Jurisdiction**

Exclusive jurisdiction for the purpose of the Offer is with the competent courts/authorities in Bengaluru, Karnataka, India.

### **Nomination facility to investors**

In accordance with Section 72 of the Companies Act, 2013 the sole Bidder, or the first Bidder along with other joint Bidders, may nominate any one person in whom, in the event of the death of sole Bidder or in case of joint Bidders, death of all the Bidders, as the case may be, the Equity Shares Allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity

Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to equity share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale/transfer/alienation of equity share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at our Registered Office or to the registrar and transfer agents of our Company.

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

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

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of 90 days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment of Equity Shares in the Offer will be made only in dematerialized mode, there is no need to make a separate nomination with our Company. Nominations registered with respective depository participant of the applicant would prevail. If the investor wants to change the nomination, they are requested to inform their respective depository participants.

#### **Minimum Subscription**

If our Company does not receive (i) the minimum subscription of 90% of the Fresh Issue; and (ii) a subscription in the Offer equivalent to at least 25% post-Offer paid up Equity Share capital of our Company (the minimum number of securities as specified under Rule 19(2)(b)(i) of the SCRR), including devolvement of Underwriters, if any, within 60 days from the date of Bid/Offer Closing Date, our Company shall forthwith refund the entire subscription amount received. If there is a delay beyond the prescribed time, our Company shall pay interest prescribed under the Companies Act, 2013, the SEBI ICDR Regulations and applicable law. The requirement for minimum subscription is not applicable to the Offer for Sale. In case of under-subscription in the Offer, the Equity Shares in the Fresh Issue will be issued prior to the sale of Equity Shares in the Offer for Sale.

Further, our Company shall ensure that the number of prospective allottees to whom the Equity Shares will be Allotted will be not less than 1,000.

Any expense incurred by our Company on behalf of the Selling Shareholders with regard to refunds, interest for delays, etc. for the Equity Shares being offered in the Offer will be reimbursed by the Selling Shareholders to our Company in proportion to the Equity Shares being offered for sale by the Selling Shareholders in the Offer.

#### **Arrangements for Disposal of Odd Lots**

There are no arrangements for disposal of odd lots.

#### **Restrictions, if any on Transfer and Transmission of Equity Shares**

Except for the lock-in of the pre-Offer capital of our Company, Promoters' minimum contribution and the Anchor Investor lock-in as provided in "Capital Structure" on page 62 and except as provided in the Articles of Association, there are no restrictions on transfer of Equity Shares. Further, there are no restrictions on the transmission of shares/debentures and on their consolidation/splitting, except as provided in the Articles of Association. For details see "Main Provisions of the Articles of Association" on page 264.

#### **Option to Receive Securities in Dematerialized Form**

Pursuant to Section 29 of the Companies Act, 2013, the Equity Shares in the Offer shall be allotted only in dematerialised form. Further, as per the SEBI ICDR Regulations, the trading of the Equity Shares shall only be in dematerialised form on the Stock Exchanges.

## OFFER STRUCTURE

Public Offer of up to [●] Equity Shares for cash at price of ₹[●] (including a premium of ₹[●]) aggregating to ₹[●] comprising of a Fresh Issue of up to [●] Equity Shares aggregating to ₹500 million by our Company and Offer of Sale of up to 3,030,000 equity shares by Selling Shareholders. The Offer will constitute [●]% of the post-Offer paid-up Equity Share capital of our Company.

The Offer is being made through the Book Building Process.

Particulars	QIBs <sup>(1)</sup>	Non Institutional Bidders	Retail Individual Bidders
Number of Equity Shares available for Allotment/allocation <sup>(2)</sup>	[●] Equity Shares	Not less than [●] Equity Shares available for allocation	Not less than [●] Equity Shares available for allocation
Percentage of Issue Size available for Allotment/allocation	50% of the Offer will be available for allocation to QIBs. However, 5% of the QIB Category, excluding the Anchor Investor Portion, will be available for allocation proportionately to Mutual Funds only, Mutual Funds participating in the 5% reservation portion will also be eligible for allocation in the remaining QIB Category. The unsubscribed portion in the Mutual Fund portion will be available for allocation to QIBs	Not less than 15% of the Offer or Offer less allocation to QIBs and RIBs	Not less than 35% of the Offer or Offer less allocation to QIBs and RIBs
Basis of Allotment/allocation if respective category is oversubscribed	Proportionate as follows (excluding the Anchor Investor Portion):  (a) [●] Equity Shares shall be available for allocation on a proportionate basis to Mutual Funds only; and  (b) [●] Equity Shares shall be allotted on a proportionate basis to all QIBs, including Mutual Funds receiving allocation as per (a) above.	Proportionate	In the event, the Bids received from Retail Individual Bidders exceeds [●] Equity Shares, then the maximum number of Retail Individual Bidders who can be allocated/Allotted the minimum Bid Lot will be computed by dividing the total number of the Equity Shares available for allocation/Allotment to Retail Individual Bidders by the minimum Bid Lot (“ <b>Maximum RIB Allottees</b> ”). The allocation/Allotment to Retail Individual Bidders will then be made in the following manner:  (i) In the event the number of Retail Individual Bidders

Particulars	QIBs <sup>(1)</sup>	Non Institutional Bidders	Retail Individual Bidders
			<p>who have submitted valid Bids in the Issue is equal to or less than Maximum RIB Allottees, (i) Retail Individual Bidders shall be allocated / Allotted the minimum Bid Lot; and (ii) the balance Equity Shares, if any, remaining in the Retail Category shall be allocated/ Allotted on a proportionate basis to the Retail Individual Bidders who have received allocation/Allotment as per (i) above for less than the Equity Shares Bid by them (i.e. who have Bid for more than the minimum Bid Lot).</p> <p>(ii) In the event the number of Retail Individual Bidders who have submitted valid Bids in the Offer is more than Maximum RIB Allottees, the Retail Individual Bidders (in that category) who will then be allocated/ Allotted minimum Bid Lot shall be determined through a draw of lots basis. In the event of a draw of lots, Allotment will only be made to such Retail Individual Bidders who are successful pursuant to such draw of lots.</p> <p>For details, see "Offer Procedure" on page 211.</p>
Minimum Bid	Such number of Equity Shares that the Bid	Such number of Equity Shares that the Bid	[●] Equity Shares and in multiples of [●] Equity

<b>Particulars</b>	<b>QIBs<sup>(1)</sup></b>	<b>Non Institutional Bidders</b>	<b>Retail Individual Bidders</b>
	Amount exceeds ₹200,000 and in multiples of [●] Equity Shares thereafter.	Amount exceeds ₹200,000 and in multiples of [●] Equity Shares thereafter.	Shares thereafter.
Maximum Bid	Such number of Equity Shares not exceeding the Offer, subject to applicable limits.	Such number of Equity Shares not exceeding the Offer, subject to applicable limits.	Such number of Equity Shares so that the Bid Amount does not exceed ₹200,000.
Mode of Allotment	Compulsorily in dematerialised form.	Compulsorily in dematerialised form	Compulsorily in dematerialised form.
Bid Lot	[●] Equity Shares and in multiples of [●] Equity Shares thereafter.	[●] Equity Shares and in multiples of [●] Equity Shares thereafter.	[●] Equity Shares and in multiples of [●] Equity Shares thereafter.
Allotment Lot	[●] Equity Shares and in multiples of one Equity Share thereafter	[●] Equity Shares and in multiples of one Equity Share thereafter	[●] Equity Shares and in multiples of one Equity Share thereafter
Trading Lot	One Equity Share	One Equity Share	One Equity Share
Who can apply <sup>(3)</sup>	Public financial institutions as specified in Section 2(72) of the Companies Act, 2013, scheduled commercial banks, multilateral and bilateral development financial institutions, mutual fund registered with SEBI, FPIs other than Category III Foreign Portfolio Investors, VCFs, AIFs, FVCIs, state industrial development corporation, insurance company registered with IRDA, provident fund with minimum corpus of ₹250 million, pension fund with minimum corpus of ₹250 million, in accordance with applicable law and National Investment Fund set up by the Government of India, insurance funds set up and managed by army, navy or air force of the Union of India and insurance funds set up and managed by the Department of Posts, India.	Resident Indian individuals, Eligible NRIs, HUFs (in the name of Karta), companies, corporate bodies, scientific institutions societies and trusts, Category III Foreign Portfolio Investors.	Resident Indian individuals, Eligible NRIs and HUFs (in the name of Karta)



Particulars	QIBs <sup>(1)</sup>	Non Institutional Bidders	Retail Individual Bidders
Terms of Payment	Full Bid Amount shall be payable at the time of submission of the Bid cum Application Form (including for Anchor Investors). <sup>(4)(5)</sup>	Full Bid Amount shall be payable at the time of submission of the Bid cum Application Form. <sup>(5)</sup>	Full Bid Amount shall be payable at the time of submission of the Bid cum Application Form. <sup>(5)</sup>

- (1) Our Company and the Selling Shareholders in consultation with the BRLMs may allocate up to 60% of the QIB Category to Anchor Investor on a discretionary basis. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being made to other Anchor Investors.
- (2) Subject to valid Bids being received at or above the Offer Price. In terms of Rule 19(2)(b)(i) of the SCRR, this is an Offer for at least 25% of the post-Offer paid-up equity share capital of our Company. The Offer is being made through the Book Building Process, in compliance with Regulation 26(1) of the SEBI ICDR Regulations, wherein not more than 50% of the Offer shall be available for allocation on a proportionate basis to QIBs, provided that our Company and the Selling Shareholders in consultation with the BRLMs may allocate up to 60% of the QIB Category to Anchor Investors on a discretionary basis. 5% of the QIB Category (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Category shall be available for allocation on a proportionate basis to all QIB Bidders (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Issue Price. Further, not less than 15% of the Offer shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Offer shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price.
- (3) In case of joint Bids, the Bid cum Application Form should contain only the name of the first Bidder whose name should also appear as the first holder of the beneficiary account held in joint names. The signature of only such first Bidder would be required in the Bid cum Application Form and such first Bidder would be deemed to have signed on behalf of the joint holders.
- (4) Bid Amount shall be payable by the Anchor Investors at the time of submission of the Bid cum Application Forms. The balance, if any, shall be paid within the two Working Days of the Bid/Offer Closing Date.
- (5) In case of ASBA Bidders, the SCSBs shall be authorised to block such funds in the bank account of the Bidder that are specified in the Bid cum Application Form.

Under subscription, if any, in any category except the QIB Category, would be met with spill-over from the other categories at the discretion of our Company and the Selling Shareholders in consultation with the BRLMs and the Designated Stock Exchange.

### Withdrawal of the Offer

Our Company and the Selling Shareholders in consultation with the BRLMs, reserve the right not to proceed with the Offer after the Bid/Offer Opening Date but before the Allotment. In such an event, our Company would issue a public notice in the newspapers in which the pre-Offer advertisements were published, within two days of the Bid/Offer Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Offer. The BRLMs, through the Registrar to the Offer, shall notify the SCSBs to unblock the bank accounts of the ASBA Bidders within one Working Day from the date of receipt of such notification. Our Company shall also inform the same to the Stock Exchanges on which Equity Shares are proposed to be listed. The notice of withdrawal will be issued in the same newspapers where the pre-Offer advertisements have appeared and the Stock Exchanges will also be informed promptly.

If our Company in consultation with the Selling Shareholders withdraws the Offer after the Bid/Offer Closing Date and thereafter determines that it will proceed with an issue/offer for sale of the Equity Shares, our Company shall file a fresh draft red herring prospectus with SEBI. Notwithstanding the foregoing, the Offer is also subject to obtaining (i) the final listing and obtaining (ii) trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment, and the final RoC approval of the Prospectus after it is filed with the RoC.

### Bid/Offer Programme

BID/OFFER OPENS ON	[●] <sup>(1)</sup>
BID/OFFER CLOSES ON (FOR QIBS)	[●] <sup>(2)</sup>
BID/OFFER CLOSES ON (FOR OTHER BIDDERS)	[●]

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

An indicative timetable in respect of the Offer is set out below:

Event	Indicative Date
Bid/Offer Closing Date	[●]
Finalisation of Basis of Allotment with the Designated Stock Exchange	[●]
Initiation of refunds	[●]
Credit of Equity Shares to demat accounts of Allottees	[●]
Commencement of trading of the Equity Shares on the Stock Exchanges	[●]

**The above timetable is indicative other than the Bid/Offer Opening Date and the Bid Offer Closing Date and does not constitute any obligation on our Company or the Selling Shareholders or the BRLMs.**

**While our Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchanges are taken within 12 Working Days of the Bid/Offer Closing Date, the timetable may change due to various factors, such as extension of the Bid/Offer Period by our Company and the Selling Shareholders, revision of the Price Band or any delay in receiving the final listing and trading approval from the Stock Exchanges. The commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchanges and in accordance with the applicable laws. The Selling Shareholders undertake to provide such reasonable support and extend reasonable cooperation as may be requested by our Company, to the extent such support and cooperation is required from such party to facilitate the process of listing and commencement of trading of the Equity Shares on the Stock Exchanges.**

Except in relation to the Bids received from the Anchor Investors, Bids and any revision in Bids shall be accepted **only between 10.00 a.m. and 5.00 p.m.** (Indian Standard Time (“IST”)) during the Bid/Offer Period (except the Bid/Offer Closing Date) at the bidding centres and the Designated Branches mentioned on the Bid cum Application Form.

On the Bid/Offer Closing Date, the Bids and any revision in the Bids shall be accepted only between 10.00 a.m. and 3.00 p.m. IST and shall be uploaded until (i) 4.00 p.m. IST in case of Bids by QIBs and Non-Institutional Bidders, and (ii) until 5.00 p.m. IST or such extended time as permitted by the Stock Exchanges, in case of Bids by Retail Individual Bidders after taking into account the total number of applications received up to the closure of timings and reported by the BRLMs to the Stock Exchanges.

It is clarified that Bids not uploaded on the electronic bidding system would be rejected.

Due to limitation of time available for uploading the Bids on the Bid/Offer Closing Date, Bidders are advised to submit their Bids one day prior to the Bid/Offer Closing Date and, in any case, no later than 1.00 p.m. IST on the Bid/Offer Closing Date. Any time mentioned in this Draft Red Herring Prospectus is IST. Bidders are cautioned that, in the event a large number of Bids are received on the Bid/Offer Closing Date, as is typically experienced in public offerings, some Bids may not get uploaded due to lack of sufficient time. Such Bids that cannot be uploaded will not be considered for allocation under the Offer. Bids will be accepted only on Working Days i.e. Monday to Friday (excluding any public holiday). None among our Company, the Selling Shareholders or any member of the Syndicate is liable for any failure in uploading the Bids due to faults in any software/hardware system or otherwise.

On Bid/Offer Closing Date, extension of time will be granted by Stock Exchanges only for uploading Bids received by Retail Individual Bidders after taking into account the total number of Bids received and as reported by the BRLMs to the Stock Exchanges.

In case of any discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical Bid cum Application Form, for a particular Bidder, the details as per the Bid file received from the Stock Exchanges may be taken as the final data for the purpose of Allotment. In case of discrepancy in the data

entered in the electronic book vis-à-vis the data contained in the physical or electronic Bid cum Application Form, for a particular ASBA Bidder, the Registrar to the Offer shall ask for rectified data.

Our Company and the Selling Shareholders in consultation with the BRLMs, reserves the right to revise the Price Band during the Bid/Offer Period, provided that the Cap Price shall be less than or equal to 120% of the Floor Price and the Floor Price shall not be less than the face value of the Equity Shares. The revision in the Price Band shall not exceed 20% on either side i.e. the Floor Price can move up or down to the extent of 20% of the Floor Price and the Cap Price will be revised accordingly.

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

## OFFER PROCEDURE

*All Bidders should review the General Information Document for Investing in Public Issues prepared and issued in accordance with the circular (CIR/CFD/DIL/12/2013) dated October 23, 2013 notified by SEBI (the "General Information Document") included below under "Part B – General Information Document", which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, the SCRA, the SCRR and the SEBI ICDR Regulations. The General Information Document has been updated to reflect amendments to the SEBI ICDR Regulations including reference to the SEBI FPI Regulations and certain notified provisions of the Companies Act, 2013, to the extent applicable to a public issue. The General Information Document is also available on the websites of the Stock Exchanges and the BRLMs. Please refer to the relevant provisions of the General Information Document which are applicable to the Offer.*

*Our Company, the Selling Shareholders and the BRLMs do not accept any responsibility for the completeness and accuracy of the information stated in this section and are not liable for any amendment, modification or change in the applicable law which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that their Bids are submitted in accordance with applicable laws and do not exceed the investment limits or maximum number of the Equity Shares that can be held by them under applicable law or as specified in this Draft Red Herring Prospectus.*

*Pursuant to the SEBI (Issue of Capital and Disclosure Requirements) (Fifth Amendment) Regulations, 2015, there have been certain changes in the issue procedure for initial public offerings including making ASBA process mandatory for all investors (except for Anchor Investors), allowing registrar, share transfer agents, depository participants and stock brokers to accept application forms. These changes are applicable for public issues which open on or after January 1, 2016. In the event that the Bid/Issue Opening Date for this Issue is proposed to be on or after January 1, 2016, and changes in the issue procedure are effective, we will have to make appropriate changes to the "Issue Procedure" section and other sections of the Draft Red Herring Prospectus and Red Herring Prospectus prior to filing with SEBI and RoC respectively.*

### PART A

#### Book Building Procedure

The Offer is being made through the Book Building Process, in compliance with Regulation 26(1) of the SEBI ICDR Regulations, wherein 50% of the Offer shall be available for allocation on a proportionate basis to QIBs, provided that our Company and the Selling Shareholders in consultation with the BRLMs may allocate up to 60% of the QIB Category to Anchor Investors on a discretionary basis. 5% of the QIB Category (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Category shall be available for allocation on a proportionate basis to all QIB Bidders (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. Further, not less than 15% of the Offer shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Offer shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price. All potential Bidders, other than Anchor Investors, may participate in the Issue through an ASBA process providing details of their respective bank account which will be blocked by the SCSBs. QIBs (except Anchor Investors) and Non-Institutional Bidders are mandatorily required to utilise the ASBA process to participate in the Offer. Anchor Investors are not permitted to participate in the Issue through ASBA Process. Under subscription if any, in any category, except in the QIB category, would be allowed to be met with spill over from any other category or a combination of categories at the discretion of our Company and the Selling Shareholders in consultation with the BRLMs and the Designated Stock Exchange.

Under-subscription, if any, in any category, except in the QIB Category, would be allowed to be met with spill over from any other category or combination of categories, at the discretion of our Company and the Selling Shareholders in consultation with the BRLMs and the Designated Stock Exchange.

The Equity Shares, on Allotment, shall be traded only in the dematerialized segment of the Stock Exchanges.

**Investors should note that the Equity Shares will be Allotted to all successful Bidders only in dematerialised form. The Bid cum Application Forms which do not have the details of the Bidders' depository account, including DP ID, Client ID and PAN, shall be treated as incomplete and will be rejected. Bidders will not have the option of being Allotted Equity Shares in physical form.**

## Bid cum Application Form

Please note that there is a common Bid cum Application Form for ASBA Bidders as well as for non-ASBA Bidders. Copies of the Bid cum Application Form and the abridged prospectus will be available at the offices of the BRLMs, the Syndicate Members, the Registered Brokers at the Registered Centres, the SCSBs and the Registered Office of our Company. An electronic copy of the Bid cum Application Form will also be available for download on the websites of the SCSBs, the NSE ([www.nseindia.com](http://www.nseindia.com)), the BSE ([www.bseindia.com](http://www.bseindia.com)) and the terminals of the Registered Brokers at least one day prior to the Bid/Offer opening date. Physical Bid cum Application Forms for Anchor Investors shall be made available at the offices of the BRLMs.

QIBs (other than Anchor Investors) and Non-Institutional Bidders shall mandatorily participate in the Offer only through the ASBA process. Retail Individual Bidders can participate in the Offer through the ASBA process as well as the non-ASBA process. Anchor Investors are not permitted to participate in the Offer through the ASBA process.

ASBA Bidders must provide bank account details in the relevant space provided in the Bid cum Application Form and the Bid cum Application Forms that do not contain such details are liable to be rejected. In relation to non-ASBA Bidders, the bank account details shall be available from the depository account on the basis of the DP ID, Client ID and PAN provided by the non-ASBA Bidders in their Bid cum Application Form.

Bidders shall ensure that the Bids are made on Bid cum Application Forms bearing the stamp of a Syndicate Member or the Registered Broker or the SCSBs, as the case may be, submitted at the Bidding centres only (except in case of electronic Bid cum Application Forms) and the Bid cum Application Forms not bearing such specified stamp are liable to be rejected.

The prescribed colour of the Bid cum Application Form for the various categories is as follows:

Category	Colour of Bid cum Application Form*
Resident Indians and Eligible NRIs applying on a non-repatriation basis	White
Non-Residents including Eligible NRIs, FIIs, FPI or FVCIs or FPIs, registered multilateral and bilateral development financial institutions applying on a repatriation basis (ASBA and Non ASBA)	Blue
Anchor Investors**	White

\* Excluding electronic Bid cum Application Form

\*\* Bid cum Application forms from Anchor Investors will be made available at the office of the BRLMs

## Who can Bid?

In addition to the category of Bidders set forth under “General Information Document for Investing in Public Issues – Category of Investors Eligible to Participate in an Offer” on page 228, the following persons are also eligible to invest in the Equity Shares under all applicable laws, regulations and guidelines, including:

- FPIs other than Category III foreign portfolio investors;
- Category III foreign portfolio investors, which are foreign corporates or foreign individuals only under the Non-Institutional Bidders category;
- Scientific and/or industrial research organisations authorised in India to invest in the Equity Shares; and
- Any other persons eligible to Bid in the Offer under the laws, rules, regulations, guidelines and policies applicable to them.

## Participation by associates and affiliates of the BRLMs and the Syndicate Members

The BRLMs and the Syndicate Members shall not be allowed to purchase Equity Shares in the Offer in any manner, except towards fulfilling their underwriting obligations. However, the associates and affiliates of the BRLMs and the Syndicate Members may purchase Equity Shares in the Offer, either in the QIB Category or in the Non-Institutional Category as may be applicable to such Bidders, where the allocation is on a proportionate basis and such subscription may be on their own account or on behalf of their clients. All categories of investors,

including associates or affiliates of the BRLMs and Syndicate Members, shall be treated equally for the purpose of allocation to be made on a proportionate basis.

The BRLMs and any persons related to the BRLMs (other than mutual funds sponsored by entities related to the BRLMs) or the Promoters and the Promoter Group cannot apply in the Offer under the Anchor Investor Portion.

### **Bids by Mutual Funds**

With respect to Bids by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Bid cum Application Form. Failing this, our Company and the Selling Shareholders reserve the right to reject any Bid without assigning any reason thereof.

Bids made by asset management companies or custodians of Mutual Funds shall specifically state names of the concerned schemes for which such Bids are made.

One-third of the Anchor Investor Portion shall be reserved for allocation to domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors.

**In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which the Bid has been made.**

**No Mutual Fund scheme shall invest more than 10% of its net asset value in equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in case of index funds or sector or industry specific schemes. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.**

### **Bids by Eligible NRIs**

NRIs may obtain copies of Bid cum Application Form from the offices of the BRLMs, the Syndicate Members, the Registered Brokers and the SCSBs. Only Bids accompanied by payment in Indian Rupees or freely convertible foreign exchange will be considered for Allotment. Eligible NRIs (applying on a non-repatriation basis) should make payments by inward remittance in foreign exchange through normal banking channels or out of funds held in Non-Resident External (“NRE”) accounts, or Foreign Currency Non-Resident (“FCNR”) accounts, or out of a Non-Resident Ordinary (“NRO”) account, or Non-Resident (Special) Rupee account/Non-Resident Non-Repatriable Term Deposit account. NRIs Bidding on non-repatriation basis are advised to use the Bid cum Application Form for residents (white in colour). Payment by drafts should be accompanied by a bank certificate confirming that the draft has been issued by debiting an NRE or FCNR or NRO Account.

Eligible NRIs intending to make payment through freely convertible foreign exchange and Bidding on a repatriation basis could make payments through Indian Rupee drafts purchased abroad or cheques or bank drafts or by debits to their NRE account or FCNR account, maintained with banks authorized by the RBI to deal in foreign exchange. Eligible NRIs Bidding on a repatriation basis are advised to use the Bid cum Application Form meant for Non-Residents (blue in colour), accompanied by a bank certificate confirming that the payment has been made by debiting to the NRE account or FCNR account, as the case may be. Payment for Bids by non-resident Bidders Bidding on a repatriation basis will not be accepted out of NRO accounts.

Non ASBA Bids by NRIs shall be submitted only in the locations specified in the Bid cum Application Form.

### **Bids by FPIs (including FIIs and QFIs)**

On January 7, 2014, SEBI notified the SEBI FPI Regulations pursuant to which the existing classes of portfolio investors namely ‘foreign institutional investors’ and ‘qualified foreign investors’ will be subsumed under a new category namely ‘foreign portfolio investors’ or ‘FPIs’. On March 13, 2014, the RBI amended the FEMA Regulations and laid down conditions and requirements with respect to investment by FPIs in Indian companies.

In terms of the SEBI FPI Regulations, an FII who holds a valid certificate of registration from SEBI shall be deemed to be a registered FPI until the expiry of the block of three years for which fees have been paid as per the SEBI FII Regulations. Accordingly, such FIIs can participate in the Offer in accordance with Schedule 2 of

the FEMA Regulations. An FII shall not be eligible to invest as an FII after registering as an FPI under the SEBI FPI Regulations.

In terms of the SEBI FPI Regulations, the 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) must be below 10% of our post-Offer Equity Share capital. Further, in terms of the FEMA Regulations, the total holding by each FPI shall be below 10% of the total paid-up Equity Share capital of our Company and the total holdings of all FPIs put together shall not exceed 24% of the paid-up Equity Share capital of our Company. The aggregate limit of 24% may be increased up to the sectoral cap by way of a resolution passed by the Board of Directors followed by a special resolution passed by the Shareholders of our Company and subject to prior intimation to RBI. In terms of the FEMA Regulations, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs as well as holding of FIIs (being deemed FPIs) shall be included. The existing individual and aggregate investment limits for an FII or sub account in our Company are 10% and 24% of the total paid-up Equity Share capital of our Company, respectively.

Further, the existing individual and aggregate investment limits for QFIs in an Indian company are 5% and 10% of the paid up capital of an Indian company, respectively.

FPIs are permitted to participate in the Offer subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 22 of the SEBI FPI Regulations, an FPI, other than Category III foreign portfolio investor and unregulated broad based funds, which are classified as Category II foreign portfolio investor by virtue of their investment manager being appropriately regulated, may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by a FPI against securities held by it that are listed or proposed to be listed on any recognised stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons who are regulated by an appropriate regulatory authority; and (ii) such offshore derivative instruments are issued after compliance with 'know your client' norms. An FPI is also required to ensure that no further issue or transfer of any offshore derivative instrument is made by or on behalf of it to any persons that are not regulated by an appropriate foreign regulatory authority.

### **Bids by Anchor Investors**

Our Company and the Selling Shareholders in consultation with the BRLMs, may consider participation by Anchor Investors in the Offer for up to 60% of the QIB Portion in accordance with the SEBI ICDR Regulations. Only QIBs as defined in Regulation 2(1)(zd) of the SEBI ICDR Regulations and not otherwise excluded pursuant to Schedule XI of the SEBI ICDR Regulations, are eligible to invest. The QIB Portion will be reduced in proportion to allocation under the Anchor Investor Portion. In the event of under-subscription in the Anchor Investor Portion, the balance Equity Shares will be added to the QIB Portion. In accordance with the SEBI ICDR Regulations, the key terms for participation in the Anchor Investor Portion are provided below.

- (i) Anchor Investor Bid cum Application Forms will be made available for the Anchor Investor Portion at the offices of the BRLMs.
- (ii) The Bid must be for a minimum of such number of Equity Shares so that the Bid Amount exceeds ₹100 million. A Bid cannot be submitted for over 60% of the QIB Portion. In case of a Mutual Fund, separate Bids by individual schemes of a Mutual Fund will be aggregated to determine the minimum application size of ₹100 million.
- (iii) One-third of the Anchor Investor Portion will be reserved for allocation to domestic Mutual Funds.
- (iv) Bidding for Anchor Investors will open one Working Day before the Bid/Offer Opening Date and be completed on the same day.
- (v) Our Company and the Selling Shareholders in consultation with the BRLMs will finalize allocation to the Anchor Investors on a discretionary basis, provided that the number of Allottees shall be:
  - a maximum number of two Anchor Investors for allocation up to ₹100 million;

- a minimum number of two Anchor Investors and maximum number of 15 Anchor Investors for allocation of more than ₹100 million and up to ₹2,500 million subject to minimum Allotment of ₹50 million per such Anchor Investor;
  - In case of allocation above ₹2,500 million, a minimum of five Anchor Investors and a maximum of 15 Anchor Investors for allocation up to ₹2,500 million; and an additional 10 Anchor Investors for every additional ₹2,500 million or part thereof, subject to minimum allotment of ₹50 million per Anchor Investor.
- (vi) Allocation to Anchor Investors shall be completed during the Anchor Investor Bid/Offer Period. The number of Equity Shares allocated to Anchor Investors and the price at which the allocation is made will be made available in the public domain by the BRLMs before the Bid/Offer Opening Date, through intimation to the Stock Exchanges.
- (vii) Anchor Investors cannot withdraw or lower the size of their Bids at any stage after submission of the Bid.
- (viii) If the Offer Price is greater than the Anchor Investor Allocation Price, the additional amount being the difference between the Offer Price and the Anchor Investor Allocation Price will be payable by the Anchor Investors within two Working Days from the Bid/Offer Closing Date. If the Offer Price is lower than the Anchor Investor Allocation Price, Allotment to successful Anchor Investors will be at the higher price, i.e., the Anchor Investor Offer Price.
- (ix) Equity Shares Allotted in the Anchor Investor Portion will be locked in for a period of 30 days from the date of Allotment.
- (x) The BRLMs (other than mutual funds sponsored by entities related to the BRLMs), our Promoters, Promoter Group, Group Entities or any person related to them will not participate in the Anchor Investor Portion. The parameters for selection of Anchor Investors will be clearly identified by the BRLMs and made available as part of the records of the BRLMs for inspection by SEBI.
- (xi) Bids made by QIBs under both the Anchor Investor Portion and the QIB Portion will not be considered multiple Bids.
- (xii) For more information, see “Offer Procedure - Part B: General Information Document for Investing in Public Issues - section 7: Allotment Procedure and Basis of Allotment - Allotment to Anchor Investor” on page 253.
- (xiii) Anchor Investors are not permitted to Bid in the Offer through the ASBA process.

#### **Bids by SEBI registered VCFs, AIFs and FVCIs**

The SEBI VCF Regulations, the SEBI FVCI Regulations and the SEBI AIF Regulations *inter-alia* prescribe the investment restrictions on the VCFs, FVCIs and AIFs registered with SEBI. Further, the SEBI AIF Regulations prescribe, among others, the investment restrictions on AIFs.

The holding by any individual VCF registered with SEBI in one venture capital undertaking should not exceed 25% of the corpus of the VCF. Further, VCFs and FVCIs can invest only up to 33.33% of the investible funds by way of subscription to an initial public offering.

The category I and II AIFs cannot invest more than 25% of the investible funds in one investee company. A category III AIF cannot invest more than 10% of the investible funds in one investee company. A venture capital fund registered as a category I AIF, as defined in the SEBI AIF Regulations, cannot invest more than 1/3<sup>rd</sup> of its investible funds by way of subscription to an initial public offering of a venture capital undertaking. Additionally, the VCFs which have not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the VCF Regulation until the existing fund or scheme managed by the fund is wound up and such funds shall not launch any new scheme after the notification of the AIF Regulation.

**All Non-Resident Bidders including Eligible NRIs, FPIs and FVCIs should note that refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and/ or commission. In case of Bidders who remit money through Indian Rupee drafts purchased abroad, such payments in Indian rupees will be converted into USD or any other freely convertible currency as may be**



permitted by the RBI at the rate of exchange prevailing at the time of remittance and will be dispatched by registered post or if the Bidders so desire, will be credited to their NRE accounts, details of which should be furnished in the space provided for this purpose in the Bid cum Application Form. Our Company or the BRLMs will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

**There is no reservation for Eligible NRIs, FPIs and FVCIs and all Bidders will be treated on the same basis with other categories for the purpose of allocation.**

Further, according to the SEBI ICDR Regulations, the shareholding of VCFs, category I AIFs and FVCIs held in a company prior to making an initial public offering would be exempt from lock-in requirements provided that the shares have been held by them for at least one year prior to the time of filing the draft red herring prospectus with SEBI.

#### **Bids by limited liability partnerships**

In case of Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum Application Form. Failing this, our Company in consultation with the Selling Shareholders reserves the right to reject any Bid without assigning any reason thereof.

#### **Bids by banking companies**

In case of Bids made by banking companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, and (ii) the approval of such banking company's investment committee are required to be attached to the Bid cum Application Form, failing which our Company in consultation with the Selling Shareholders reserves the right to reject any Bid without assigning any reason.

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949, as amended (the "**Banking Regulation Act**"), and the Master Circular dated July 1, 2014 – Para-banking Activities, is 10% of the paid-up share capital of the investee company or 10% of the banks' own paid-up share capital and reserves, whichever is less. Further, the investment in a non-financial services company by a banking company together with its subsidiaries, associates, joint ventures, entities directly or indirectly controlled by the bank and mutual funds managed by asset management companies controlled by the banking company cannot exceed 20% of the investee company's paid-up share capital. A banking company may hold up to 30% of the paid-up share capital of the investee company with the prior approval of the RBI provided that the investee company is engaged in non-financial activities in which banking companies are permitted to engage under the Banking Regulation Act.

#### **Bids by insurance companies**

In case of Bids made by insurance companies registered with the IRDA, a certified copy of certificate of registration issued by IRDA must be attached to the Bid cum Application Form. Failing this, our Company in consultation with the Selling Shareholders reserves the right to reject any Bid without assigning any reason thereof.

The exposure norms for insurers, prescribed under the Insurance Regulatory and Development Authority (Investment) Regulations, 2000 as amended are broadly set forth below:

- (a) equity shares of a company: the lower of 10% of the outstanding Equity Shares (face value) or 10% of the respective fund in case of life insurer or 10% of investment assets in case of general insurer or reinsurer;
- (b) the entire group of the investee company: not more than 15% of the respective fund in case of a life insurer or 15% of investment assets in case of a general insurer or reinsurer or 15% of the investment assets in all companies belonging to the group, whichever is lower; and
- (c) the industry sector in which the investee company belong to: not more than 15% of the fund of a life insurer or a general insurer or a reinsurer or 15% of the investment asset, whichever is lower.

The maximum exposure limit, in the case of an investment in equity shares, cannot exceed the lower of an amount of 10% of the investment assets of a life insurer or general insurer and the amount calculated under (a),

(b) and (c) above, as the case may be.

### **Bids by SCSBs**

SCSBs participating in the Offer are required to comply with the terms of the SEBI circulars dated September 13, 2012 and January 2, 2013. Such SCSBs are required to ensure that for making applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBs. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for ASBA applications.

### **Bids under Power of Attorney**

In case of Bids made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, FPIs, FIIs, QFIs, Mutual Funds, insurance companies, insurance funds set up by the army, navy or air force of the India, insurance funds set up by the Department of Posts, India or the National Investment Fund and provident funds with a minimum corpus of ₹250 million (subject to applicable law) and pension funds with a minimum corpus of ₹250 million, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged along with the Bid cum Application Form. Failing this, our Company in consultation with the Selling Shareholders reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason thereof.

In case of a Bid by way of ASBA pursuant to a power of attorney, a certified copy of the power of attorney must be lodged along with the Bid cum Application Form.

Our Company and the Selling Shareholders in consultation with the BRLMs in their absolute discretion, reserve the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application form, subject to such terms and conditions that our Company in consultation with the Selling Shareholders and the BRLMs may deem fit.

### **Bids by provident funds/pension funds**

In case of Bids made by provident funds/pension funds, subject to applicable laws, with minimum corpus of ₹250 million, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be attached to the Bid cum Application Form. Failing this, our Company in consultation with the Selling Shareholders reserve the right to reject any Bid, without assigning any reason thereof.

**The above information is given for the benefit of the Bidders. Our Company, the Selling Shareholder and the BRLMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that any single Bid from them does not exceed the applicable investment limits or maximum number of the Equity Shares that can be held by them under applicable law or regulation or as specified in this Draft Red Herring Prospectus.**

### **General Instructions**

#### ***Do's:***

1. Check if you are eligible to apply as per the terms of the Red Herring Prospectus and under applicable law, rules, regulations, guidelines and approvals;
2. Ensure that you have Bid within the Price Band;
3. Read all the instructions carefully and complete the Bid cum Application Form in the prescribed form;
4. Ensure that the details about the PAN, DP ID and Client ID are correct and the Bidders depository account is active, as Allotment of the Equity Shares will be in the dematerialised form only;
5. Ensure that the Bids are submitted at the Bidding centres only on forms bearing the stamp of the Syndicate Member (except in case of electronic forms) or with respect to ASBA Bidders, ensure that your Bid is submitted either to a member of the Syndicate (in the Specified Locations), a Designated

Branch of the SCSB where the ASBA Bidder or the person whose bank account will be utilised by the ASBA Bidder for bidding has a bank account, or to a Registered Broker at the Broker Centres;

6. In relation to the ASBA Bids, ensure that your Bid cum Application Form is submitted either at a Designated Branch of a SCSB where the ASBA Account is maintained or with the Syndicate in the Specified Locations or with a Registered Broker at the Broker Centres, and not to the Escrow Collecting Banks (assuming that such bank is not a SCSB) or to our Company or the Selling Shareholders or the Registrar to the Offer;
7. With respect to the ASBA Bids, ensure that the Bid cum Application Form is signed by the account holder in case the applicant is not the account holder. Ensure that you have mentioned the correct bank account number in the Bid cum Application Form;
8. QIBs (other than Anchor Investors) and the Non-Institutional Investors should submit their Bids through the ASBA process only;
9. With respect to Bids by SCSBs, ensure that you have a separate account in your own name with any other SCSB having clear demarcated funds for applying under the ASBA process and that such separate account (with any other SCSB) is used as the ASBA Account with respect to your Bid;
10. Ensure that you request for and receive a stamped acknowledgement of the Bid cum Application Form and a Transaction Registration Slip for all your Bid options;
11. Ensure that you have funds equal to the Bid Amount in the ASBA Account maintained with the SCSB before submitting the Bid cum Application Form under the ASBA process to the respective member of the Syndicate (in the Specified Locations), the SCSBs or the Registered Broker (at the Broker Centres);
12. Ensure that you have funds equal to the Bid Amount in your bank account before submitting the Bid cum Application Form under non-ASBA process to the Syndicate or the Registered Brokers;
13. With respect to non-ASBA Bids, ensure that the full Bid Amount is paid for the Bids and with respect to ASBA Bids, ensure funds equivalent to the Bid Amount are blocked;
14. Instruct your respective banks to not release the funds blocked in the ASBA Account under the ASBA process;
15. Submit revised Bids to the same member of the Syndicate, SCSB or Registered Broker, as applicable, through whom the original Bid was placed and obtain a revised Transaction Registration Slip;
16. Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of a SEBI circular dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, and (ii) Bids by persons resident in the state of Sikkim, who, in terms of a SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, all Bidders should mention their PAN allotted under the IT Act. The exemption for the Central or the State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the Demographic Details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same. All other applications in which PAN is not mentioned will be rejected;
17. Ensure that the Demographic Details are updated, true and correct in all respects;
18. Ensure that thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India are attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal;
19. Ensure that the signature of the First Bidder in case of joint Bids, is included in the Bid cum Application Forms;
20. Ensure that the name(s) given in the Bid cum Application Form is/are exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case of joint Bids, the Bid

cum Application Form should contain only the name of the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names;

21. Ensure that the category and sub-category is indicated;
22. Ensure that in case of Bids under power of attorney or by limited companies, corporates, trust, etc., relevant documents are submitted;
23. Ensure that Bids submitted by any person outside India should be in compliance with applicable foreign and Indian laws;
24. Ensure that the DP ID, the Client ID and the PAN mentioned in the Bid cum Application Form and entered into the online IPO system of the Stock Exchanges by the Syndicate, the SCSBs or the Registered Brokers, as the case may be, match with the DP ID, Client ID and PAN available in the Depository database;
25. Bidders should note that in case the DP ID, Client ID and the PAN mentioned in their Bid cum Application Form and entered into the online IPO system of the Stock Exchanges by the Syndicate Members, the SCSBs or the Registered Brokers, as the case may be, do not match with the DP ID, Client ID and PAN available in the Depository database, then such Bids are liable to be rejected. Where the Bid cum Application Form is submitted in joint names, ensure that the beneficiary account is also held in the same joint names and such names are in the same sequence in which they appear in the Bid cum Application Form;
26. Ensure that you tick the correct investor category, as applicable, in the Bid cum Application Form to ensure proper upload of your Bid in the online IPO system of the Stock Exchanges;
27. In relation to the ASBA Bids, ensure that you use the Bid cum Application Form bearing the stamp of the Syndicate (in the Specified Locations) and/or relevant SCSB and/or the Designated Branch and/or the Registered Broker at the Broker Centres (except in case of electronic forms);
28. Ensure that the Bid cum Application Forms are delivered by the Bidders within the time prescribed as per the Bid cum Application Form and the Red Herring Prospectus;
29. ASBA Bidders Bidding through a member of the Syndicate should ensure that the Bid cum Application Form is submitted to a member of the Syndicate only in the Specified Locations and that the SCSB where the ASBA Account, as specified in the Bid cum Application Form, is maintained has named at least one branch at that location for the Syndicate to deposit Bid cum Application Forms (a list of such branches is available on the website of SEBI at <http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries>). ASBA Bidders Bidding through a Registered Broker should ensure that the SCSB where the ASBA Account, as specified in the Bid cum Application Form, is maintained has named at least one branch at that location for the Registered Brokers to deposit Bid cum Application Forms;
30. Ensure that you have mentioned the correct ASBA Account number in the Bid cum Application Form;
31. Ensure that the entire Bid Amount is paid at the time of submission of the Bid or in relation to the ASBA Bids, ensure that you have correctly signed the authorisation/undertaking box in the Bid cum Application Form, or have otherwise provided an authorisation to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form;
32. Ensure that you receive an acknowledgement from the Designated Branch of the SCSB or from the member of the Syndicate in the Specified Locations or from the Registered Broker at the Broker Centres, as the case may be, for the submission of your Bid cum Application Form; and
33. Bids on a repatriation basis shall be in the names of individuals, or in the name of Eligible NRIs, FIIs, FPIs, QFIs, but not in the names of minors, OCBs, firms or partnerships, foreign nationals (excluding NRIs) or their nominees. Bids by Eligible NRIs and QFIs for a Bid Amount of up to ₹200,000 would be considered under the Retail Portion for the purposes of allocation and Bids for a Bid Amount of more than ₹200,000 would be considered under Non-Institutional Portion for the purposes of allocation.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

***Don'ts:***

1. Do not Bid for lower than the minimum Bid size;
2. Do not Bid/revise Bid Amount to less than the Floor Price or higher than the Cap Price;
3. Do not Bid on another Bid cum Application Form after you have submitted a Bid to the Syndicate, the SCSBs or the Registered Brokers, as applicable;
4. Do not pay the Bid Amount in cash, by money order or by postal order or by stockinvest;
5. If you are an ASBA Bidder, the payment of the Bid Amount in any mode other than blocked amounts in the bank account maintained with an SCSB shall not be accepted under the ASBA process;
6. Do not send Bid cum Application Forms by post; instead submit the same to the Syndicate, the SCSBs or the Registered Brokers only;
7. Do not submit the Bid cum Application Forms to the Escrow Collection Bank(s) (assuming that such bank is not a SCSB), our Company, the Selling Shareholders or the Registrar to the Offer;
8. Do not Bid on a Bid cum Application Form that does not have the stamp of the Syndicate, the Registered Brokers or the SCSBs;
9. Anchor Investors should not Bid through the ASBA process;
10. Do not Bid at Cut-off Price (for Bids by QIBs and Non-Institutional Bidders);
11. Do not Bid for a Bid Amount exceeding ₹200,000 (for Bids by Retail Individual Bidders);
12. Do not fill up the Bid cum Application Form such that the Equity Shares Bid for exceeds the Offer size and/or investment limit or maximum number of the Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations or under the terms of the Red Herring Prospectus;
13. Do not submit the General Index Register number instead of the PAN;
14. In case you are a Bidder other than an ASBA Bidder, do not submit the Bid without payment of the entire Bid Amount. In case you are an ASBA Bidder, do not submit the Bid without ensuring that funds equivalent to the entire Bid Amount are blocked in the relevant ASBA Account;
15. In case you are an ASBA Bidder, do not instruct your respective banks to release the funds blocked in the ASBA Account;
16. Do not submit incorrect details of the DP ID, Client ID and PAN or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Offer;
17. Do not submit Bids on plain paper or on incomplete or illegible Bid cum Application Forms or on Bid cum Application Forms in a colour prescribed for another category of Bidder;
18. Do not submit a Bid in case you are not eligible to acquire Equity Shares under applicable law or your relevant constitutional documents or otherwise;
19. If you are a QIB, do not submit your Bid after 3.00 pm on the Bid/Offer Closing Date for QIBs;
20. If you are a Non-Institutional Bidder or Retail Individual Bidder, do not submit your Bid after 3.00 pm on the Bid/Offer Closing Date;
21. Do not Bid if you are not competent to contract under the Indian Contract Act, 1872 (other than minors having valid depository accounts as per Demographic Details provided by the depository);

22. Do not withdraw your Bid or lower the size of your Bid (in terms of quantity of the Equity Shares or the Bid Amount) at any stage, if you are a QIB or a Non-Institutional Bidder;
23. In case of ASBA Bidders, do not submit more than five Bid cum Application Forms per ASBA Account;
24. Do not submit ASBA Bids to a member of the Syndicate at a location other than the Specified Locations or to the brokers other than the Registered Brokers at a location other than the Broker Centres;
25. Do not submit ASBA Bids to a member of the Syndicate in the Specified Locations unless the SCSB where the ASBA Account is maintained, as specified in the Bid cum Application Form, has named at least one branch in the relevant Specified Location, for the Syndicate to deposit Bid cum Application Forms (a list of such branches is available on the website of SEBI at <http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries>); and
26. Do not submit ASBA Bids to a Registered Broker unless the SCSB where the ASBA Account is maintained, as specified in the Bid cum Application Form, has named at least one branch in that location for the Registered Broker to deposit the Bid cum Application Forms.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

#### **Payment instructions**

In terms of RBI circular no. DPSS.CO.CHD.No./133/04.07.05/2013-14 dated July 16, 2013, non-CTS cheques are processed in three CTS centres in a separate clearing session. This separate clearing session will operate once a week from November 1, 2014 onwards. In order to enable listing and trading of Equity Shares within 12 Working Days of the Bid/Offer Closing Date, investors are advised to use CTS cheques or use the ASBA facility to make payment. Investors are cautioned that Bid cum Application Forms accompanied by non-CTS cheques are liable to be rejected due to any delay in clearing beyond six Working Days from the Bid/Offer Closing Date.

Outstation cheques/bank drafts drawn on banks not participating in the clearing process will not be accepted and applications accompanied by such cheques or bank drafts will be rejected. Please note that cheques without the nine digit MICR code are liable to be rejected.

#### **Payment into Escrow Account for non-ASBA Bidders**

The payment instruments for payment into the Escrow Account should be drawn in favour of:

- (a) In case of resident Retail Individual Investors: “[●]”
- (b) In case of Non-Resident Retail Individual Investors: “[●]”

Our Company in consultation with the BRLMs, in its absolute discretion, will decide the list of Anchor Investors to whom the Allotment Advice will be sent, pursuant to which the details of the Equity Shares allocated to them in their respective names will be notified to such Anchor Investors. For Anchor Investors, the payment instruments for payment into the Escrow Account should be drawn in favour of:

- (a) In case of resident Anchor Investors: “[●]”
- (b) In case of Non-Resident Anchor Investors: “[●]”

**Bidders should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between our Company, the Selling Shareholders, the Syndicate, the Escrow Collection Banks and the Registrar to the Offer to facilitate collections from the Bidders.**

#### **Pre- Offer Advertisement**

Subject to Section 30 of the Companies Act, 2013, our Company shall, after registering the Red Herring Prospectus with the RoC, publish a pre-Offer advertisement, in the form prescribed by the SEBI ICDR Regulations, in: (i) [●] edition of English national newspaper [●]; (ii) [●] edition of Hindi national newspaper

[●]; and (iii) [●] edition of Kannada newspaper [●], each with wide circulation. In the pre-Offer advertisement, we shall state the Bid Opening Date, the Bid Closing Date and the QIB Bid Closing Date. This advertisement, subject to the provisions of Section 30 of the Companies Act, 2013, shall be in the format prescribed in Part A of Schedule XIII of the SEBI ICDR Regulations.

### **Signing of the Underwriting Agreement and the RoC Filing**

- (a) Our Company, the Selling Shareholders and the Syndicate intend to enter into an Underwriting Agreement after the finalisation of the Offer Price.
- (b) After signing the Underwriting Agreement, an updated Red Herring Prospectus will be filed with the RoC in accordance with applicable law, which then would be termed as the 'Prospectus'. The Prospectus will contain details of the Offer Price, the Anchor Investor Offer Price, Offer size, and underwriting arrangements and will be complete in all material respects.

### **Impersonation**

**Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013, which is reproduced below:**

***“Any person who:***

- (a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or***
- (b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or***
- (c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447.”***

The liability prescribed under Section 447 of the Companies Act, 2013 includes imprisonment for a term which shall not be less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount.

### **Undertakings by our Company**

Our Company undertakes the following:

- if our Company or the Selling Shareholders do not proceed with the Offer after the Bid/Offer Closing Date the reason thereof shall be given as a public notice to be issued by our Company within two days of the Bid/Offer Closing Date. The public notice shall be issued in the same newspapers where the pre-Offer advertisements were published. The stock exchanges on which the Equity Shares are proposed to be listed shall also be informed promptly;
- if our Company and the Selling Shareholders withdraw the Offer after the Bid/Offer Closing Date, our Company shall be required to file a fresh offer document with the RoC/SEBI, in the event our Company and/or the Selling Shareholders subsequently decides to proceed with the Offer;
- the complaints received in respect of the Offer shall be attended to by our Company expeditiously and satisfactorily;
- all steps for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed are taken within 12 Working Days of the Bid/Offer Closing Date;
- the funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar to the Offer by our Company;
- the Allotment letters will be issued or the application money will be refunded within 15 days from the Bid/Offer Closing Date or such lesser time as specified by SEBI or the application money will be

refunded to the Bidders forthwith, failing which interest will be due to be paid to the Bidders at the rate of 15% per annum for the delayed period;

- where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within 12 Working Days from the Bid/Offer Closing Date, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;
- the certificates of the securities/refund orders to Eligible NRIs shall be despatched within specified time;
- no further Offer of the Equity Shares shall be made till the Equity Shares offered through the Red Herring Prospectus are listed or until the Bid monies are refunded on account of non-listing, under-subscription, etc.; and
- adequate arrangements shall be made to collect all Bid cum Application Forms by ASBA Bidders and to consider them similar to non-ASBA Bids while finalising the Basis of Allotment.

### **Undertakings by the Selling Shareholders**

The Selling Shareholders undertake that:

- the Equity Shares being offered by them in the Offer for Sale shall be transferred to special depository account(s);
- 3,678,255 Equity Shares held by Dr. Sudarshan Kumar Maini, 2,362,374 Equity Shares held by Sandeep Kumar Maini and 1,044,099 Equity Shares held by Gautam Maini (“**Pledged Shares**”) representing 76% of pre-Offer Equity Share capital that have been pledged as security for a loan availed by MMMPL, Sandeep Kumar Maini and Gautam Maini from ABFL shall be released from pledge five days prior to filing of the Red Herring Prospectus with SEBI;
- they shall not offer, lend, pledge, charge, transfer or otherwise encumber, sell, any of the Equity Shares held by them except the Equity Shares being offered by them in the Offer for Sale until such time that the lock-in remains effective save and except as may be permitted under the SEBI ICDR Regulations;
- they shall not have any recourse to the proceeds of the Offer for Sale until final listing and trading approvals have been received from the Stock Exchanges;
- they shall ensure that the Equity Shares being offered by them in the Offer for Sale, shall be transferred to the successful Bidders within the time specified under applicable law;
- they shall ensure that they shall make available the funds required for making refunds to unsuccessful Bidders as per the mode(s) disclosed in the Draft Red Herring Prospectus;
- they shall give appropriate instructions for dispatch of the refund orders or Allotment Advice to successful Bidders within the time specified under applicable law; and
- they shall take all steps and provide all assistance to the Company and the BRLMs, as may be required and necessary, for the completion of the necessary formalities for listing and commencement of trading at all the stock exchanges where the Equity Shares are proposed to be listed within 12 Working Days from the Bid/Offer Closing Date of the Offer, failing which they shall forthwith repay without interest all monies received from Bidders to the extent of the Equity Shares being offered in the Offer for Sale. In case of delay, interest as per Applicable Law shall be paid by them to the extent of the Equity Shares being offered in the Offer for Sale.

### **Utilisation of Offer Proceeds**

The Board of Directors certify that:

- all monies received out of the Fresh Issue shall be credited/transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act, 2013;



- details of all monies utilised out of the Fresh Issue shall be disclosed, and continue to be disclosed till the time any part of the Fresh Issue proceeds remains unutilised, under an appropriate head in the balance sheet of our Company indicating the purpose for which such monies have been utilised;
- details of all unutilised monies out of the Fresh Issue, if any shall be disclosed under an appropriate separate head in the balance sheet indicating the form in which such unutilised monies have been invested;
- the utilisation of monies received under the Promoters' contribution shall be disclosed, and continue to be disclosed till the time any part of the Offer Proceeds remains unutilised, under an appropriate head in the balance sheet of our Company indicating the purpose for which such monies have been utilised; and
- the details of all unutilised monies out of the funds received under the Promoters' contribution shall be disclosed under a separate head in the balance sheet of our Company indicating the form in which such unutilised monies have been invested.

The Selling Shareholders along with our Company declare that all monies received out of the Offer for Sale shall be credited/transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act, 2013.

Our Company, in consultation with the Selling Shareholders and BRLMs, reserves the right not to proceed with the Offer at any time after the Bid Opening Date but before the Allotment. In such an event, our Company shall issue a public notice in the newspapers, in which the pre-Offer advertisements were published, within two days of the Bid Closing Date of the Offer or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Offer. The BRLMs, through the Registrar to the Offer, shall instruct the SCSBs to unblock the ASBA Accounts within one Working Day of receipt of such notification. Our Company shall also promptly inform the Stock Exchanges on which the Equity Shares were proposed to be listed.

Notwithstanding the foregoing, the Offer is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment and within 12 Working Days of the Bid Closing Date, and (ii) the final RoC approval of the Prospectus after it is filed with the RoC.

## PART B

### General Information Document for Investing in Public Issues

*This General Information Document highlights the key rules, processes and procedures applicable to public issues in accordance with the provisions of the Companies Act, the SCRA, the SCRR and the SEBI ICDR Regulations. Bidders/Applicants should not construe the contents of this General Information Document as legal advice and should consult their own legal counsel and other advisors in relation to the legal matters concerning the Offer. For taking an investment decision, the Bidders/Applicants should rely on their own examination of the Issuer and the Offer, and should carefully read the Red Herring Prospectus/Prospectus before investing in the Offer.*

#### SECTION 1: PURPOSE OF THE GENERAL INFORMATION DOCUMENT (GID)

This document is applicable to the public issues undertaken through the Book-Building Process as well as to the Fixed Price Offers. The purpose of the “General Information Document for Investing in Public Issues” is to provide general guidance to potential Bidders/Applicants in IPOs and FPOs, on the processes and procedures governing IPOs and FPOs, undertaken in accordance with the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (“SEBI ICDR Regulations, 2009”).

Bidders/Applicants should note that investment in equity and equity related securities involves risk and Bidder/Applicant should not invest any funds in the Offer unless they can afford to take the risk of losing their investment. The specific terms relating to securities and/or for subscribing to securities in an Offer and the relevant information about the Issuer undertaking the Offer are set out in the Red Herring Prospectus (“RHP”)/Prospectus filed by the Issuer with the Registrar of Companies (“RoC”). Bidders/Applicants should carefully read the entire RHP/Prospectus and the Bid cum Application Form/Application Form and the Abridged Prospectus of the Issuer in which they are proposing to invest through the Offer. In case of any difference in interpretation or conflict and/or overlap between the disclosure included in this document and the RHP/Prospectus, the disclosures in the RHP/Prospectus shall prevail. The RHP/Prospectus of the Issuer is available on the websites of stock exchanges, on the website(s) of the BRLM(s) to the Offer and on the website of Securities and Exchange Board of India (“SEBI”) at [www.sebi.gov.in](http://www.sebi.gov.in).

For the definitions of capitalized terms and abbreviations used herein Bidders/Applicants may see “Glossary and Abbreviations”.

#### SECTION 2: BRIEF INTRODUCTION TO IPOs/FPOs

##### 2.1 Initial public offer (IPO)

An IPO means an offer of specified securities by an unlisted Issuer to the public for subscription and may include an Offer for Sale of specified securities to the public by any existing holder of such securities in an unlisted Issuer.

For undertaking an IPO, an Issuer is *inter-alia* required to comply with the eligibility requirements of in terms of either Regulation 26(1) or Regulation 26(2) of the SEBI ICDR Regulations, 2009. For details of compliance with the eligibility requirements by the Issuer, Bidders/Applicants may refer to the RHP/Prospectus.

##### 2.2 Further public offer (FPO)

An FPO means an offer of specified securities by a listed Issuer to the public for subscription and may include Offer for Sale of specified securities to the public by any existing holder of such securities in a listed Issuer.

For undertaking an FPO, the Issuer is *inter-alia* required to comply with the eligibility requirements in terms of Regulation 26/27 of the SEBI ICDR Regulations, 2009. For details of compliance with the eligibility requirements by the Issuer, Bidders/Applicants may refer to the RHP/Prospectus.

##### 2.3 Other Eligibility Requirements:

In addition to the eligibility requirements specified in paragraphs 2.1 and 2.2, an Issuer proposing to undertake an IPO or an FPO is required to comply with various other requirements as specified in the

SEBI ICDR Regulations, 2009, the Companies Act, 2013 (to the extent notified and in effect), the Companies Act, 1956 (without reference to the provisions thereof that have ceased to have effect upon the notification of the Companies Act, 2013), the Securities Contracts (Regulation) Rules, 1957 (the “SCRR”), industry-specific regulations, if any, and other applicable laws for the time being in force.

For details in relation to the above Bidders/Applicants may refer to the RHP/Prospectus.

## **2.4 Types of Public Issues – Fixed Price Issues and Book Built Issues**

In accordance with the provisions of the SEBI ICDR Regulations, 2009, an Issuer can either determine the Offer Price through the Book Building Process (“**Book Built Issue**”) or undertake a Fixed Price Offer (“**Fixed Price Issue**”). An Issuer may mention Floor Price or Price Band in the RHP (in case of a Book Built Issue) and a Price or Price Band in the Draft Prospectus (in case of a fixed price Issue) and determine the price at a later date before registering the Prospectus with the Registrar of Companies.

The cap on the Price Band should be less than or equal to 120% of the Floor Price. The Issuer shall announce the Price or the Floor Price or the Price Band through advertisement in all newspapers in which the pre-issue advertisement was given at least five Working Days before the Bid/Offer Opening Date, in case of an IPO and at least one Working Day before the Bid/Issue Opening Date, in case of an FPO.

The Floor Price or the Offer price cannot be lesser than the face value of the securities.

Bidders/Applicants should refer to the RHP/Prospectus or Offer advertisements to check whether the Offer is a Book Built Issue or a Fixed Price Issue.

## **2.5 ISSUE PERIOD**

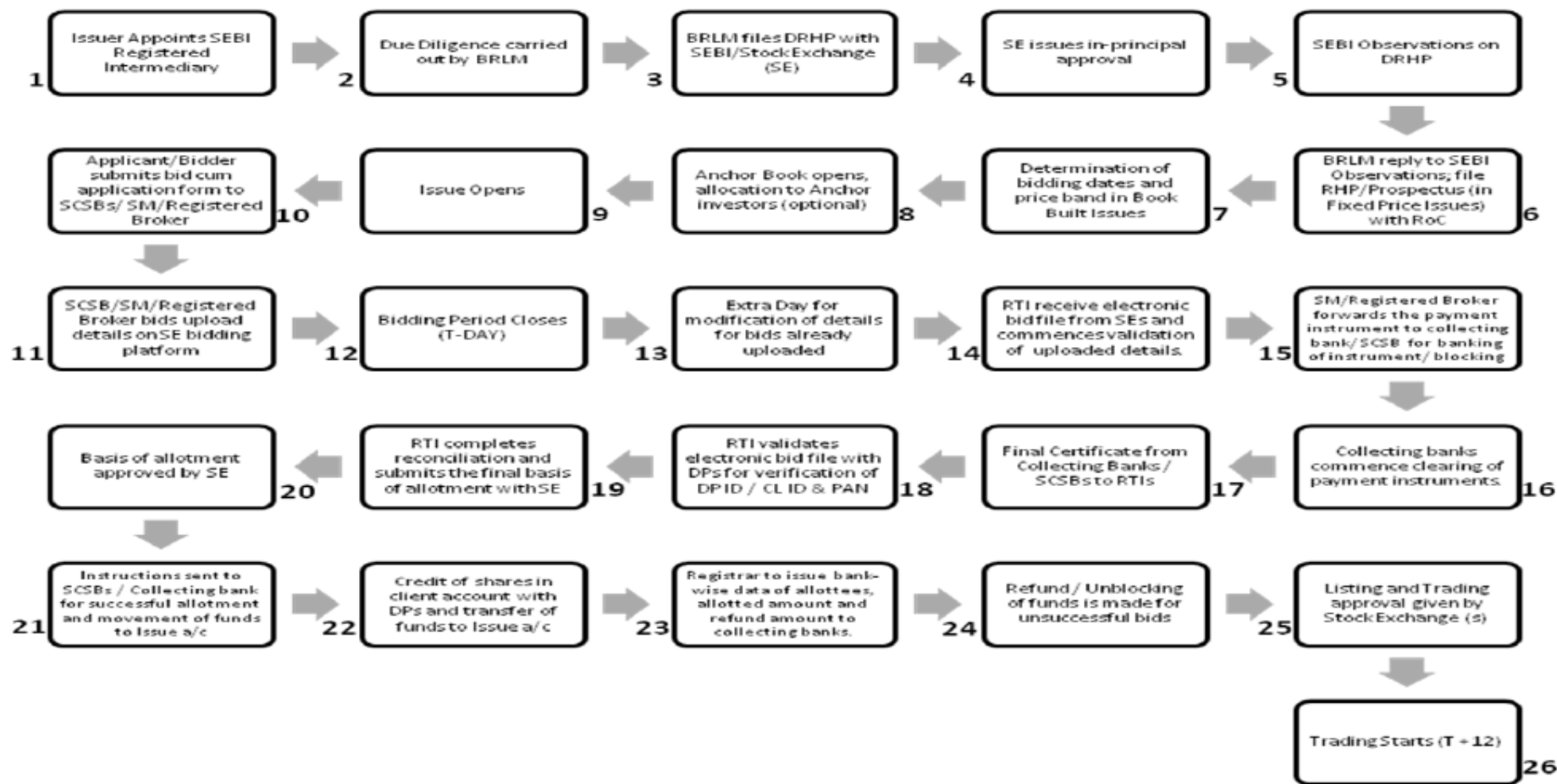
The Offer may be kept open for a minimum of three Working Days (for all category of Bidders/Applicants) and not more than ten Working Days. Bidders/Applicants are advised to refer to the Bid cum Application Form and Abridged Prospectus or RHP/Prospectus for details of the Bid/Offer Period. Details of Bid/Offer Period are also available on the website of the Stock Exchange(s).

In case of a Book Built Issue, the Issuer may close the Bid/Offer Period for QIBs one Working Day prior to the Bid/Offer Closing Date if disclosures to that effect are made in the RHP. In case of revision of the Floor Price or Price Band in Book Built Issues the Bid/Issue Period may be extended by at least three Working Days, subject to the total Bid/Offer Period not exceeding 10 Working Days. For details of any revision of the Floor Price or Price Band, Bidders/Applicants may check the announcements made by the Issuer on the websites of the Stock Exchanges and the BRLM(s), and the advertisement in the newspaper(s) issued in this regard.

## **2.6 FLOWCHART OF TIMELINES**

A flow chart of process flow in Fixed Price and Book Built Issues is as follows. Bidders/Applicants may note that this is not applicable for Fast Track FPOs.:

- In case of Offer other than Book Built Issue (Fixed Price Issue) the process at the following of the below mentioned steps shall be read as:
  - i. Step 7 : Determination of Offer Date and Price
  - ii. Step 10: Applicant submits ASBA Application Form with Designated Branch of SCSB and Non-ASBA forms directly to collection Bank and not to Broker.
  - iii. Step 11: SCSB uploads ASBA Application details in Stock Exchange Platform
  - iv. Step 12: Offer period closes
  - v. Step 15: Not Applicable



### SECTION 3: CATEGORY OF INVESTORS ELIGIBLE TO PARTICIPATE IN AN OFFER

*Each Bidder/Applicant should check whether it is eligible to apply under applicable law.* Furthermore, certain categories of Bidders/Applicants, such as NRIs, FIIs, FPIs and FVCIs may not be allowed to Bid/Apply in the Offer or to hold Equity Shares, in excess of certain limits specified under applicable law. Bidders/Applicants are requested to refer to the RHP/Prospectus for more details.

Subject to the above, an illustrative list of Bidders/Applicants is as follows:

- Indian nationals resident in India who are competent to contract under the Indian Contract Act, 1872, in single or joint names (not more than three);
- Bids/Applications belonging to an account for the benefit of a minor (under guardianship);
- Hindu Undivided Families or HUFs, in the individual name of the *Karta*. The Bidder/Applicant should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form/Application Form as follows: “Name of sole or first Bidder/Applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the *Karta*”. Bids/Applications by HUFs may be considered at par with Bids/Applications from individuals;
- Companies, corporate bodies and societies registered under applicable law in India and authorised to invest in equity shares;
- QIBs;
- NRIs on a repatriation basis or on a non-repatriation basis subject to applicable law;
- Indian Financial Institutions, regional rural banks, co-operative banks (subject to RBI regulations and the SEBI ICDR Regulations, 2009 and other laws, as applicable);
- FIIs and sub-accounts registered with SEBI, other than a sub-account which is a foreign corporate or foreign individual, bidding under the QIBs category;
- Sub-accounts of FIIs registered with SEBI, which are foreign corporates or foreign individuals only under the Non Institutional Investors (“**NII**s”) category;
- FPIs other than Category III foreign portfolio investors Bidding under the QIBs category;
- FPIs which are Category III foreign portfolio investors, Bidding under the NII category;
- Trusts/societies registered under the Societies Registration Act, 1860, or under any other law relating to trusts/societies and who are authorised under their respective constitutions to hold and invest in equity shares;
- Limited liability partnerships registered under the Limited Liability Partnership Act, 2008; and
- Any other person eligible to Bid/Apply in the Offer, under the laws, rules, regulations, guidelines and policies applicable to them and under Indian laws.
- As per the existing regulations, OCBs are not allowed to participate in an Offer.

### SECTION 4: APPLYING IN THE ISSUE

**Book Built Issue:** Bidders should only use the specified Bid cum Application Form either bearing the stamp of a member of the Syndicate or bearing a stamp of the Registered Broker or stamp of SCSBs as available or downloaded from the websites of the Stock Exchanges.

Bid cum Application Forms are available with the members of the Syndicate, Registered Brokers, Designated Branches of the SCSBs and at the registered office of the Issuer. Electronic Bid cum Application Forms will be available on the websites of the Stock Exchanges at least one day prior to the Bid/Offer Opening Date. For further details, regarding availability of Bid cum Application Forms, Bidders may refer to the RHP/Prospectus.

**Fixed Price Issue:** Applicants should only use the specified cum Application Form either bearing the stamp of Collection Bank(s) or SCSBs as available or downloaded from the websites of the Stock Exchanges. Application Forms are available with the Branches of Collection Banks or Designated Branches of the SCSBs and at the Registered and Corporate Office of the Issuer. For further details, regarding availability of Application Forms, Applicants may refer to the Prospectus.

Bidders/Applicants should ensure that they apply in the appropriate category. The prescribed colour of the Bid cum Application Form for various categories of Bidders/Applicants is as follows:

Category	Colour of the Bid cum Application Form
Resident Indian, Eligible NRIs applying on a non repatriation basis	White
NRIs, FVCIs, FIIs, their sub-accounts (other than sub-accounts which are foreign corporate(s) or foreign individuals bidding under the QIB) FPIs, on a repatriation basis	Blue
Anchor Investors (where applicable) & Bidders/Applicants Bidding/applying in the reserved category	As specified by the Issuer

Securities issued in an IPO can only be in dematerialized form in compliance with Section 29 of the Companies Act, 2013. Bidders/Applicants will not have the option of getting the Allotment of specified securities in physical form. However, they may get the specified securities rematerialised subsequent to Allotment.

#### **4.1 INSTRUCTIONS FOR FILING THE BID CUM APPLICATION FORM/APPLICATION FORM**

Bidders/Applicants may note that forms not filled completely or correctly as per instructions provided in this GID, the RHP and the Bid cum Application Form/Application Form are liable to be rejected.

Instructions to fill each field of the Bid cum Application Form can be found on the reverse side of the Bid cum Application Form. Specific instructions for filling various fields of the Resident Bid cum Application Form and Non-Resident Bid cum Application Form and samples are provided below.

The samples of the Bid cum Application Form for resident Bidders and the Bid cum Application Form for non-resident Bidders are reproduced below:

TEAR HERE

PLEASE FILL IN BLOCK LETTERS

TEAR HERE

**COMMON BID CUM APPLICATION FORM FOR ASBA / NON-ASBA**      **XYZ LIMITED - PUBLIC ISSUE - R**      **FOR RESIDENT INDIAN, QIB, ELIGIBLE NRI'S APPLYING ON A NON-REPATRIATION BASIS**

**Logo** To: **The Board of Directors**      **BOOK BUILDING ISSUE**      **Bid cum Application Form No.**  
 XYZ Limited      IN

<b>SYNDICATE MEMBER'S STAMP &amp; CODE</b>	<b>BROKER'S/AGENT'S STAMP &amp; CODE</b>	<b>1. NAME &amp; CONTACT DETAILS of Sole / First Applicant</b> Mr. / Ms. _____ Address _____ Email _____ Tel. No (with STD code) / Mobile _____
<b>ESCROW BANK / SCSB BRANCH STAMP &amp; CODE</b>	<b>SUB-BROKER'S/SUB-AGENT'S STAMP &amp; CODE</b>	
<b>BANK BRANCH SERIAL NO.</b>	<b>REGISTRAR'S / SCSB SERIAL NO.</b>	<b>2. PAN OF SOLE / FIRST APPLICANT</b>

<b>3. BIDDER'S DEPOSITORY ACCOUNT DETAILS</b> <input type="checkbox"/> NSDL <input type="checkbox"/> CDSL	<b>6. Investor Status</b>
For NSDL enter 8 digit DP ID followed by 8 digit Client ID / For CDSL enter 16 digit Client ID	<input type="checkbox"/> Individual(s) - IND <input type="checkbox"/> Hindu Undivided Family* - HUF <input type="checkbox"/> Bodies Corporate - CO <input type="checkbox"/> Banks & Financial Institutions - FI <input type="checkbox"/> Mutual Funds - MF <input type="checkbox"/> Non-Resident Indians - NRI (Non-Repatriation basis) <input type="checkbox"/> National Investment Fund - NIF <input type="checkbox"/> Insurance Funds - IF <input type="checkbox"/> Insurance Companies - IC <input type="checkbox"/> Venture Capital Funds - VCF <input type="checkbox"/> Others (Please specify) - OTH

<b>4. BID OPTIONS (Only Retail Individual Bidders can Bid at "Cut-off")</b>										<b>5. Category</b>											
Bid Options	No. of Equity Shares Bid (In Figures) (Bids must be in multiples of Bid Lot as advertised)								Price per Equity Share (₹) / "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures)								*Cut-off (Please tick)		<input type="checkbox"/> Retail Individual	<input type="checkbox"/> Non-Institutional	<input type="checkbox"/> QIB
	7	6	5	4	3	2	1	1	4	3	2	1	4	3	2	1					
Option 1																<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			
(OR) Option 2																<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			
(OR) Option 3																<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			

<b>7. PAYMENT DETAILS (Please tick (✓) any one of payment option A or B below)</b>										<b>PAYMENT OPTIONS</b> <input type="checkbox"/> Full Payment <input type="checkbox"/> Part Payment									
Amount Paid (₹ in figures) _____ (₹ in words) _____																			
<input type="checkbox"/> (A) CHEQUE/ DEMAND DRAFT (DD)										<input type="checkbox"/> (B) ASBA									
Cheque/DD No. _____					Dated D / M / Y Y					Bank A/c No. _____					Bank Name & Branch _____				

I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS BID CUM APPLICATION FORM AND THE ATTACHED FORM 2A AND HEREBY AGREE AND CONFIRM THE 'BIDDERS UNDERTAKING' AS GIVEN OVER LEAF 1/WE (on behalf of joint applicants, if any) heretby confirm that I/We have read the Instructions for Filling up the Bid Cum Application Form given overleaf.

<b>8A. SIGNATURE OF SOLE/ FIRST APPLICANT</b>  Date: _____, 2011	<b>8B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS) (For ASBA option ONLY)</b> I/We authorize the SCSB to do all acts as are necessary to make the Application in the Issue 1) _____ 2) _____ 3) _____	<b>BROKER'S / SCSB BRANCH'S STAMP (Acknowledging upload of Bid in Stock Exchange system)</b>
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TEAR HERE

**XYZ LIMITED**      **Acknowledgement Slip for Syndicate Member / SCSB**      **Bid cum Application Form No.**

DPID / CLID		PAN	
Amount Paid (₹ in figures)	Bank & Branch	Stamp & Signature of Banker	
Cheque / DD/ASBA Bank A/c No. _____			
Received from Mr./Ms. _____			
Telephone / Mobile _____		Email _____	

<b>XYZ LIMITED</b>	<b>Option 1</b> <b>Option 2</b> <b>Option 3</b>	<b>Stamp &amp; Signature of Syndicate Member / SCSB</b>	<b>Name of Sole / First Applicant</b>
No. of Equity Shares			
Bid Price			
Amount Paid (₹)			
Cheque / DD/ASBA Bank A/c No. _____		<b>Acknowledgement Slip for Bidder</b>	
Bank & Branch _____		Bid cum Application Form No. _____	

<b>COMMON BID CUM APPLICATION FORM FOR ASBA / NON-ASBA</b>	<b>XYZ LIMITED - PUBLIC ISSUE - NR</b>	<b>FOR ELIGIBLE NRIs, FIIs, FVCI, ETC., APPLYING ON A REPATRIATION BASIS</b>	
Logo	To, The Board of Directors XYZ Limited	BOOK BUILDING ISSUE Bid cum Application Form No. _____	
SYNDICATE MEMBER'S STAMP & CODE	BROKER'S/AGENT'S STAMP & CODE	1. NAME & CONTACT DETAILS of Sole / First Applicant Mr. / Ms. _____ Address _____ Email _____ Tel. No (with STD code) / Mobile _____	
ESCROW BANK / SCSB BRANCH STAMP & CODE	SUB-BROKER'S/SUB-AGENT'S STAMP & CODE		
BANK BRANCH SERIAL NO.	REGISTRAR'S / SCSB SERIAL NO.		
		2. PAN OF SOLE / FIRST APPLICANT _____	
3. BIDDER'S DEPOSITORY ACCOUNT DETAILS <input type="checkbox"/> NSDL <input type="checkbox"/> CDSL		6. Investor Status <input type="checkbox"/> NRI Non-Resident Indian (Repatriation basis) <input type="checkbox"/> FII Foreign Institutional Investor <input type="checkbox"/> FVCI Foreign Venture Capital Investor <input type="checkbox"/> FISA FII Sub Account Corporate / Individual <input type="checkbox"/> OTH Others (Please Specify)	
For NSDL enter 8 digit DP ID followed by 8 digit Client ID / For CDSL enter 16 digit Client ID			
4. BID OPTIONS (Only Retail Individual Bidders can Bid at "Cut-off")		5. Category <input type="checkbox"/> Retail Individual <input type="checkbox"/> Non-Institutional <input type="checkbox"/> QIB	
Bid Options	No. of Equity Shares Bid (In Figures) (Bids must be in multiples of Bid Lot as advertised)		Price per Equity Share (₹) "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures)
	Bid Price		Discount, if any
	Net Price		"Cut-off" (Please tick)
Option 1			<input type="checkbox"/>
(OR) Option 2			<input type="checkbox"/>
(OR) Option 3			<input type="checkbox"/>
7. PAYMENT DETAILS (Please tick (✓) any one of payment option A or B below)		PAYMENT OPTIONS <input type="checkbox"/> Full Payment <input type="checkbox"/> Part Payment	
Amount Paid (₹ in figures) _____ (₹ in words) _____			
<input type="checkbox"/> (A) CHEQUE/ DEMAND DRAFT (DD)		<input type="checkbox"/> (B) ASBA	
Cheque/DD No. _____ Dated DDMMYY		Bank A/c No. _____	
Drawn on (Bank Name & Branch) _____		Bank Name & Branch _____	
<small>(WE ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT (WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS BID CUM APPLICATION FORM AND THE ATTACHED FORM 2A AND HEREBY AGREE AND CONFIRM THE 'BIDDERS UNDERTAKING' AS GIVEN OVERLEAF. (We on behalf of joint applicants, if any) hereby confirm that (We have read the instructions for Filling up the Bid Cum Application Form given overleaf.</small>			
8A. SIGNATURE OF SOLE/ FIRST APPLICANT		8B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(s) (AS PER BANK RECORDS) (For ASBA option ONLY)	
Date: _____, 2011		I/We authorize the SCSB to do all acts as are necessary to make the Application in the Issue	
		1) _____ 2) _____ 3) _____	
BROKER'S / SCSB BRANCH'S STAMP (Acknowledging upload of Bid in Stock Exchange system)			
TEAR HERE			
<b>XYZ LIMITED</b>		<b>Acknowledgement Slip for Syndicate Member / SCSB</b>	
DPID / CLID _____		Bid cum Application Form No. _____	
Amount Paid (₹ in figures) _____		PAN _____	
Cheque / DD/ASBA Bank A/c No. _____		Stamp & Signature of Banker	
Received from Mr./Ms. _____			
Telephone / Mobile _____		Email _____	
TEAR HERE			
<b>XYZ LIMITED</b>	Option 1	Option 2	Option 3
	No. of Equity Shares		
	Bid Price		
	Amount Paid (₹)		
Cheque / DD/ASBA Bank A/c No. _____			Stamp & Signature of Syndicate Member / SCSB
Bank & Branch _____			
			<b>Acknowledgement Slip for Bidder</b>
			Bid cum Application Form No. _____
			Name of Sole / First Applicant _____

#### 4.1.1 FIELD NUMBER 1: NAME AND CONTACT DETAILS OF THE SOLE/FIRST BIDDER/APPLICANT

- (a) Bidders/Applicants should ensure that the name provided in this field is exactly the same as the name in which the Depository Account is held.
- (b) **Mandatory Fields:** Bidders/Applicants should note that the name and address fields are compulsory and e-mail and/or telephone number/mobile number fields are optional. Bidders/Applicants should note that the contact details mentioned in the Bid cum Application Form/Application Form may be used to dispatch communications (including refund orders and letters notifying the unblocking of the bank accounts of ASBA Bidders/Applicants) in



case the communication sent to the address available with the Depositories are returned undelivered or are not available. The contact details provided in the Bid cum Application Form may be used by the Issuer, the members of the Syndicate, the Registered Broker and the Registrar to the Offer only for correspondence(s) related to an Offer and for no other purposes.

- (c) **Joint Bids/Applications:** In the case of Joint Bids/Applications, the Bids/Applications should be made in the name of the Bidder/Applicant whose name appears first in the Depository account. The name so entered should be the same as it appears in the Depository records. The signature of only such first Bidder/Applicant would be required in the Bid cum Application Form/Application Form and such first Bidder/Applicant would be deemed to have signed on behalf of the joint holders. All payments may be made out in favour of the Bidder/Applicant whose name appears in the Bid cum Application Form/Application Form or the Revision Form and all communications may be addressed to such Bidder/Applicant and may be dispatched to his or her address as per the Demographic Details received from the Depositories.
- (d) **Impersonation:** Attention of the Bidders/Applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

*“Any person who:*

- (d) *makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or*
- (e) *makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or*
- (f) *otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447.”*

The liability prescribed under Section 447 of the Companies Act, 2013 includes imprisonment for a term which shall not be less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount.

- (e) **Nomination Facility to Bidder/Applicant:** Nomination facility is available in accordance with the provisions of Section 72 of the Companies Act, 2013. In case of Allotment of the Equity Shares in dematerialized form, there is no need to make a separate nomination as the nomination registered with the Depository may prevail. For changing nominations, the Bidders/Applicants should inform their respective DP.

#### 4.1.2 **FIELD NUMBER 2: PAN NUMBER OF SOLE/FIRST BIDDER/APPLICANT**

- (a) PAN (of the sole/first Bidder/Applicant) provided in the Bid cum Application Form/Application Form should be exactly the same as the PAN of the person(s) in whose name the relevant beneficiary account is held as per the Depositories' records.
- (b) PAN is the sole identification number for participants transacting in the securities market irrespective of the amount of transaction except for Bids/Applications on behalf of the Central or State Government, Bids/Applications by officials appointed by the courts and Bids/Applications by Bidders/Applicants residing in Sikkim (“PAN Exempted Bidders/Applicants”). Consequently, all Bidders/Applicants, other than the PAN Exempted Bidders/Applicants, are required to disclose their PAN in the Bid cum Application Form/Application Form, irrespective of the Bid/Application Amount. A Bid cum Application Form/Application Form without PAN, except in case of Exempted Bidders/Applicants, is liable to be rejected. Bids/Applications by the Bidders/Applicants whose PAN is not available as per the Demographic Details available in their Depository records, are liable to be rejected.

- (c) The exemption for the PAN Exempted Bidders/Applicants is subject to (a) the Demographic Details received from the respective Depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in “active status”; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same.
- (d) Bid cum Application Forms/Application Forms which provide the General Index Register Number instead of PAN may be rejected.
- (e) Bids/Applications by Bidders whose demat accounts have been ‘suspended for credit’ are liable to be rejected pursuant to the circular issued by SEBI on July 29, 2010, bearing number CIR/MRD/DP/22/2010. Such accounts are classified as “Inactive demat accounts” and Demographic Details are not provided by depositories.

#### 4.1.3 **FIELD NUMBER 3: BIDDERS/APPLICANTS DEPOSITORY ACCOUNT DETAILS**

- (a) Bidders/Applicants should ensure that DP ID and the Client ID are correctly filled in the Bid cum Application Form/Application Form. The DP ID and Client ID provided in the Bid cum Application Form/Application Form should match with the DP ID and Client ID available in the Depository database, **otherwise, the Bid cum Application Form/Application Form is liable to be rejected.**
- (b) Bidders/Applicants should ensure that the beneficiary account provided in the Bid cum Application Form/Application Form is active.
- (c) Bidders/Applicants should note that on the basis of the DP ID and Client ID as provided in the Bid cum Application Form/Application Form, the Bidder/Applicant may be deemed to have authorized the Depositories to provide to the Registrar to the Offer, any requested Demographic Details of the Bidder/Applicant as available on the records of the depositories. These Demographic Details may be used, among other things, for giving refunds and allocation advice (including through physical refund warrants, direct credit, NECS, NEFT and RTGS), or unblocking of ASBA Account or for other correspondence(s) related to an Offer. Please note that refunds shall be credited only to the bank account from which the Bid Amount was remitted to the Escrow Bank.
- (d) Bidders/Applicants are, advised to update any changes to their Demographic Details as available in the records of the Depository Participant to ensure accuracy of records. Any delay resulting from failure to update the Demographic Details would be at the Bidders/Applicants’ sole risk.

#### 4.1.4 **FIELD NUMBER 4: BID OPTIONS**

- (a) Price or Floor Price or Price Band, minimum Bid Lot and Discount (if applicable) may be disclosed in the Prospectus/RHP by the Issuer. The Issuer is required to announce the Floor Price or Price Band, minimum Bid Lot and Discount (if applicable) by way of an advertisement in at least one English, one Hindi and one regional newspaper, with wide circulation, at least five Working Days before Bid/Offer Opening Date in case of an IPO, and at least one Working Day before Bid/Offer Opening Date in case of an FPO.
- (b) The Bidders may Bid at or above Floor Price or within the Price Band for IPOs/FPOs undertaken through the Book Building Process. In the case of Alternate Book Building Process for an FPO, the Bidders may Bid at Floor Price or any price above the Floor Price (For further details Bidders may refer to (Section 5.6 (e))
- (c) **Cut-Off Price:** Retail Individual Investors or Employees or Retail Individual Shareholders can Bid at the Cut-off Price indicating their agreement to Bid for and purchase the Equity Shares at the Offer Price as determined at the end of the Book Building Process. Bidding at the Cut-off Price is prohibited for QIBs and NIIs and such Bids from QIBs and NIIs may be rejected.
- (d) **Minimum Application Value and Bid Lot:** The Issuer in consultation with the BRLMs may decide the minimum number of Equity Shares for each Bid to ensure that the minimum

application value is within the range of ₹10,000 to ₹15,000. The minimum Bid Lot is accordingly determined by an Issuer on basis of such minimum application value.

- (e) **Allotment:** The Allotment of specified securities to each RII shall not be less than the minimum Bid Lot, subject to availability of shares in the RII category, and the remaining available shares, if any, shall be Allotted on a proportionate basis. For details of the Bid Lot, Bidders may to the RHP/Prospectus or the advertisement regarding the Price Band published by the Issuer.

#### 4.1.4.1 Maximum and Minimum Bid Size

- (a) The Bidder may Bid for the desired number of Equity Shares at a specific price. Bids by Retail Individual Investors, Employees and Retail Individual Shareholders must be for such number of shares so as to ensure that the Bid Amount less Discount (as applicable), payable by the Bidder does not exceed ₹200,000.
- (b) In case the Bid Amount exceeds ₹200,000 due to revision of the Bid or any other reason, the Bid may be considered for allocation under the Non-Institutional Category, with it not being eligible for Discount then such Bid may be rejected if it is at the Cut-off Price.
- (c) For NRIs, a Bid Amount of up to ₹200,000 may be considered under the Retail Category for the purposes of allocation and a Bid Amount exceeding ₹200,000 may be considered under the Non-Institutional Category for the purposes of allocation.
- (d) Bids by QIBs and NIIs must be for such minimum number of shares such that the Bid Amount exceeds ₹200,000 and in multiples of such number of Equity Shares thereafter, as may be disclosed in the Bid cum Application Form and the RHP/Prospectus, or as advertised by the Issuer, as the case may be. Non-Institutional Investors and QIBs are not allowed to Bid at Cut-off Price.
- (e) RII may revise their bids till closure of the Bidding period or withdraw their bids until finalization of Allotment. QIBs and NII's cannot withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after Bidding and are required to pay the Bid Amount upon submission of the Bid.
- (f) In case the Bid Amount reduces to ₹200,000 or less due to a revision of the Price Band, Bids by the Non-Institutional Investors who are eligible for allocation in the Retail Category would be considered for allocation under the Retail Category.
- (g) For Anchor Investors, if applicable, the Bid Amount shall be least ₹10 crores. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors. Bids by various schemes of a Mutual Fund shall be aggregated to determine the Bid Amount. A Bid cannot be submitted for more than 60% of the QIB Category under the Anchor Investor Portion. Anchor Investors cannot withdraw their Bids or lower the size of their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after the Anchor Investor Bid/Offer Period and are required to pay the Bid Amount at the time of submission of the Bid. In case the Anchor Investor Offer Price is lower than the Offer Price, the balance amount shall be payable as per the pay-in-date mentioned in the revised CAN. In case the Offer Price is lower than the Anchor Investor Offer Price, the amount in excess of the Offer Price paid by the Anchor Investors shall not be refunded to them.
- (h) A Bid cannot be submitted for more than the Offer size.
- (i) The maximum Bid by any Bidder including QIB Bidder should not exceed the investment limits prescribed for them under the applicable laws.
- (j) The price and quantity options submitted by the Bidder in the Bid cum Application Form may be treated as optional bids from the Bidder and may not be cumulated. After determination of the Offer Price, the number of Equity Shares Bid for by a Bidder at or above the Offer Price

may be considered for Allotment and the rest of the Bid(s), irrespective of the Bid Amount may automatically become invalid. This is not applicable in case of FPOs undertaken through Alternate Book Building Process (For details of Bidders may refer to (Section 5.6 (e))

#### 4.1.4.2 Multiple Bids

- (a) Bidder should submit only one Bid cum Application Form. Bidder shall have the option to make a maximum of Bids at three different price levels in the Bid cum Application Form and such options are not considered as multiple Bids.

Submission of a second Bid cum Application Form to either the same or to another member of the Syndicate, SCSB or Registered Broker and duplicate copies of Bid cum Application Forms bearing the same application number shall be treated as multiple Bids and are liable to be rejected.

- (b) Bidders are requested to note the following procedures may be followed by the Registrar to the Offer to detect multiple Bids:

- i. All Bids may be checked for common PAN as per the records of the Depository. For Bidders other than Mutual Funds and FII sub-accounts, Bids bearing the same PAN may be treated as multiple Bids by a Bidder and may be rejected.
- ii. For Bids from Mutual Funds and FII sub-accounts, submitted under the same PAN, as well as Bids on behalf of the PAN Exempted Bidders, the Bid cum Application Forms may be checked for common DP ID and Client ID. Such Bids which have the same DP ID and Client ID may be treated as multiple Bids and are liable to be rejected.

- (c) The following Bids may not be treated as multiple Bids:

- i. Bids by Reserved Categories Bidding in their respective Reservation Portion as well as bids made by them in the Offer portion in public category.
- ii. Separate Bids by Mutual Funds in respect of more than one scheme of the Mutual Fund provided that the Bids clearly indicate the scheme for which the Bid has been made.
- iii. Bids by Mutual Funds, and sub-accounts of FIIs (or FIIs and its sub-accounts) submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs.
- iv. Bids by Anchor Investors under the Anchor Investor Portion and the QIB Category.

#### 4.1.5 FIELD NUMBER 5 : CATEGORY OF BIDDERS

- (a) The categories of Bidders identified as per the SEBI ICDR Regulations, 2009 for the purpose of Bidding, allocation and Allotment in the Offer are RIIs, NIIs and QIBs.
- (b) Up to 60% of the QIB Category can be allocated by the Issuer, on a discretionary basis subject to the criteria of minimum and maximum number of Anchor Investors based on allocation size, to the Anchor Investors, in accordance with SEBI ICDR Regulations, 2009, with one-third of the Anchor Investor Portion reserved for domestic Mutual Funds subject to valid Bids being received at or above the Offer Price. For details regarding allocation to Anchor Investors, Bidders may refer to the RHP/Prospectus.
- (c) An Issuer can make reservation for certain categories of Bidders/Applicants as permitted under the SEBI ICDR Regulations, 2009. For details of any reservations made in the Offer, Bidders/Applicants may refer to the RHP/Prospectus.
- (d) The SEBI ICDR Regulations, 2009, specify the allocation or Allotment that may be made to various categories of Bidders in an Offer depending upon compliance with the eligibility conditions. Details pertaining to allocation are disclosed on reverse side of the Revision Form.

For Offer specific details in relation to allocation Bidder/Applicant may refer to the RHP/Prospectus.

#### 4.1.6 **FIELD NUMBER 6: INVESTOR STATUS**

- (a) Each Bidder/Applicant should check whether it is eligible to apply under applicable law and ensure that any prospective Allotment to it in the Offer is in compliance with the investment restrictions under applicable law.
- (b) Certain categories of Bidders/Applicants, such as NRIs, FPIs and FVCIs may not be allowed to Bid/Apply in the Offer or hold Equity Shares exceeding certain limits specified under applicable law. Bidders/Applicants are requested to refer to the RHP/Prospectus for more details.
- (c) Bidders/Applicants should check whether they are eligible to apply on non-repatriation basis or repatriation basis and should accordingly provide the investor status. Details regarding investor status are different in the Resident Bid cum Application Form and Non-Resident Bid cum Application Form.
- (d) Bidders/Applicants should ensure that their investor status is updated in the Depository records.

#### 4.1.7 **FIELD NUMBER 7: PAYMENT DETAILS**

- (a) All Bidders are required to make payment of the full Bid Amount (net of any Discount, as applicable) along-with the Bid cum Application Form. If the Discount is applicable in the Offer, the RIIs should indicate the full Bid Amount in the Bid cum Application Form and the payment shall be made for Bid Amount net of Discount. Only in cases where the RHP/Prospectus indicates that part payment may be made, such an option can be exercised by the Bidder. In case of Bidders specifying more than one Bid Option in the Bid cum Application Form, the total Bid Amount may be calculated for the highest of three options at net price, i.e. Bid price less Discount offered, if any.
- (b) Bidders who Bid at Cut-off Price shall deposit the Bid Amount based on the Cap Price.
- (c) QIBs and NIIs can participate in the Offer only through the ASBA mechanism.
- (d) RIIs and/or Reserved Categories Bidding in their respective reservation portion can Bid, either through the ASBA mechanism or by paying the Bid Amount through a cheque or a demand draft (“Non-ASBA Mechanism”).
- (e) Bid Amount cannot be paid in cash, through money order or through postal order.

##### 4.1.7.1 **Instructions for non-ASBA Bidders:**

- (a) Non-ASBA Bidders may submit their Bids with a member of the Syndicate or any of the Registered Brokers of the Stock Exchange. The details of Broker Centres along with names and contact details of the Registered Brokers are provided on the websites of the Stock Exchanges.
- (b) **For Bids made through a member of the Syndicate:** The Bidder may, with the submission of the Bid cum Application Form, draw a cheque or demand draft for the Bid Amount in favour of the Escrow Account as specified under the RHP/Prospectus and the Bid cum Application Form and submit the same to the members of the Syndicate at Specified Locations.
- (c) **For Bids made through a Registered Broker:** The Bidder may, with the submission of the Bid cum Application Form, draw a cheque or demand draft for the Bid Amount in favour of the Escrow Account as specified under the RHP/Prospectus and the Bid cum Application Form and submit the same to the Registered Broker.

- (d) If the cheque or demand draft accompanying the Bid cum Application Form is not made favouring the Escrow Account, the Bid is liable to be rejected.
- (e) Payments should be made by cheque, or demand draft drawn on any bank (including a co-operative bank), which is situated at, and is a member of or sub-member of the bankers' clearing house located at the centre where the Bid cum Application Form is submitted. Cheques/bank drafts drawn on banks not participating in the clearing process may not be accepted and applications accompanied by such cheques or bank drafts are liable to be rejected.
- (f) The Escrow Collection Banks shall maintain the monies in the Escrow Account for and on behalf of the Bidders until the Designated Date.
- (g) Bidders are advised to provide the number of the Bid cum Application Form and PAN on the reverse of the cheque or bank draft to avoid any possible misuse of instruments submitted.

#### 4.1.7.2 Payment instructions for ASBA Bidders

- (a) ASBA Bidders may submit the Bid cum Application Form either
  - i. in physical mode to the Designated Branch of an SCSB where the Bidders/Applicants have ASBA Account, or
  - ii. in electronic mode through the internet banking facility offered by an SCSB authorizing blocking of funds that are available in the ASBA account specified in the Bid cum Application Form, or
  - iii. in physical mode to a member of the Syndicate at the Specified Locations, or
  - iv. Registered Brokers of the Stock Exchange
- (b) ASBA Bidders may specify the Bank Account number in the Bid cum Application Form. The Bid cum Application Form submitted by an ASBA Bidder and which is accompanied by cash, demand draft, money order, postal order or any mode of payment other than blocked amounts in the ASBA Account maintained with an SCSB, may not be accepted.
- (c) Bidders should ensure that the Bid cum Application Form is also signed by the ASBA Account holder(s) if the Bidder is not the ASBA Account holder;
- (d) Bidders shall note that for the purpose of blocking funds under ASBA facility clearly demarcated funds shall be available in the account.
- (e) From one ASBA Account, a maximum of five Bids cum Application Forms can be submitted.
- (f) **ASBA Bidders Bidding through a member of the Syndicate** should ensure that the Bid cum Application Form is submitted to a member of the Syndicate only at the Specified Locations. ASBA Bidders should also note that Bid cum Application Forms submitted to a member of the Syndicate at the Specified Locations may not be accepted by the Member of the Syndicate if the SCSB where the ASBA Account, as specified in the Bid cum Application Form, is maintained has not named at least one branch at that location for the members of the Syndicate to deposit Bid cum Application Forms (a list of such branches is available on the website of SEBI at <http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries>).
- (g) **ASBA Bidders Bidding through a Registered Broker** should note that Bid cum Application Forms submitted to the Registered Brokers may not be accepted by the Registered Broker, if the SCSB where the ASBA Account, as specified in the Bid cum Application Form, is maintained has not named at least one branch at that location for the Registered Brokers to deposit Bid cum Application Forms.

- (h) **ASBA Bidders Bidding directly through the SCSBs** should ensure that the Bid cum Application Form is submitted to a Designated Branch of a SCSB where the ASBA Account is maintained.
- (i) Upon receipt of the Bid cum Application Form, the Designated Branch of the SCSB may verify if sufficient funds equal to the Bid Amount are available in the ASBA Account, as mentioned in the Bid cum Application Form.
- (j) If sufficient funds are available in the ASBA Account, the SCSB may block an amount equivalent to the Bid Amount mentioned in the Bid cum Application Form and for application directly submitted to SCSB by investor, may enter each Bid option into the electronic bidding system as a separate Bid.
- (k) If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB may not upload such Bids on the Stock Exchange platform and such bids are liable to be rejected.
- (l) Upon submission of a completed Bid cum Application Form each ASBA Bidder may be deemed to have agreed to block the entire Bid Amount and authorized the Designated Branch of the SCSB to block the Bid Amount specified in the Bid cum Application Form in the ASBA Account maintained with the SCSBs.
- (m) The Bid Amount may remain blocked in the aforesaid ASBA Account until finalisation of the Basis of Allotment and consequent transfer of the Bid Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal or failure of the Offer, or until withdrawal or rejection of the Bid, as the case may be.
- (n) SCSBs Bidding in the Offer must apply through an Account maintained with any other SCSB; else their Bids are liable to be rejected.

#### 4.1.7.2.1 Unblocking of ASBA Account

- (a) Once the Basis of Allotment is approved by the Designated Stock Exchange, the Registrar to the Offer may provide the following details to the controlling branches of each SCSB, along with instructions to unblock the relevant bank accounts and for successful applications transfer the requisite money to the Public Issue Account designated for this purpose, within the specified timelines: (i) the number of Equity Shares to be Allotted against each Bid, (ii) the amount to be transferred from the relevant bank account to the Public Issue Account, for each Bid, (iii) the date by which funds referred to in (ii) above may be transferred to the Public Issue Account, and (iv) details of rejected ASBA Bids, if any, along with reasons for rejection and details of withdrawn or unsuccessful Bids, if any, to enable the SCSBs to unblock the respective bank accounts.
- (b) On the basis of instructions from the Registrar to the Offer, the SCSBs may transfer the requisite amount against each successful ASBA Bidder to the Public Issue Account and may unblock the excess amount, if any, in the ASBA Account.
- (c) In the event of withdrawal or rejection of the Bid cum Application Form and for unsuccessful Bids, the Registrar to the Offer may give instructions to the SCSB to unblock the Bid Amount in the relevant ASBA Account within 12 Working Days of the Bid/Offer Closing Date.

#### 4.1.7.3 Additional Payment Instructions for NRIs

The Non-Resident Indians who intend to make payment through Non-Resident Ordinary (NRO) accounts shall use the form meant for Resident Indians (non-repatriation basis). In the case of Bids by NRIs applying on a repatriation basis, payment shall not be accepted out of NRO Account.

#### 4.1.7.4 **Discount** (if applicable)

- (a) The Discount is stated in absolute rupee terms.
- (b) Bidders applying under RII category, Retail Individual Shareholder and employees are only eligible for discount. For Discounts offered in the Offer, Bidders may refer to the RHP/Prospectus.
- (c) The Bidders entitled to the applicable Discount in the Offer may make payment for an amount i.e. the Bid Amount less Discount (if applicable).

Bidder may note that in case the net payment (post Discount) is more than two lakh Rupees, the Bidding system automatically considers such applications for allocation under Non-Institutional Category. These applications are neither eligible for Discount nor fall under RII category.

#### 4.1.8 **FIELD NUMBER 8: SIGNATURES AND OTHER AUTHORISATIONS**

- (a) Only the First Bidder/ Applicant is required to sign the Bid cum Application Form/ Application Form. Bidders/ Applicants should ensure that signatures are in one of the languages specified in the Eighth Schedule to the Constitution of India.
- (b) If the ASBA Account is held by a person or persons other than the ASBA Bidder/Applicant, then the Signature of the ASBA Account holder(s) is also required.
- (c) In relation to the ASBA Bids/Applications, signature has to be correctly affixed in the authorisation/undertaking box in the Bid cum Application Form/Application Form, or an authorisation has to be provided to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form/Application Form.
- (d) Bidders/Applicants must note that Bid cum Application Form/Application Form without signature of Bidder/Applicant and/or ASBA Account holder is liable to be rejected.

#### 4.1.9 **ACKNOWLEDGEMENT AND FUTURE COMMUNICATION**

- (a) Bidders should ensure that they receive the acknowledgment duly signed and stamped by a member of the Syndicate, Registered Broker or SCSB, as applicable, for submission of the Bid cum Application Form.
- (b) Applicants should ensure that they receive the acknowledgment duly signed and stamped by an Escrow Collection Bank or SCSB, as applicable, for submission of the Application Form.
- (c) All communications in connection with Bids/Applications made in the Offer should be addressed as under:
  - i. In case of queries related to Allotment, non-receipt of Allotment Advice, credit of Allotted Equity Shares, refund orders, the Bidders/Applicants should contact the Registrar to the Offer.
  - ii. In case of ASBA Bids submitted to the Designated Branches of the SCSBs, the Bidders/Applicants should contact the relevant Designated Branch of the SCSB.
  - iii. In case of queries relating to uploading of Syndicate ASBA Bids, the Bidders/Applicants should contact the relevant Syndicate Member.
  - iv. In case of queries relating to uploading of Bids by a Registered Broker, the Bidders/Applicants should contact the relevant Registered Broker
  - v. Bidder/Applicant may contact our Company Secretary and Compliance Officer or BRLM(s) in case of any other complaints in relation to the Offer.



- (d) The following details (as applicable) should be quoted while making any queries -
- i. full name of the sole or First Bidder/Applicant, Bid cum Application Form number, Applicants'/Bidders' DP ID, Client ID, PAN, number of Equity Shares applied for, amount paid on application;
  - ii. name and address of the member of the Syndicate, Registered Broker or the Designated Branch, as the case may be, where the Bid was submitted; or
  - iii. In case of Non-ASBA bids cheque or draft number and the name of the issuing bank thereof;
  - iv. In case of ASBA Bids, ASBA Account number in which the amount equivalent to the Bid Amount was blocked.

For further details, Bidder/Applicant may refer to the RHP/Prospectus and the Bid cum Application Form.

#### **4.2 INSTRUCTIONS FOR FILING THE REVISION FORM**

- (a) During the Bid/Offer Period, any Bidder/Applicant (other than QIBs and NIIs, who can only revise their bid upwards) who has registered his or her interest in the Equity Shares at a particular price level is free to revise his or her Bid within the Price Band using the Revision Form, which is a part of the Bid cum Application Form.
- (b) RII may revise their bids till closure of the Bidding period or withdraw their bids until finalization of Allotment.
- (c) Revisions can be made in both the desired number of Equity Shares and the Bid Amount by using the Revision Form.
- (d) The Bidder/Applicant can make this revision any number of times during the Bid/Offer Period. However, for any revision(s) in the Bid, the Bidders/Applicants will have to use the services of the same member of the Syndicate, the Registered Broker or the SCSB through which such Bidder/Applicant had placed the original Bid. Bidders/Applicants are advised to retain copies of the blank Revision Form and the Bid(s) must be made only in such Revision Form or copies thereof.

A sample revision form is reproduced below:

<b>COMMON BID REVISION FORM FOR ASBA / NON-ASBA</b>	<b>XYZ LIMITED - PUBLIC ISSUE - R</b>	<b>FOR RESIDENT INDIAN, QIB, ELIGIBLE NRI'S APPLYING ON A NON-REPATRIATION BASIS</b>
<b>Logo</b>	To, The Board of Directors XYZ Limited	<b>BOOK BUILDING ISSUE</b> Bid cum Application Form No. <span style="border:1px solid black; padding:2px;">INE523L01018</span>
<b>SYNDICATE MEMBER'S STAMP &amp; CODE</b>	<b>BROKER'S/AGENTS STAMP &amp; CODE</b>	<b>1. NAME &amp; CONTACT DETAILS of Sole / First Applicant</b>
<b>ESCROW BANK/SCSB BRANCH STAMP &amp; CODE</b>	<b>SUB-BROKER'S/SUB-AGENT'S STAMP &amp; CODE</b>	Mr. / Ms. <span style="border:1px solid black; display:inline-block; width:100px; height:15px;"></span>
<b>BANK BRANCH SERIAL NO.</b>	<b>REGISTRAR'S /SCSB SERIAL NO.</b>	Tel. No (with STD code) / Mobile <span style="border:1px solid black; display:inline-block; width:100px; height:15px;"></span>
<b>2. PAN OF SOLE / FIRST APPLICANT</b>		
<b>3. BIDDER'S DEPOSITORY ACCOUNT DETAILS</b> <input type="checkbox"/> NSDL <input type="checkbox"/> CDSL		
For NSDL enter 8 digit DP ID followed by 8 digit Client ID / For CDSL enter 16 digit Client ID		
<b>PLEASE CHANGE MY BID</b>		
<b>4. FROM (as per last Bid or Revision)</b>		
<b>Bid Options</b>	<b>No. of Equity Shares Bid (Bids must be in multiples of Bid Lot as advertised)</b>	<b>Price per Equity Share (₹) / "Cut-off" (Price in multiples of ₹ 1/- only)</b>
	(In Figures)	(In Figures)
	7   6   5   4   3   2   1	Bid Price    Discount, if any    Net Price    "Cut-off" (Please tick)
Option 1	<input type="checkbox"/>	<input type="checkbox"/>
(OR) Option 2	<input type="checkbox"/>	<input type="checkbox"/>
(OR) Option 3	<input type="checkbox"/>	<input type="checkbox"/>
<b>5. TO (Revised Bid)</b>		
<b>Bid Options</b>	<b>No. of Equity Shares Bid (Bids must be in multiples of Bid Lot as advertised)</b>	<b>Price per Equity Share (₹) / "Cut-off" (Price in multiples of ₹ 1/- only)</b>
	(In Figures)	(In Figures)
	7   6   5   4   3   2   1	Bid Price    Discount, if any    Net Price    "Cut-off" (Please tick)
Option 1	<input type="checkbox"/>	<input type="checkbox"/>
(OR) Option 2	<input type="checkbox"/>	<input type="checkbox"/>
(OR) Option 3	<input type="checkbox"/>	<input type="checkbox"/>
<b>6. PAYMENT DETAILS (Please tick (✓) any one of payment option A or B below)</b> <b>PAYMENT OPTIONS</b> <input type="checkbox"/> Full Payment <input type="checkbox"/> Part Payment		
Additional Amount Paid (₹ in figures) <span style="border:1px solid black; display:inline-block; width:100px; height:15px;"></span> (₹ in words) _____		
<input type="checkbox"/> (A) CHEQUE/ DEMAND DRAFT (DD) <input type="checkbox"/> (B) ASBA		
Cheque/DD No. <span style="border:1px solid black; display:inline-block; width:100px; height:15px;"></span> Dated <span style="border:1px solid black; display:inline-block; width:50px; height:15px;"></span>		Bank A/c No. <span style="border:1px solid black; display:inline-block; width:100px; height:15px;"></span>
Drawn on (Bank Name & Branch) <span style="border:1px solid black; display:inline-block; width:100px; height:15px;"></span>		Bank Name & Branch <span style="border:1px solid black; display:inline-block; width:100px; height:15px;"></span>
I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS BID REVISION FORM AND THE ATTACHED FORM 2A AND HEREBY AGREE AND CONFIRM THE 'BIDDERS UNDERTAKING' AS GIVEN OVER LEAF. I/We (on behalf of joint applicants, if any) hereby confirm that I/We have read the Instructions for Filling up the Bid revision Form given overleaf.		
<b>7A. SIGNATURE OF SOLE/ JOINT APPLICANT(S)</b>	<b>7B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS) (FOR ASBA OPTION ONLY)</b>	<b>BROKER'S / SCSB BRANCH'S STAMP (Acknowledging upload of Bid in Stock Exchange system)</b>
Date: _____, 2011	I/We authorize the SCSB to do all acts as are necessary to make the Application in the Issue	
	1) _____	
	2) _____	
	3) _____	
<b>TEAR HERE</b>		
<b>XYZ LIMITED BID REVISION FORM</b>	<b>Acknowledgement Slip for Syndicate Member / SCSB</b>	<b>Bid cum Application Form No.</b> <span style="border:1px solid black; display:inline-block; width:50px; height:15px;"></span>
DPID / CLID <span style="border:1px solid black; display:inline-block; width:100px; height:15px;"></span>	PAN <span style="border:1px solid black; display:inline-block; width:50px; height:15px;"></span>	
Additional Amount Paid (₹) <span style="border:1px solid black; display:inline-block; width:100px; height:15px;"></span>	Bank & Branch <span style="border:1px solid black; display:inline-block; width:100px; height:15px;"></span>	<b>Stamp &amp; Signature of Banker</b>
Cheque / DD/ASBA Bank A/c No. <span style="border:1px solid black; display:inline-block; width:100px; height:15px;"></span>		
Received from Mr./Ms. <span style="border:1px solid black; display:inline-block; width:100px; height:15px;"></span>		
Telephone / Mobile <span style="border:1px solid black; display:inline-block; width:100px; height:15px;"></span>	Email <span style="border:1px solid black; display:inline-block; width:100px; height:15px;"></span>	
<b>TEAR HERE</b>		
<b>XYZ LIMITED BID REVISION FORM</b>	<b>Acknowledgement of Syndicate Member / SCSB</b>	<b>Name of Sole / First Applicant</b>
No. of Equity Shares <span style="border:1px solid black; display:inline-block; width:100px; height:15px;"></span>	<input type="checkbox"/> Option 1 <input type="checkbox"/> Option 2 <input type="checkbox"/> Option 3	
Bid Price <span style="border:1px solid black; display:inline-block; width:100px; height:15px;"></span>		
Additional Amount Paid (₹) <span style="border:1px solid black; display:inline-block; width:100px; height:15px;"></span>		
Cheque / DD/ASBA Bank A/c No. <span style="border:1px solid black; display:inline-block; width:100px; height:15px;"></span>		
Bank & Branch <span style="border:1px solid black; display:inline-block; width:100px; height:15px;"></span>		
	<b>Acknowledgement Slip for Bidder</b>	
	<b>Bid cum Application Form No.</b> <span style="border:1px solid black; display:inline-block; width:50px; height:15px;"></span>	

Instructions to fill each field of the Revision Form can be found on the reverse side of the Revision Form. Other than instructions already highlighted at paragraph 4.1 above, point wise instructions regarding filling up various fields of the Revision Form are provided below:

**4.2.1 FIELDS 1, 2 AND 3: NAME AND CONTACT DETAILS OF SOLE/FIRST BIDDER/APPLICANT, PAN OF SOLE/FIRST BIDDER/APPLICANT & DEPOSITORY ACCOUNT DETAILS OF THE BIDDER/APPLICANT**

Bidders/Applicants should refer to instructions contained in paragraphs 4.1.1, 4.1.2 and 4.1.3.

#### 4.2.2 **FIELD 4 & 5: BID OPTIONS REVISION 'FROM' AND 'TO'**

- (a) Apart from mentioning the revised options in the Revision Form, the Bidder/Applicant must also mention the details of all the bid options given in his or her Bid cum Application Form or earlier Revision Form. For example, if a Bidder/Applicant has Bid for three options in the Bid cum Application Form and such Bidder/Applicant is changing only one of the options in the Revision Form, the Bidder/Applicant must still fill the details of the other two options that are not being revised, in the Revision Form. The members of the Syndicate, the Registered Brokers and the Designated Branches of the SCSBs may not accept incomplete or inaccurate Revision Forms.
- (b) In case of revision, Bid options should be provided by Bidders/Applicants in the same order as provided in the Bid cum Application Form.
- (c) In case of revision of Bids by RIIs, Employees and Retail Individual Shareholders, such Bidders/Applicants should ensure that the Bid Amount, subsequent to revision, does not exceed ₹200,000. In case the Bid Amount exceeds ₹200,000 due to revision of the Bid or for any other reason, the Bid may be considered, subject to eligibility, for allocation under the Non-Institutional Category, not being eligible for Discount (if applicable) and such Bid may be rejected if it is at the Cut-off Price. The Cut-off Price option is given only to the RIIs, Employees and Retail Individual Shareholders indicating their agreement to Bid for and purchase the Equity Shares at the Offer Price as determined at the end of the Book Building Process.
- (d) In case the total amount (i.e., original Bid Amount plus additional payment) exceeds ₹200,000, the Bid will be considered for allocation under the Non-Institutional Category in terms of the RHP/Prospectus. If, however, the RII does not either revise the Bid or make additional payment and the Offer Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares Bid for shall be adjusted downwards for the purpose of allocation, such that no additional payment would be required from the RII and the RII is deemed to have approved such revised Bid at Cut-off Price.
- (e) In case of a downward revision in the Price Band, RIIs and Bids by Employees under the Reservation Portion, who have bid at the Cut-off Price could either revise their Bid or the excess amount paid at the time of Bidding may be unblocked in case of ASBA Bidders or refunded from the Escrow Account in case of non-ASBA Bidder.

#### 4.2.3 **FIELD 6: PAYMENT DETAILS**

- (a) With respect to the Bids, other than Bids submitted by ASBA Bidders/Applicants, any revision of the Bid should be accompanied by payment in the form of cheque or demand draft for the amount, if any, to be paid on account of the upward revision of the Bid.
- (b) All Bidders/Applicants are required to make payment of the full Bid Amount (less Discount (if applicable) along with the Bid Revision Form. In case of Bidders/Applicants specifying more than one Bid Option in the Bid cum Application Form, the total Bid Amount may be calculated for the highest of three options at net price, i.e. Bid price less discount offered, if any.
- (c) In case of Bids submitted by ASBA Bidder/Applicant, Bidder/Applicant may Offer instructions to block the revised amount based on cap of the revised Price Band (adjusted for the Discount (if applicable) in the ASBA Account, to the same member of the Syndicate/Registered Broker or the same Designated Branch (as the case may be) through whom such Bidder/Applicant had placed the original Bid to enable the relevant SCSB to block the additional Bid Amount, if any.
- (d) In case of Bids, other than ASBA Bids, Bidder/Applicant, may make additional payment based on the cap of the revised Price Band (such that the total amount i.e., original Bid Amount plus additional payment does not exceed ₹200,000 if the Bidder/Applicant wants to

continue to Bid at the Cut-off Price), with the members of the Syndicate/Registered Broker to whom the original Bid was submitted.

- (e) In case the total amount (i.e., original Bid Amount less discount (if applicable) plus additional payment) exceeds ₹200,000, the Bid may be considered for allocation under the Non-Institutional Category in terms of the RHP/Prospectus. If, however, the Bidder/Applicant does not either revise the Bid or make additional payment and the Offer Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares Bid for may be adjusted downwards for the purpose of Allotment, such that no additional payment is required from the Bidder/Applicant and the Bidder/Applicant is deemed to have approved such revised Bid at the Cut-off Price.
- (f) In case of a downward revision in the Price Band, RIIs, Employees and Retail Individual Shareholders, who have bid at the Cut-off Price, could either revise their Bid or the excess amount paid at the time of Bidding may be unblocked in case of ASBA Bidders/Applicants or refunded from the Escrow Account in case of non-ASBA Bidder/Applicant.

#### 4.2.4 **FIELDS 7 : SIGNATURES AND ACKNOWLEDGEMENTS**

Bidders/Applicants may refer to instructions contained at paragraphs 4.1.8 and 4.1.9 for this purpose.

### 4.3 **INSTRUCTIONS FOR FILING APPLICATION FORM IN ISSUES MADE OTHER THAN THROUGH THE BOOK BUILDING PROCESS (FIXED PRICE ISSUE)**

#### 4.3.1 **FIELDS 1, 2, 3 NAME AND CONTACT DETAILS OF SOLE/FIRST BIDDER/APPLICANT, PAN OF SOLE/FIRST BIDDER/APPLICANT & DEPOSITORY ACCOUNT DETAILS OF THE BIDDER/APPLICANT**

Applicants should refer to instructions contained in paragraphs 4.1.1, 4.1.2 and 4.1.3.

#### 4.3.2 **FIELD 4: PRICE, APPLICATION QUANTITY & AMOUNT**

- (a) The Issuer may mention Price or Price Band in the draft Prospectus. However a prospectus registered with RoC contains one price or coupon rate (as applicable).
- (b) **Minimum Application Value and Bid Lot:** The Issuer in consultation with the Lead Manager to the Offer (LM) may decide the minimum number of Equity Shares for each Bid to ensure that the minimum application value is within the range of ₹10,000 to ₹15,000. The minimum Lot size is accordingly determined by an Issuer on basis of such minimum application value.
- (c) Applications by RIIs, Employees and Retail Individual Shareholders, must be for such number of shares so as to ensure that the application amount payable does not exceed ₹200,000.
- (d) Applications by other investors must be for such minimum number of shares such that the application amount exceeds ₹200,000 and in multiples of such number of Equity Shares thereafter, as may be disclosed in the application form and the Prospectus, or as advertised by the Issuer, as the case may be.
- (e) An application cannot be submitted for more than the Offer size.
- (f) The maximum application by any Applicant should not exceed the investment limits prescribed for them under the applicable laws.
- (g) **Multiple Applications:** An Applicant should submit only one Application Form. Submission of a second Application Form to either the same or to Collection Bank(s) or SCSB and duplicate copies of Application Forms bearing the same application number shall be treated as multiple applications and are liable to be rejected.
- (h) Applicants are requested to note the following procedures may be followed by the Registrar to the Offer to detect multiple applications:

- i. All applications may be checked for common PAN as per the records of the Depository. For Applicants other than Mutual Funds and FII sub-accounts, Bids bearing the same PAN may be treated as multiple applications by a Bidder/Applicant and may be rejected.
  - ii. For applications from Mutual Funds and FII sub-accounts, submitted under the same PAN, as well as Bids on behalf of the PAN Exempted Applicants, the Application Forms may be checked for common DP ID and Client ID. In any such applications which have the same DP ID and Client ID, these may be treated as multiple applications and may be rejected.
- (i) The following applications may not be treated as multiple Bids:
- i. Applications by Reserved Categories in their respective reservation portion as well as that made by them in the Offer portion in public category.
  - ii. Separate applications by Mutual Funds in respect of more than one scheme of the Mutual Fund provided that the Applications clearly indicate the scheme for which the Bid has been made.
  - iii. Applications by Mutual Funds, and sub-accounts of FIIs (or FIIs and its sub-accounts) submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs.

#### 4.3.3 **FIELD NUMBER 5 : CATEGORY OF APPLICANTS**

- (a) The categories of applicants identified as per the SEBI ICDR Regulations, 2009 for the purpose of Bidding, allocation and Allotment in the Offer are RIIs, individual applicants other than RII's and other investors (including corporate bodies or institutions, irrespective of the number of specified securities applied for).
- (b) An Issuer can make reservation for certain categories of Applicants permitted under the SEBI ICDR Regulations, 2009. For details of any reservations made in the Offer, applicants may refer to the Prospectus.
- (c) The SEBI ICDR Regulations, 2009 specify the allocation or Allotment that may be made to various categories of applicants in an Offer depending upon compliance with the eligibility conditions. Details pertaining to allocation are disclosed on reverse side of the Revision Form. For Offer specific details in relation to allocation applicant may refer to the Prospectus.

#### 4.3.4 **FIELD NUMBER 6: INVESTOR STATUS**

Applicants should refer to instructions contained in paragraphs 4.1.6.

#### 4.3.5 **FIELD 7: PAYMENT DETAILS**

- (a) All Applicants are required to make payment of the full Amount (net of any Discount, as applicable) along-with the Application Form. If the Discount is applicable in the Offer, the RIIs should indicate the full Amount in the Application Form and the payment shall be made for an Amount net of Discount. Only in cases where the Prospectus indicates that part payment may be made, such an option can be exercised by the Applicant.
- (b) RIIs and/or Reserved Categories Bidding in their respective reservation portion can Bid, either through the ASBA mechanism or by paying the Bid Amount through a cheque or a demand draft ("Non-ASBA Mechanism").
- (c) Application Amount cannot be paid in cash, through money order or through postal order or through stock invest.

#### 4.3.5.1 Instructions for non-ASBA Applicants:

- (a) Non-ASBA Applicants may submit their Application Form with the Collection Bank(s).
- (b) For Applications made through a Collection Bank(s): The Applicant may, with the submission of the Application Form, draw a cheque or demand draft for the Bid Amount in favour of the Escrow Account as specified under the Prospectus and the Application Form and submit the same to the Escrow Collection Bank(s).
- (c) If the cheque or demand draft accompanying the Application Form is not made favouring the Escrow Account, the form is liable to be rejected.
- (d) Payments should be made by cheque, or demand draft drawn on any bank (including a co-operative bank), which is situated at, and is a member of or sub-member of the bankers' clearing house located at the centre where the Application Form is submitted. Cheques/bank drafts drawn on banks not participating in the clearing process may not be accepted and applications accompanied by such cheques or bank drafts are liable to be rejected.
- (e) The Escrow Collection Banks shall maintain the monies in the Escrow Account for and on behalf of the Applicants until the Designated Date.
- (f) Applicants are advised to provide the number of the Application Form and PAN on the reverse of the cheque or bank draft to avoid any possible misuse of instruments submitted.

#### 4.3.5.2 Payment instructions for ASBA Applicants

- (a) ASBA Applicants may submit the Application Form in physical mode to the Designated Branch of an SCSB where the Applicants have ASBA Account.
- (b) ASBA Applicants may specify the Bank Account number in the Application Form. The Application Form submitted by an ASBA Applicant and which is accompanied by cash, demand draft, money order, postal order or any mode of payment other than blocked amounts in the ASBA Account maintained with an SCSB, may not be accepted.
- (c) Applicants should ensure that the Application Form is also signed by the ASBA Account holder(s) if the Applicant is not the ASBA Account holder;
- (d) Applicants shall note that for the purpose of blocking funds under ASBA facility clearly demarcated funds shall be available in the account.
- (e) From one ASBA Account, a maximum of five Bids cum Application Forms can be submitted.
- (f) ASBA Applicants Bidding directly through the SCSBs should ensure that the Application Form is submitted to a Designated Branch of a SCSB where the ASBA Account is maintained.
- (g) Upon receipt of the Application Form, the Designated Branch of the SCSB may verify if sufficient funds equal to the Application Amount are available in the ASBA Account, as mentioned in the Application Form.
- (h) If sufficient funds are available in the ASBA Account, the SCSB may block an amount equivalent to the Application Amount mentioned in the Application Form and may upload the details on the Stock Exchange Platform.
- (i) If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB may not upload such Applications on the Stock Exchange platform and such Applications are liable to be rejected.
- (j) Upon submission of a completed Application Form each ASBA Applicant may be deemed to have agreed to block the entire Application Amount and authorized the Designated Branch of the SCSB to block the Application Amount specified in the Application Form in the ASBA Account maintained with the SCSBs.

- (k) The Application Amount may remain blocked in the aforesaid ASBA Account until finalisation of the Basis of Allotment and consequent transfer of the Application Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal or failure of the Offer, or until withdrawal or rejection of the Application, as the case may be.
- (l) SCSBs applying in the Offer must apply through an ASBA Account maintained with any other SCSB; else their Applications are liable to be rejected.

**4.3.5.3 Unblocking of ASBA Account**

- (a) Once the Basis of Allotment is approved by the Designated Stock Exchange, the Registrar to the Offer may provide the following details to the controlling branches of each SCSB, along with instructions to unblock the relevant bank accounts and for successful applications transfer the requisite money to the Public Issue Account designated for this purpose, within the specified timelines: (i) the number of Equity Shares to be Allotted against each Application, (ii) the amount to be transferred from the relevant bank account to the Public Issue Account, for each Application, (iii) the date by which funds referred to in (ii) above may be transferred to the Public Issue Account, and (iv) details of rejected ASBA Applications, if any, along with reasons for rejection and details of withdrawn or unsuccessful Applications, if any, to enable the SCSBs to unblock the respective bank accounts.
- (b) On the basis of instructions from the Registrar to the Offer, the SCSBs may transfer the requisite amount against each successful ASBA Application to the Public Issue Account and may unblock the excess amount, if any, in the ASBA Account.
- (c) In the event of withdrawal or rejection of the Application Form and for unsuccessful Applications, the Registrar to the Offer may give instructions to the SCSB to unblock the Application Amount in the relevant ASBA Account within 12 Working Days of the Offer Closing Date.

**4.3.5.4 Discount (if applicable)**

- (a) The Discount is stated in absolute rupee terms.
- (b) RIIs, Employees and Retail Individual Shareholders are only eligible for discount. For Discounts offered in the Offer, applicants may refer to the Prospectus.
- (c) The Applicants entitled to the applicable Discount in the Offer may make payment for an amount i.e. the Application Amount less Discount (if applicable).

**4.3.6 FIELD NUMBER 8: SIGNATURES AND OTHER AUTHORISATIONS & ACKNOWLEDGEMENT AND FUTURE COMMUNICATION**

Applicants should refer to instructions contained in paragraphs 4.1.8 & 4.1.9.

**4.4 SUBMISSION OF BID CUM APPLICATION FORM/REVISION FORM/APPLICATION FORM**

**4.4.1 Bidders/Applicants may submit completed Bid cum application form/Revision Form in the following manner:-**

Mode of Application	Submission of Bid cum Application Form
Non-ASBA Application	1) To members of the Syndicate at the Specified Locations mentioned in the Bid cum Application Form
	2) To Registered Brokers
ASBA Application	1) To members of the Syndicate in the Specified Locations or Registered Brokers at the Broker Centres
	2) To the Designated Branches of the SCSBs where the ASBA Account

Mode of Application	Submission of Bid cum Application Form
	is maintained

- (a) Bidders/Applicants should not submit the bid cum application forms/Revision Form directly to the Escrow Collection Banks. Bid cum Application Form/Revision Form submitted to the Escrow Collection Banks are liable for rejection.
- (b) Bidders/Applicants should submit the Revision Form to the same member of the Syndicate, the Registered Broker or the SCSB through which such Bidder/Applicant had placed the original Bid.
- (c) Upon submission of the Bid cum Application Form, the Bidder/Applicant will be deemed to have authorized the Issuer to make the necessary changes in the RHP and the Bid cum Application Form as would be required for filing Prospectus with the RoC and as would be required by the RoC after such filing, without prior or subsequent notice of such changes to the relevant Bidder/Applicant.
- (d) Upon determination of the Offer Price and filing of the Prospectus with the RoC, the Bid cum Application Form will be considered as the application form.

### **SECTION 5: ISSUE PROCEDURE IN BOOK BUILT ISSUE**

Book Building, in the context of the Offer, refers to the process of collection of Bids within the Price Band or above the Floor Price and determining the Offer Price based on the Bids received as detailed in Schedule XI of SEBI ICDR Regulations, 2009. The Offer Price is finalised after the Bid/Offer Closing Date. Valid Bids received at or above the Offer Price are considered for allocation in the Offer, subject to applicable regulations and other terms and conditions.

#### **5.1 SUBMISSION OF BIDS**

- (a) During the Bid/Offer Period, ASBA Bidders/Applicants may approach the members of the Syndicate at the Specified Cities or any of the Registered Brokers or the Designated Branches to register their Bids. Non-ASBA Bidders/Applicants who are interested in subscribing for the Equity Shares should approach the members of the Syndicate or any of the Registered Brokers, to register their Bid.
- (b) Non-ASBA Bidders/Applicants (RIIs, Employees and Retail Individual Shareholders) Bidding at Cut-off Price may submit the Bid cum Application Form along with a cheque/demand draft for the Bid Amount less discount (if applicable) based on the Cap Price with the members of the Syndicate/any of the Registered Brokers to register their Bid.
- (c) In case of ASBA Bidders/Applicants (excluding NIIs and QIBs) Bidding at Cut-off Price, the ASBA Bidders/Applicants may instruct the SCSBs to block Bid Amount based on the Cap Price less discount (if applicable). ASBA Bidders/Applicants may approach the members of the Syndicate or any of the Registered Brokers or the Designated Branches to register their Bids.
- (d) For Details of the timing on acceptance and upload of Bids in the Stock Exchanges Platform Bidders/Applicants are requested to refer to the RHP.

#### **5.2 ELECTRONIC REGISTRATION OF BIDS**

- (a) The Syndicate, the Registered Brokers and the SCSBs may register the Bids using the on-line facilities of the Stock Exchanges. The Syndicate, the Registered Brokers and the Designated Branches of the SCSBs can also set up facilities for off-line electronic registration of Bids, subject to the condition that they may subsequently upload the off-line data file into the on-line facilities for Book Building on a regular basis before the closure of the issue.



- (b) On the Bid/Offer Closing Date, the Syndicate, the Registered Broker and the Designated Branches of the SCSBs may upload the Bids till such time as may be permitted by the Stock Exchanges.
- (c) Only Bids that are uploaded on the Stock Exchanges Platform are considered for allocation/Allotment. The members of the Syndicate, the Registered Brokers and the SCSBs are given up to one day after the Bid/Offer Closing Date to modify select fields uploaded in the Stock Exchange Platform during the Bid/Offer Period after which the Stock Exchange(s) send the bid information to the Registrar for validation of the electronic bid details with the Depository's records.

### **5.3 BUILD UP OF THE BOOK**

- (a) Bids received from various Bidders/Applicants through the Syndicate, Registered Brokers and the SCSBs may be electronically uploaded on the Bidding Platform of the Stock Exchanges' on a regular basis. The book gets built up at various price levels. This information may be available with the BRLMs at the end of the Bid/Offer Period.
- (b) Based on the aggregate demand and price for Bids registered on the Stock Exchanges Platform, a graphical representation of consolidated demand and price as available on the websites of the Stock Exchanges may be made available at the Bidding centres during the Bid/Offer Period.

### **5.4 WITHDRAWAL OF BIDS**

- (a) RIIs can withdraw their Bids until finalization of Basis of Allotment. In case a RII applying through the ASBA process wishes to withdraw the Bid during the Bid/Offer Period, the same can be done by submitting a request for the same to the concerned SCSB or the Syndicate Member or the Registered Broker, as applicable, who shall do the requisite, including unblocking of the funds by the SCSB in the ASBA Account.
- (b) In case a RII wishes to withdraw the Bid after the Bid/Offer Period, the same can be done by submitting a withdrawal request to the Registrar to the Offer until finalization of Basis of Allotment. The Registrar to the Offer shall give instruction to the SCSB for unblocking the ASBA Account on the Designated Date. QIBs and NIIs can neither withdraw nor lower the size of their Bids at any stage.

### **5.5 REJECTION & RESPONSIBILITY FOR UPLOAD OF BIDS**

- (a) The members of the Syndicate, the Registered Broker and/or SCSBs are individually responsible for the acts, mistakes or errors or omission in relation to
  - i. the Bids accepted by the members of the Syndicate, the Registered Broker and the SCSBs,
  - ii. the Bids uploaded by the members of the Syndicate, the Registered Broker and the SCSBs,
  - iii. the Bid cum application forms accepted but not uploaded by the members of the Syndicate, the Registered Broker and the SCSBs, or
  - iv. with respect to Bids by ASBA Bidders/Applicants, Bids accepted and uploaded by SCSBs without blocking funds in the ASBA Accounts. It may be presumed that for Bids uploaded by the SCSBs, the Bid Amount has been blocked in the relevant Account.
- (b) The BRLMs and their affiliate Syndicate Members, as the case may be, may reject Bids if all the information required is not provided and the Bid cum Application Form is incomplete in any respect.
- (c) The SCSBs shall have no right to reject Bids, except in case of unavailability of adequate funds in the ASBA account or on technical grounds.

- (d) In case of QIB Bidders, only the (i) SCSBs (for Bids other than the Bids by Anchor Investors); and (ii) BRLMs and their affiliate Syndicate Members (only in the Specified Locations) have the right to reject bids. However, such rejection shall be made at the time of receiving the Bid and only after assigning a reason for such rejection in writing.
- (e) All bids by QIBs, NIIs & RIIs Bids can be rejected on technical grounds listed herein.

#### 5.5.1 **GROUND FOR TECHNICAL REJECTIONS**

Bid cum Application Forms/Application Form can be rejected on the below mentioned technical grounds either at the time of their submission to the (i) authorised agents of the BRLMs, (ii) Registered Brokers, or (iii) SCSBs, or (iv) Collection Bank(s), or at the time of finalisation of the Basis of Allotment. Bidders/Applicants are advised to note that the Bids/Applications are liable to be rejected, inter-alia, on the following grounds, which have been detailed at various places in this GID:-

- (a) Bid/Application by persons not competent to contract under the Indian Contract Act, 1872, as amended, (other than minors having valid Depository Account as per Demographic Details provided by Depositories);
- (b) Bids/Applications by OCBs; and
- (c) In case of partnership firms, Bid/Application for Equity Shares made in the name of the firm. However, a limited liability partnership can apply in its own name;
- (d) In case of Bids/Applications under power of attorney or by limited companies, corporate, trust etc., relevant documents are not being submitted along with the Bid cum application form/Application Form;
- (e) Bids/Applications by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;
- (f) Bids/Applications by persons in the United States excluding persons who are a U.S. QIB (as defined in this Draft Red Herring Prospectus);
- (g) Bids/Applications by any person outside India if not in compliance with applicable foreign and Indian laws;
- (h) DP ID and Client ID not mentioned in the Bid cum Application Form/Application Form;
- (i) PAN not mentioned in the Bid cum Application Form/Application Form except for Bids/Applications by or on behalf of the Central or State Government and officials appointed by the court and by the investors residing in the State of Sikkim, provided such claims have been verified by the Depository Participant;
- (j) In case no corresponding record is available with the Depositories that matches the DP ID, the Client ID and the PAN;
- (k) Bids/Applications for lower number of Equity Shares than the minimum specified for that category of investors;
- (l) Bids/Applications at a price less than the Floor Price & Bids/Applications at a price more than the Cap Price;
- (m) Bids/Applications at Cut-off Price by NIIs and QIBs;
- (n) Amount paid does not tally with the amount payable for the highest value of Equity Shares Bid for. With respect to Bids/Applications by ASBA Bidders, the amounts mentioned in the Bid cum Application Form/Application Form does not tally with the amount payable for the value of the Equity Shares Bid/Applied for;
- (o) Bids/Applications for amounts greater than the maximum permissible amounts prescribed by the regulations;

- (p) In relation to ASBA Bids/Applications, submission of more than five Bid cum Application Forms/Application Form as per ASBA Account;
- (q) Bids/Applications for a Bid/Application Amount of more than ₹200,000 by RIIs by applying through non-ASBA process;
- (r) Bids/Applications for number of Equity Shares which are not in multiples Equity Shares which are not in multiples as specified in the RHP;
- (s) Multiple Bids/Applications as defined in this GID and the RHP/Prospectus;
- (t) Bid cum Application Forms/Application Forms are not delivered by the Bidders/Applicants within the time prescribed as per the Bid cum Application Forms/Application Form, Bid/Offer Opening Date advertisement and as per the instructions in the RHP and the Bid cum Application Forms;
- (u) With respect to ASBA Bids/Applications, inadequate funds in the bank account to block the Bid/Application Amount specified in the Bid cum Application Form/Application Form at the time of blocking such Bid/Application Amount in the bank account;
- (v) Bids/Applications where sufficient funds are not available in Escrow Accounts as per final certificate from the Escrow Collection Banks;
- (w) With respect to ASBA Bids/Applications, where no confirmation is received from SCSB for blocking of funds;
- (x) Bids/Applications by QIBs (other than Anchor Investors) and Non-Institutional Bidders not submitted through ASBA process or Bids/Applications by QIBs (other than Anchor Investors) and Non-Institutional Bidders accompanied with cheque(s) or demand draft(s);
- (y) ASBA Bids/Applications submitted to a BRLM at locations other than the Specified Cities and Bid cum Application Forms/Application Forms, under the ASBA process, submitted to the Escrow Collecting Banks (assuming that such bank is not a SCSB where the ASBA Account is maintained), to the issuer or the Registrar to the Offer;
- (z) Bids/Applications not uploaded on the terminals of the Stock Exchanges;
- (aa) Bids/Applications by SCSBs wherein a separate account in its own name held with any other SCSB is not mentioned as the ASBA Account in the Bid cum Application Form/Application Form.

## **5.6 BASIS OF ALLOCATION**

- (a) The SEBI ICDR Regulations, 2009 specify the allocation or Allotment that may be made to various categories of Bidders/Applicants in an Offer depending on compliance with the eligibility conditions. Certain details pertaining to the percentage of Offer size available for allocation to each category is disclosed overleaf of the Bid cum Application Form and in the RHP/Prospectus. For details in relation to allocation, the Bidder/Applicant may refer to the RHP/Prospectus.
- (b) Under-subscription in Retail category is allowed to be met with spill-over from any other category or combination of categories at the discretion of the Issuer in consultation with the BRLMs and the Designated Stock Exchange and in accordance with the SEBI ICDR Regulations, 2009. Unsubscribed portion in QIB Category is not available for subscription to other categories.
- (c) In case of under subscription in the Offer, spill-over to the extent of such under-subscription may be permitted from the Reserved Portion to the Offer. For allocation in the event of an under-subscription applicable to the Issuer, Bidders/Applicants may refer to the RHP.

(d) **Illustration of the Book Building and Price Discovery Process**

*Bidders should note that this example is solely for illustrative purposes and is not specific to the Offer; it also excludes Bidding by Anchor Investors.*

Bidders can bid at any price within the Price Band. For instance, assume a Price Band of ₹20 to ₹24 per share, Offer size of 3,000 Equity Shares and receipt of five Bids from Bidders, details of which are shown in the table below. The illustrative book given below shows the demand for the Equity Shares of the Issuer at various prices and is collated from Bids received from various investors.

Bid Quantity	Bid Amount (₹)	Cumulative Quantity	Subscription
500	24	500	16.67%
1,000	23	1,500	50.00%
1,500	22	3,000	100.00%
2,000	21	5,000	166.67%
2,500	20	7,500	250.00%

The price discovery is a function of demand at various prices. The highest price at which the Issuer is able to Offer the desired number of Equity Shares is the price at which the book cuts off, i.e., ₹22.00 in the above example. The Issuer, in consultation with the BRLMs, may finalise the Offer Price at or below such Cut-Off Price, i.e., at or below ₹22.00. All Bids at or above the Offer Price and cut-off Bids are valid Bids and are considered for allocation in the respective categories.

(e) **Alternate Method of Book Building**

In case of FPOs, Issuers may opt for an alternate method of Book Building in which only the Floor Price is specified for the purposes of Bidding (“**Alternate Book Building Process**”).

The Issuer may specify the Floor Price in the RHP or advertise the Floor Price at least one Working Day prior to the Bid/Offer Opening Date. QIBs may Bid at a price higher than the Floor Price and the Allotment to the QIBs is made on a price priority basis. The Bidder with the highest Bid Amount is allotted the number of Equity Shares Bid for and then the second highest Bidder is Allotted Equity Shares and this process continues until all the Equity Shares have been allotted. RIIs, NIIs and Employees are Allotted Equity Shares at the Floor Price and Allotment to these categories of Bidders is made proportionately. If the number of Equity Shares Bid for at a price is more than available quantity then the Allotment may be done on a proportionate basis. Further, the Issuer may place a cap either in terms of number of specified securities or percentage of issued capital of the Issuer that may be Allotted to a single Bidder, decide whether a Bidder be allowed to revise the bid upwards or downwards in terms of price and/or quantity and also decide whether a Bidder be allowed single or multiple bids.

## **SECTION 6: ISSUE PROCEDURE IN FIXED PRICE ISSUE**

**Applicants may note that there is no Bid cum Application Form in a Fixed Price Offer.** As the Offer Price is mentioned in the Fixed Price Offer therefore on filing of the Prospectus with the RoC, the Application so submitted is considered as the application form.

Applicants may only use the specified Application Form for the purpose of making an Application in terms of the Prospectus which may be submitted through Syndicate Members/SCSB and/or Bankers to the Offer or Registered Broker.

ASBA Applicants may submit an Application Form either in physical form to the Syndicate Members or Registered Brokers or the Designated Branches of the SCSBs or in the electronic form to the SCSB or the Designated Branches of the SCSBs authorising blocking of funds that are available in the bank account specified in the Application Form only (“ASBA Account”). The Application Form is also made available on the websites of the Stock Exchanges at least one day prior to the Bid/Offer Opening Date.

In a fixed price Offer, allocation in the net offer to the public category is made as follows: minimum fifty per cent to Retail Individual Investors; and remaining to (i) individual investors other than Retail Individual

Investors; and (ii) other Applicants including corporate bodies or institutions, irrespective of the number of specified securities applied for. The unsubscribed portion in either of the categories specified above may be allocated to the Applicants in the other category.

For details of instructions in relation to the Application Form, Bidders/Applicants may refer to the relevant section of the GID.

## **SECTION 7: ALLOTMENT PROCEDURE AND BASIS OF ALLOTMENT**

The Allotment of Equity Shares to Bidders/Applicants other than Retail Individual Investors and Anchor Investors may be on proportionate basis. For Basis of Allotment to Anchor Investors, Bidders/Applicants may refer to RHP/Prospectus. No Retail Individual Investor is will be Allotted less than the minimum Bid Lot subject to availability of shares in Retail Individual Investor Category and the remaining available shares, if any will be Allotted on a proportionate basis. The Issuer is required to receive a minimum subscription of 90% of the Offer (excluding any Offer for Sale of specified securities). However, in case the Offer is in the nature of Offer for Sale only, then minimum subscription may not be applicable.

### **7.1 ALLOTMENT TO RIIs**

Bids received from the RIIs at or above the Offer Price may be grouped together to determine the total demand under this category. If the aggregate demand in this category is less than or equal to the Retail Category at or above the Offer Price, full Allotment may be made to the RIIs to the extent of the valid Bids. If the aggregate demand in this category is greater than the allocation to in the Retail Category at or above the Offer Price, then the maximum number of RIIs who can be Allotted the minimum Bid Lot will be computed by dividing the total number of Equity Shares available for Allotment to RIIs by the minimum Bid Lot (“**Maximum RII Allottees**”). The Allotment to the RIIs will then be made in the following manner:

- (a) In the event the number of RIIs who have submitted valid Bids in the Offer is equal to or less than Maximum RII Allottees, (i) all such RIIs shall be Allotted the minimum Bid Lot; and (ii) the balance available Equity Shares, if any, remaining in the Retail Category shall be Allotted on a proportionate basis to the RIIs who have received Allotment as per (i) above for the balance demand of the Equity Shares Bid by them (i.e. who have Bid for more than the minimum Bid Lot).
- (b) In the event the number of RIIs who have submitted valid Bids in the Offer is more than Maximum RII Allottees, the RIIs (in that category) who will then be Allotted minimum Bid Lot shall be determined on the basis of draw of lots.

### **7.2 ALLOTMENT TO NIIs**

Bids received from NIIs at or above the Offer Price may be grouped together to determine the total demand under this category. The Allotment to all successful NIIs may be made at or above the Offer Price. If the aggregate demand in this category is less than or equal to the Non-Institutional Category at or above the Offer Price, full Allotment may be made to NIIs to the extent of their demand. In case the aggregate demand in this category is greater than the Non-Institutional Category at or above the Offer Price, Allotment may be made on a proportionate basis up to a minimum of the Non-Institutional Category.

### **7.3 ALLOTMENT TO QIBs**

For the Basis of Allotment to Anchor Investors, Bidders/Applicants may refer to the SEBI ICDR Regulations, 2009 or RHP/Prospectus. Bids received from QIBs Bidding in the QIB Category (net of Anchor Portion) at or above the Offer Price may be grouped together to determine the total demand under this category. The QIB Category may be available for Allotment to QIBs who have Bid at a price that is equal to or greater than the Offer Price. Allotment may be undertaken in the following manner:

- (a) In the first instance allocation to Mutual Funds for up to 5% of the QIB Category may be determined as follows: (i) In the event that Bids by Mutual Fund exceeds 5% of the QIB Category, allocation to Mutual Funds may be done on a proportionate basis for up to 5% of the QIB Category; (ii) In the event that the aggregate demand from Mutual Funds is less than 5% of the QIB Category then all Mutual Funds may get full Allotment to the extent of valid

Bids received above the Offer Price; and (iii) Equity Shares remaining unsubscribed, if any and not allocated to Mutual Funds may be available for Allotment to all QIBs as set out at paragraph 7.4(b) below;

- (b) In the second instance, Allotment to all QIBs may be determined as follows: (i) In the event of oversubscription in the QIB Category, all QIBs who have submitted Bids above the Offer Price may be Allotted Equity Shares on a proportionate basis for up to 95% of the QIB Category; (ii) Mutual Funds, who have received allocation as per (a) above, for less than the number of Equity Shares Bid for by them, are eligible to receive Equity Shares on a proportionate basis along with other QIBs; and (iii) Under-subscription below 5% of the QIB Category, if any, from Mutual Funds, may be included for allocation to the remaining QIBs on a proportionate basis.

#### **7.4 ALLOTMENT TO ANCHOR INVESTOR (IF APPLICABLE)**

- (a) Allocation of Equity Shares to Anchor Investors at the Anchor Investor Offer Price will be at the discretion of the issuer in consultation with the Selling Shareholder and the BRLMs, subject to compliance with the following requirements:
- i. not more than 60% of the QIB Category will be allocated to Anchor Investors;
  - ii. one-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors; and
  - iii. allocation to Anchor Investors shall be on a discretionary basis and subject to:
    - a maximum number of two Anchor Investors for allocation up to ₹10 crores;
    - a minimum number of two Anchor Investors and maximum number of 15 Anchor Investors for allocation of more than ₹10 crores and up to ₹250 crores subject to minimum Allotment of ₹5 crores per such Anchor Investor;
    - In case of allocation above ₹250 crores, a minimum of five Anchor Investors and a maximum of 15 Anchor Investors for allocation up to ₹250 crores; and an additional 10 Anchor Investors for every additional ₹250 crores or part thereof, subject to minimum allotment of ₹5 crore per Anchor Investor.
- (b) A physical book is prepared by the Registrar on the basis of the Bid cum Application Forms received from Anchor Investors. Based on the physical book and at the discretion of the issuer in consultation with the BRLMs, selected Anchor Investors will be sent a CAN and if required, a revised CAN.
- (c) **In the event that the Offer Price is higher than the Anchor Investor Offer Price:** Anchor Investors will be sent a revised CAN within one day of the Pricing Date indicating the number of Equity Shares allocated to such Anchor Investor and the pay-in date for payment of the balance amount. Anchor Investors are then required to pay any additional amounts, being the difference between the Offer Price and the Anchor Investor Offer Price, as indicated in the revised CAN within the pay-in date referred to in the revised CAN. Thereafter, the Allotment Advice will be issued to such Anchor Investors.
- (d) **In the event the Offer Price is lower than the Anchor Investor Offer Price:** Anchor Investors who have been Allotted Equity Shares will directly receive Allotment Advice.

#### **7.5 BASIS OF ALLOTMENT FOR QIBs (OTHER THAN ANCHOR INVESTORS), NIIs AND RESERVED CATEGORY IN CASE OF OVER-SUBSCRIBED ISSUE**

In the event of the Offer being over-subscribed, the Issuer may finalise the Basis of Allotment in consultation with the Designated Stock Exchange in accordance with the SEBI ICDR Regulations, 2009.

The allocation may be made in marketable lots, on a proportionate basis as explained below:

- (a) Bidders may be categorized according to the number of Equity Shares applied for;
- (b) The total number of Equity Shares to be Allotted to each category as a whole may be arrived at on a proportionate basis, which is the total number of Equity Shares applied for in that category (number of Bidders in the category multiplied by the number of Equity Shares applied for) multiplied by the inverse of the over-subscription ratio;
- (c) The number of Equity Shares to be Allotted to the successful Bidders may be arrived at on a proportionate basis, which is total number of Equity Shares applied for by each Bidder in that category multiplied by the inverse of the over-subscription ratio;
- (d) In all Bids where the proportionate Allotment is less than the minimum Bid Lot decided per Bidder, the Allotment may be made as follows: the successful Bidders out of the total Bidders for a category may be determined by a draw of lots in a manner such that the total number of Equity Shares Allotted in that category is equal to the number of Equity Shares calculated in accordance with (b) above; and each successful Bidder may be Allotted a minimum of such Equity Shares equal to the minimum Bid Lot finalised by the Issuer;
- (e) If the proportionate Allotment to a Bidder is a number that is more than the minimum Bid lot but is not a multiple of one (which is the marketable lot), the decimal may be rounded off to the higher whole number if that decimal is 0.5 or higher. If that number is lower than 0.5 it may be rounded off to the lower whole number. Allotment to all Bidders in such categories may be arrived at after such rounding off; and
- (f) If the Equity Shares allocated on a proportionate basis to any category are more than the Equity Shares Allotted to the Bidders in that category, the remaining Equity Shares available for Allotment may be first adjusted against any other category, where the Allotted Equity Shares are not sufficient for proportionate Allotment to the successful Bidders in that category. The balance Equity Shares, if any, remaining after such adjustment may be added to the category comprising Bidders applying for minimum number of Equity Shares.

## 7.6 DESIGNATED DATE AND ALLOTMENT OF EQUITY SHARES

- (a) **Designated Date:** On the Designated Date, the Escrow Collection Banks shall transfer the funds represented by allocation of Equity Shares (other than ASBA funds with the SCSBs) from the Escrow Account, as per the terms of the Escrow Agreement, into the Public Issue Account with the Bankers to the Offer. The balance amount after transfer to the Public Issue Account shall be transferred to the Refund Account. Payments of refund to the Bidders shall also be made from the Refund Account as per the terms of the Escrow Agreement and the RHP.
- (b) **Issuance of Allotment Advice:** Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall upload the same on its website. On the basis of the approved Basis of Allotment, the Issuer shall pass necessary corporate action to facilitate the Allotment and credit of Equity Shares. Bidders/Applicants **are advised to instruct their Depository Participant to accept the Equity Shares that may be allotted to them pursuant to the Offer.**

Pursuant to confirmation of such corporate actions, the Registrar will dispatch Allotment Advice to the Bidders/Applicants who have been Allotted Equity Shares in the Offer.
- (c) The dispatch of Allotment Advice shall be deemed a valid, binding and irrevocable contract.
- (d) Issuer will ensure that: (i) the Allotment of Equity Shares; and (ii) credit of shares to the successful Bidders/Applicants Depository Account will be completed within 12 Working Days of the Bid/Offer Closing Date. The Issuer also ensures the credit of shares to the successful Applicant's depository account is completed within two Working Days from the date of Allotment, after the funds are transferred from the Escrow Account to the Public Issue Account on the Designated Date.

## **SECTION 8: INTEREST AND REFUNDS**

### **8.1 COMPLETION OF FORMALITIES FOR LISTING & COMMENCEMENT OF TRADING**

The Issuer may ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges are taken within 12 Working Days of the Bid/Offer Closing Date. The Registrar to the Offer may give instructions for credit to Equity Shares the beneficiary account with DPs, and dispatch the Allotment Advice within 12 Working Days of the Bid/Offer Closing Date.

### **8.2 GROUNDS FOR REFUND**

#### **8.2.1 NON RECEIPT OF LISTING PERMISSION**

An Issuer makes an application to the Stock Exchange(s) for permission to deal in/list and for an official quotation of the Equity Shares. All the Stock Exchanges from where such permission is sought are disclosed in RHP/Prospectus. The Designated Stock Exchange may be as disclosed in the RHP/Prospectus with which the Basis of Allotment may be finalised.

If the Issuer fails to make application to the Stock Exchange(s) or obtain permission for listing of the Equity Shares, in accordance with the provisions of Section 40 of the Companies Act, 2013, the Issuer shall be punishable with a fine which shall not be less than ₹5 lakhs but which may extend to ₹50 lakhs and every officer of the Issuer who is in default shall be punishable with imprisonment for a term which may extend to one year or with fine which shall not be less than ₹50,000 but which may extend to ₹3 lakhs, or with both.

If the permissions to deal in and for an official quotation of the Equity Shares are not granted by any of the Stock Exchange(s), the Issuer may forthwith repay, without interest, all moneys received from the Bidders/Applicants in pursuance of the RHP/Prospectus.

If such money is not repaid within the prescribed time after the Issuer becomes liable to repay it, then the Issuer and every director of the Issuer who is an officer in default may, on and from such expiry of such period, be liable to repay the money, with interest at such rate, as disclosed in the RHP/Prospectus.

#### **8.2.2 NON RECEIPT OF MINIMUM SUBSCRIPTION**

If the Issuer does not receive a minimum subscription of 90% of the Net Offer (excluding any offer for sale of specified securities), including devolvement to the Underwriters, the Issuer may forthwith, without interest refund the entire subscription amount received within 15 days of the Bid/Offer Closing Date. In case the Offer is in the nature of Offer for Sale only, then minimum subscription may not be applicable. In case of under-subscription in the Offer, the Equity Shares in the Fresh Issue will be issued prior to the sale of Equity Shares in the Offer for Sale.

If there is a delay beyond the prescribed time after the Issuer becomes liable to pay the amount, then the Issuer and every director of the Issuer who is an officer in default may on and from expiry of 15 days, be jointly and severally liable to repay the money, with interest at the rate of 15% per annum in accordance with the Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended.

#### **8.2.3 MINIMUM NUMBER OF ALLOTTEES**

The Issuer may ensure that the number of prospective Allottees to whom Equity Shares may be Allotted may not be less than 1,000 failing which the entire application monies may be refunded forthwith.

#### **8.2.4 IN CASE OF ISSUES MADE UNDER COMPULSORY BOOK BUILDING**

In case an Issuer not eligible under Regulation 26(1) of the SEBI ICDR Regulations, 2009 comes for an Offer under Regulation 26(2) of SEBI (ICDR) Regulations, 2009 but fails to Allot at least 75% of the Net Offer to QIBs, in such case full subscription money is to be refunded.



### 8.3 MODE OF REFUND

- (a) **In case of ASBA Bids/Applications:** Within 12 Working Days of the Bid/Offer Closing Date, the Registrar to the Offer may give instructions to SCSBs for unblocking the amount in ASBA Account on unsuccessful Bid/Application and also for any excess amount blocked on Bidding/Application.
- (b) **In case of Non-ASBA Bid/Applications:** Within 12 Working Days of the Bid/Offer Closing Date, the Registrar to the Offer may dispatch the refund orders for all amounts payable to unsuccessful Bidders/Applicants and also for any excess amount paid on Bidding/Application, after adjusting for allocation/Allotment to Bidders/Applicants.
- (c) In case of non-ASBA Bidders/Applicants, the Registrar to the Offer may obtain from the depositories the Bidders/Applicants' bank account details, including the MICR code, on the basis of the DP ID, Client ID and PAN provided by the Bidders/Applicants in their Bid cum Application Forms for refunds. Accordingly, Bidders/Applicants are advised to immediately update their details as appearing on the records of their DPs. Failure to do so may result in delays in dispatch of refund orders or refunds through electronic transfer of funds, as applicable, and any such delay may be at the Bidders/Applicants' sole risk and neither the Issuer, the Registrar to the Offer, the Escrow Collection Banks, or the Syndicate, may be liable to compensate the Bidders/Applicants for any losses caused to them due to any such delay, or liable to pay any interest for such delay. Please note that refunds shall be credited only to the bank account from which the Bid Amount was remitted to the Escrow Bank.
- (d) In the case of Bids from Eligible NRIs and FPIs, refunds, if any, may generally be payable in Indian Rupees only and net of bank charges and/or commission. If so desired, such payments in Indian Rupees may be converted into U.S. Dollars or any other freely convertible currency as may be permitted by the RBI at the rate of exchange prevailing at the time of remittance and may be dispatched by registered post. The Issuer may not be responsible for loss, if any, incurred by the Bidder/Applicant on account of conversion of foreign currency.

#### 8.3.1 Mode of making refunds for Bidders/Applicants other than ASBA Bidders/Applicants

The payment of refund, if any, may be done through various modes as mentioned below:

- (a) **NECS**—Payment of refund may be done through NECS for Bidders/Applicants having an account at any of the centers specified by the RBI. This mode of payment of refunds may be subject to availability of complete bank account details including the nine-digit MICR code of the Bidder/Applicant as obtained from the Depository;
- (b) **NEFT**—Payment of refund may be undertaken through NEFT wherever the branch of the Bidders/Applicants' bank is NEFT enabled and has been assigned the Indian Financial System Code ("**IFSC**"), which can be linked to the MICR of that particular branch. The IFSC Code may be obtained from the website of RBI as at a date prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Bidders/Applicants have registered their nine-digit MICR number and their bank account number while opening and operating the demat account, the same may be duly mapped with the IFSC Code of that particular bank branch and the payment of refund may be made to the Bidders/Applicants through this method. In the event NEFT is not operationally feasible, the payment of refunds may be made through any one of the other modes as discussed in this section;
- (c) **Direct Credit**—Bidders/Applicants having their bank account with the Refund Banker may be eligible to receive refunds, if any, through direct credit to such bank account;
- (d) **RTGS**—Bidders/Applicants having a bank account at any of the centers notified by SEBI where clearing houses are managed by the RBI, may have the option to receive refunds, if any, through RTGS; and
- (e) For all the other Bidders/Applicants, including Bidders/Applicants who have not updated their bank particulars along with the nine-digit MICR code, the refund orders may be dispatched through speed post or registered post for refund orders. Such refunds may be made by

cheques, pay orders or demand drafts drawn on the Refund Bank and payable at par at places where Bids are received.

Please note that refunds through the abovementioned modes shall be credited only to the bank account from which the Bid Amount was remitted to the Escrow Bank.

For details of levy of charges, if any, for any of the above methods, Bank charges, if any, for cashing such cheques, pay orders or demand drafts at other centers, etc., Bidders/Applicants may refer to RHP/Prospectus.

### 8.3.2 Mode of making refunds for ASBA Bidders/Applicants

In case of ASBA Bidders/Applicants, the Registrar to the Offer may instruct the controlling branch of the SCSB to unblock the funds in the relevant ASBA Account for any withdrawn, rejected or unsuccessful ASBA Bids or in the event of withdrawal or failure of the Offer.

### 8.4 INTEREST IN CASE OF DELAY IN ALLOTMENT OR REFUND

The Issuer may pay interest at the rate of 15% per annum if refund orders are not dispatched or if, in a case where the refund or portion thereof is made in electronic manner, the refund instructions have not been given to the clearing system in the disclosed manner and/or demat credits are not made to Bidders/Applicants or instructions for unblocking of funds in the ASBA Account are not dispatched within the 12 Working days of the Bid/Offer Closing Date.

The Issuer may pay interest at 15% per annum for any delay beyond 15 days from the Bid/Offer Closing Date, if Allotment is not made.

## SECTION 9: GLOSSARY AND ABBREVIATIONS

*Unless the context otherwise indicates or implies, certain definitions and abbreviations used in this document may have the meaning as provided below. References to any legislation, act or regulation may be to such legislation, act or regulation as amended from time to time.*

Term	Description
Allotment/Allot/Allotted	The allotment of Equity Shares pursuant to the Offer to successful Bidders/Applicants
Allottee	An Bidder/Applicant to whom the Equity Shares are Allotted
Allotment Advice	Note or advice or intimation of Allotment sent to the Bidders/Applicants who have been Allotted Equity Shares after the Basis of Allotment has been approved by the designated Stock Exchanges
Anchor Investor	A Qualified Institutional Buyer, applying under the Anchor Investor Portion in accordance with the requirements specified in SEBI ICDR Regulations, 2009.
Anchor Investor Portion	Up to 60% of the QIB Category which may be allocated by the Issuer in consultation with the BRLMs, to Anchor Investors on a discretionary basis. One-third of the Anchor Investor Portion is reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to Anchor Investors
Application Form	The form in terms of which the Applicant should make an application for Allotment in case of issues other than Book Built Issues, includes Fixed Price Issue
Application Supported by Blocked Amount/(ASBA)/ASBA	An application, whether physical or electronic, used by Bidders/Applicants to make a Bid authorising an SCSB to block the Bid Amount in the specified bank account maintained with such SCSB
ASBA Account	Account maintained with an SCSB which may be blocked by such SCSB to the extent of the Bid Amount of the ASBA Bidder/Applicant
ASBA Bid	A Bid made by an ASBA Bidder
ASBA Bidder/Applicant	Prospective Bidders/Applicants in the Offer who Bid/apply through ASBA
Banker(s) to the Offer/Escrow Collection Bank(s)/Collecting Banker	The banks which are clearing members and registered with SEBI as Banker to the Offer with whom the Escrow Account(s) may be opened, and as disclosed in the RHP/Prospectus and Bid cum Application Form of the Issuer

<b>Term</b>	<b>Description</b>
Basis of Allotment	The basis on which the Equity Shares may be Allotted to successful Bidders/Applicants under the Offer
Bid	An indication to make an offer during the Bid/Offer Period by a prospective Bidder pursuant to submission of Bid cum Application Form or during the Anchor Investor Bid/Offer Period by the Anchor Investors, to subscribe for or purchase the Equity Shares of the Issuer at a price within the Price Band, including all revisions and modifications thereto. In case of issues undertaken through the fixed price process, all references to a Bid should be construed to mean an Application
Bid/Offer Closing Date	The date after which the Syndicate, Registered Brokers and the SCSBs may not accept any Bids for the Offer, which may be notified in an English national daily, a Hindi national daily and a regional language newspaper at the place where the registered office of the Issuer is situated, each with wide circulation. Applicants/Bidders may refer to the RHP/Prospectus for the Bid/Offer Closing Date
Bid/Offer Opening Date	The date on which the Syndicate and the SCSBs may start accepting Bids for the Offer, which may be the date notified in an English national daily, a Hindi national daily and a regional language newspaper at the place where the registered office of the Issuer is situated, each with wide circulation. Applicants/Bidders may refer to the RHP/Prospectus for the Bid/Offer Opening Date
Bid/Offer Period	Except in the case of Anchor Investors (if applicable), the period between the Bid/Offer Opening Date and the Bid/Offer Closing Date inclusive of both days and during which prospective Bidders/Applicants (other than Anchor Investors) can submit their Bids, inclusive of any revisions thereof. The Issuer may consider closing the Bid/Offer Period for QIBs one working day prior to the Bid/Offer Closing Date in accordance with the SEBI ICDR Regulations, 2009. Applicants/Bidders may refer to the RHP/Prospectus for the Bid/Offer Period
Bid Amount	The highest value of the optional Bids indicated in the Bid cum Application Form and payable by the Bidder/Applicant upon submission of the Bid (except for Anchor Investors), less discounts (if applicable). In case of issues undertaken through the fixed price process, all references to the Bid Amount should be construed to mean the Application Amount
Bid cum Application Form	The form in terms of which the Bidder/Applicant should make an offer to subscribe for or purchase the Equity Shares and which may be considered as the application for Allotment for the purposes of the Prospectus, whether applying through the ASBA or otherwise. In case of issues undertaken through the fixed price process, all references to the Bid cum Application Form should be construed to mean the Application Form
Bidder/Applicant	Any prospective investor (including an ASBA Bidder/Applicant) who makes a Bid pursuant to the terms of the RHP/Prospectus and the Bid cum Application Form. In case of issues undertaken through the fixed price process, all references to a Bidder/Applicant should be construed to mean an Bidder/Applicant
Book Built Process/Book Building Process/Book Building Method	The book building process as provided under SEBI ICDR Regulations, 2009, in terms of which the Offer is being made
Broker Centres	Broker centres notified by the Stock Exchanges, where Bidders/Applicants can submit the Bid cum Application Forms/Application Form to a Registered Broker. The details of such broker centres, along with the names and contact details of the Registered Brokers are available on the websites of the Stock Exchanges.
BRLM(s)/Book Running Lead Manager(s)/Lead Manager/LM	The Book Running Lead Manager to the Offer as disclosed in the RHP/Prospectus and the Bid cum Application Form of the Issuer. In case of issues undertaken through the fixed price process, all references to the Book Running Lead Manager should be construed to mean the Lead Manager or LM
Business Day	Monday to Friday (except public holidays)

<b>Term</b>	<b>Description</b>
CAN/Confirmation of Allotment Note	The note or advice or intimation sent to each successful Bidder/Applicant indicating the Equity Shares which may be Allotted, after approval of Basis of Allotment by the Designated Stock Exchange
Cap Price	The higher end of the Price Band, above which the Offer Price and the Anchor Investor Offer Price may not be finalised and above which no Bids may be accepted
Client ID	Client Identification Number maintained with one of the Depositories in relation to demat account
Cut-off Price	Offer Price, finalised by the Issuer in consultation with the Book Running Lead Manager(s), which can be any price within the Price Band. Only RIIs, Retail Individual Shareholders and employees are entitled to Bid at the Cut-off Price. No other category of Bidders/Applicants are entitled to Bid at the Cut-off Price
DP	Depository Participant
DP ID	Depository Participant's Identification Number
Depositories	National Securities Depository Limited and Central Depository Services (India) Limited
Demographic Details	Details of the Bidders/Applicants including the Bidder/Applicant's address, name of the Applicant's father/husband, investor status, occupation and bank account details
Designated Branches	Such branches of the SCSBs which may collect the Bid cum Application Forms used by the ASBA Bidders/Applicants applying through the ASBA and a list of which is available on <a href="http://www.sebi.gov.in/cms/sebi_data/attachdocs/1316087201341.html">http://www.sebi.gov.in/cms/sebi_data/attachdocs/1316087201341.html</a>
Designated Date	The date on which funds are transferred by the Escrow Collection Bank(s) from the Escrow Account or the amounts blocked by the SCSBs are transferred from the ASBA Accounts, as the case may be, to the Public Issue Account or the Refund Account, as appropriate, after the Prospectus is filed with the RoC, following which the board of directors may Allot Equity Shares to successful Bidders/Applicants in the Fresh Issue may give delivery instructions for the transfer of the Equity Shares constituting the Offer for Sale
Designated Stock Exchange	The designated stock exchange as disclosed in the RHP/Prospectus of the Issuer
Discount	Discount to the Offer Price that may be provided to Bidders/Applicants in accordance with the SEBI ICDR Regulations, 2009.
Draft Prospectus	The draft prospectus filed with SEBI in case of Fixed Price Issues and which may mention a price or a Price Band
Employees	Employees of an Issuer as defined under SEBI ICDR Regulations, 2009 and including, in case of a new company, persons in the permanent and full time employment of the promoting companies excluding the promoters and immediate relatives of the promoters. For further details, Bidder/Applicant may refer to the RHP/Prospectus
Equity Shares	Equity Shares of the Issuer
Escrow Account	Account opened with the Escrow Collection Bank(s) and in whose favour the Bidders/Applicants (excluding the ASBA Bidders/Applicants) may Offer cheques or drafts in respect of the Bid Amount when submitting a Bid
Escrow Agreement	Agreement to be entered into among the Issuer, the Registrar to the Offer, the Book Running Lead Manager(s), the Syndicate Member(s), the Escrow Collection Bank(s) and the Refund Bank(s) for collection of the Bid Amounts and where applicable, remitting refunds of the amounts collected to the Bidders/Applicants (excluding the ASBA Bidders/Applicants) on the terms and conditions thereof
Escrow Collection Bank(s)	Refer to definition of Banker(s) to the Offer
FCNR Account	Foreign Currency Non-Resident Account
First Bidder/Applicant	The Bidder/Applicant whose name appears first in the Bid cum Application Form or Revision Form
FII(s)	Foreign Institutional Investors as defined under the SEBI (Foreign Institutional Investors) Regulations, 1995 and registered with SEBI under applicable laws in India

<b>Term</b>	<b>Description</b>
Fixed Price Issue/Fixed Price Process/Fixed Price Method	The Fixed Price process as provided under SEBI ICDR Regulations, 2009, in terms of which the Offer is being made
Floor Price	The lower end of the Price Band, at or above which the Offer Price and the Anchor Investor Offer Price may be finalised and below which no Bids may be accepted, subject to any revision thereto
FPIs	Foreign Portfolio Investors as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014
FPO	Further public offering
Foreign Venture Capital Investors or FVCIs	Foreign Venture Capital Investors as defined and registered with SEBI under the SEBI (Foreign Venture Capital Investors) Regulations, 2000
IPO	Initial public offering
Offer	Public issue of Equity Shares of the Issuer including the Offer for Sale if applicable
Issuer/Company	The Issuer proposing the initial public offering/further public offering as applicable
Offer Price	The final price, less discount (if applicable) at which the Equity Shares may be Allotted in terms of the Prospectus. The Offer Price may be decided by the Issuer in consultation with the Book Running Lead Manager(s)
Maximum RII Allottees	The maximum number of RIIs who can be Allotted the minimum Bid Lot. This is computed by dividing the total number of Equity Shares available for Allotment to RIIs by the minimum Bid Lot.
MICR	Magnetic Ink Character Recognition - nine-digit code as appearing on a cheque leaf
Mutual Fund	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996
Mutual Funds Portion	5% of the QIB Category (excluding the Anchor Investor Portion) available for allocation to Mutual Funds only, being such number of equity shares as disclosed in the RHP/Prospectus and Bid cum Application Form
NECS	National Electronic Clearing Service
NEFT	National Electronic Fund Transfer
NRE Account	Non-Resident External Account
NRI	NRIs from such jurisdictions outside India where it is not unlawful to make an offer or invitation under the Offer and in relation to whom the RHP/Prospectus constitutes an invitation to subscribe to or purchase the Equity Shares
NRO Account	Non-Resident Ordinary Account
Net Offer	The Offer less reservation portion
Non-Institutional Investors or NIIs	All Bidders/Applicants, including sub accounts of FIIs registered with SEBI which are foreign corporates or foreign individuals and FPIs which are Category III foreign portfolio investors, that are not QIBs or RIBs and who have Bid for Equity Shares for an amount of more than ₹200,000 (but not including NRIs other than Eligible NRIs)
Non-Institutional Category	The portion of the Offer being such number of Equity Shares available for allocation to NIIs on a proportionate basis and as disclosed in the RHP/Prospectus and the Bid cum Application Form
Non-Resident	A person resident outside India, as defined under FEMA and includes Eligible NRIs, FPIs and FVCIs registered with SEBI
OCB/Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA
Offer for Sale	Public offer of such number of Equity Shares as disclosed in the RHP/Prospectus through an offer for sale by the Selling Shareholder

<b>Term</b>	<b>Description</b>
Other Investors	Investors other than Retail Individual Investors in a Fixed Price Issue. These include individual applicants other than retail individual investors and other investors including corporate bodies or institutions irrespective of the number of specified securities applied for
PAN	Permanent Account Number allotted under the Income Tax Act, 1961
Price Band	Price Band with a minimum price, being the Floor Price and the maximum price, being the Cap Price and includes revisions thereof. The Price Band and the minimum Bid lot size for the Offer may be decided by the Issuer in consultation with the Book Running Lead Manager(s) and advertised, at least five working days in case of an IPO and one working day in case of FPO, prior to the Bid/Offer Opening Date, in English national daily, Hindi national daily and regional language at the place where the registered office of the Issuer is situated, newspaper each with wide circulation
Pricing Date	The date on which the Issuer in consultation with the Book Running Lead Manager(s), finalise the Offer Price
Prospectus	The prospectus to be filed with the RoC in accordance with Section 26 of the Companies Act, 2013 after the Pricing Date, containing the Offer Price, the size of the Offer and certain other information
Public Issue Account	An account opened with the Banker to the Offer to receive monies from the Escrow Account and from the ASBA Accounts on the Designated Date
Qualified Foreign Investors or QFIs	Non-Resident investors, other than SEBI registered FIIs or sub-accounts or SEBI registered FVCIs, who meet 'know your client' requirements prescribed by SEBI and are resident in a country which is (i) a member of Financial Action Task Force or a member of a group which is a member of Financial Action Task Force; and (ii) a signatory to the International Organisation of Securities Commission's Multilateral Memorandum of Understanding or a signatory of a bilateral memorandum of understanding with SEBI. Provided that such non-resident investor shall not be resident in a country which is listed in the public statements issued by Financial Action Task Force from time to time on: (i) jurisdictions having a strategic anti-money laundering/combating the financing of terrorism deficiencies to which counter measures apply; (ii) jurisdictions that have not made sufficient progress in addressing the deficiencies or have not committed to an action plan developed with the Financial Action Task Force to address the deficiencies
QIB Category	The portion of the Offer being such number of Equity Shares to be Allotted to QIBs on a proportionate basis
Qualified Institutional Buyers or QIBs	As defined under SEBI ICDR Regulations, 2009
RTGS	Real Time Gross Settlement
Red Herring Prospectus/RHP	The red herring prospectus issued in accordance with Section 32 of the Companies Act, 2013, which does not have complete particulars of the price at which the Equity Shares are offered and the size of the Offer. The RHP may be filed with the RoC at least three days before the Bid/Offer Opening Date and may become a Prospectus upon filing with the RoC after the Pricing Date. In case of issues undertaken through the fixed price process, all references to the RHP should be construed to mean the Prospectus
Refund Account(s)	The account opened with Refund Bank(s), from which refunds (excluding refunds to ASBA Bidders/Applicants), if any, of the whole or part of the Bid Amount may be made
Refund Bank(s)	Refund bank(s) as disclosed in the RHP/Prospectus and Bid cum Application Form of the Issuer
Refunds through electronic transfer of funds	Refunds through NECS, Direct Credit, NEFT, RTGS or ASBA, as applicable
Registered Broker	Stock Brokers registered with the Stock Exchanges having nationwide terminals, other than the members of the Syndicate
Registrar to the Offer/RTO	The Registrar to the Offer as disclosed in the RHP/Prospectus and Bid cum Application Form

<b>Term</b>	<b>Description</b>
Reserved Category/Categories	Categories of persons eligible for making application/Bidding under reservation portion
Reservation Portion	The portion of the Offer reserved for such category of eligible Bidders/Applicants as provided under the SEBI ICDR Regulations, 2009
Retail Investors/RIIs	Individual Investors who applies or bids for a value of not more than ₹200,000.
Retail Shareholders	Individual Shareholders of a listed Issuer who applies or bids for a value of not more than ₹200,000.
Retail Category	The portion of the Offer being such number of Equity Shares available for allocation to RIIs which shall not be less than the minimum Bid Lot, subject to availability in RII category and the remaining shares to be Allotted on proportionate basis.
Revision Form	The form used by the Bidders in an issue through Book Building Process to modify the quantity of Equity Shares and/or bid price indicated therein in any of their Bid cum Application Forms or any previous Revision Form(s)
RoC	The Registrar of Companies
SEBI	The Securities and Exchange Board of India constituted under the Securities and Exchange Board of India Act, 1992
SEBI ICDR Regulations, 2009	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
Self Certified Syndicate Bank(s) or SCSB(s)	A bank registered with SEBI, which offers the facility of ASBA and a list of which is available on <a href="http://www.sebi.gov.in/cms/sebi_data/attachdocs/1316087201341.html">http://www.sebi.gov.in/cms/sebi_data/attachdocs/1316087201341.html</a>
Specified Locations	Refer to definition of Broker Centers
Stock Exchanges/SE	The stock exchanges as disclosed in the RHP/Prospectus of the Issuer where the Equity Shares Allotted pursuant to the Offer are proposed to be listed
Syndicate	The Book Running Lead Manager(s) and the Syndicate Member
Syndicate Agreement	The agreement to be entered into among the Issuer, and the Syndicate in relation to collection of the Bids in the Offer (excluding Bids from ASBA Bidders/Applicants)
Syndicate Member(s)/SM	The Syndicate Member(s) as disclosed in the RHP/Prospectus
Underwriters	The Book Running Lead Manager(s) and the Syndicate Member(s)
Underwriting Agreement	The agreement amongst the Issuer, and the Underwriters to be entered into on or after the Pricing Date
Working Day	All days other than a Sunday or a public holiday on which commercial banks are open for business, except with reference to announcement of Price Band and Bid/Offer Period, where working day shall mean all days, excluding Saturdays, Sundays and public holidays, which are working days for commercial banks in India

## RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and FEMA. While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of the Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The government bodies responsible for granting foreign investment approvals are the FIPB and the RBI.

The Government has from time to time made policy pronouncements on foreign direct investment (“**FDI**”) through press notes and press releases. The Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India (“**DIPP**”), issued the Consolidated FDI Policy Circular of 2015 (“**FDI Circular 2015**”), which, with effect from May 12, 2015, consolidated and superseded all previous press notes, press releases and clarifications on FDI issued by the DIPP that were in force and effect as on May 12, 2015. The Government proposes to update the consolidated circular on FDI policy once every year and therefore, FDI Circular 2015 will be valid until the DIPP issues an updated circular.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the FIPB or the RBI, provided that (i) the activities of the investee company are under the automatic route under the foreign direct investment policy and transfer does not attract the provisions of the Takeover Regulations; (ii) the non-resident shareholding is within the sectoral limits under the FDI policy; and (iii) the pricing is in accordance with the guidelines prescribed by the SEBI/RBI.

As per the existing policy of the Government of India, OCBs cannot participate in the Offer.

We have obtained an industrial license for manufacturing of parts and accessories or spacecrafts from the Secretariat for Industrial Assistance, DIPP, Ministry of Commerce and Industry, Government of India. Consequently, foreign investment in our Company is subject to sectoral caps prescribed by the RBI from time to time. Currently, foreign investment aggregating up to 49% is permitted in our Company with the prior approval of the FIPB. Our Company will be seeking an approval from the Foreign Investment Promotion Board, Department of Economic Affairs (FIPB Unit), Ministry of Finance for the issue of Equity Shares by the Company and transfer of Equity Shares by the Selling Shareholders to non-residents under the Offer.

**The Equity Shares have not been and will not be registered under the Securities Act, and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable U.S. state securities laws. Accordingly, the Equity Shares are being offered and sold outside the United States in offshore transactions in reliance on Regulation S under the Securities Act and applicable laws of the jurisdictions where such offers and sales occur.**

The above information is given for the benefit of the Bidders. Our Company, the Selling Shareholders and the BRLMs are not liable for any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares they Bid for do not exceed the applicable limits under laws or regulations.



## SECTION VIII: MAIN PROVISIONS OF ARTICLES OF ASSOCIATION

*Capitalized terms used in this section have the meaning that has been given to such terms in the Articles of Association of our Company. Pursuant to Schedule I of the Companies Act, 2013 and the SEBI Regulations, the main provisions of the Articles of Association of our Company are detailed below:*

### **Authorised Share Capital**

Article 3 provides that “Subject to the provisions of the Act and these Articles, the shares in the capital of the Company shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par and at such time as they may from time to time think fit.”

Article 8 provides that

- (i) “If at any time the Share Capital is divided into different classes of Shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of Section 48 of the Companies Act, 2013, and whether or not the Company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued Shares of that class, or with the sanction of a Special Resolution passed at a separate meeting of the holders of the Shares of that class.
- (ii) To every such separate meeting, the provisions of the Articles relating to general meetings shall *mutatis mutandis* apply, but so that the necessary quorum shall be at least two persons holding at least one-third of the issued Shares of the class in question.”

### **Increase, reduction and alteration in capital**

Article 38 provides that “the Company may, from time to time, by ordinary resolution increase the Share Capital by such sum, to be divided into shares of such amount, as may be specified in the resolution.”

Article 39 provides that “Subject to the provisions of Section 61 of the Companies Act, 2013, the Company may, by Ordinary Resolution:

- (a) Increase its authorised share capital by such amount as it thinks expedient;
- (b) Consolidate and divide all or any of its Share Capital into shares of larger amount than its existing shares;
- (c) Convert all or any of its fully paid-up Shares into stock, and reconvert that stock into fully paid-up Shares of any denomination;
- (d) Sub-divide its existing Shares or any of them into Shares of smaller amount than is fixed by the Memorandum;
- (e) Cancel any Shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.”

Article 41 provides that “the Company may, by Special Resolution, reduce in any manner and with, and subject to, any incident authorised and consent required by law:

- (a) Its Share Capital;
- (b) Any capital redemption reserve account; or
- (c) Any Share premium account.”

Article 45 provides that “nothing withstanding anything contained in these articles but subject to the provisions of Section 68 to Section 70 of the Companies Act, 2013 and any other application provisions of the Act or any other law for the time being in force, the Company may purchase its own shares or other specified securities.”

## **Payment of commission and brokerage**

Article 7 provides that

- (a) “The Company may exercise the powers of paying commissions conferred by Section 40 (6) of the Companies Act, 2013, provided that the rate per cent or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by that section and rules made there under.
- (b) The rate or amount of the commission shall not exceed the rate or amount prescribed in rules made under sub-section (6) of section 40.
- (c) The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in the one way and partly in the other.”

## **Calls**

Article 17 provides that

- (i) “the Board may, from time to time, make calls upon the Members in respect of any monies unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times:

Provided that no call shall exceed one-fourth of the nominal value of the Share or be payable at less than one month from the date fixed for the payment of the last preceding call.

- (ii) each Member shall, subject to receiving at least fourteen days’ notice specifying the time or times and place of payment, pay to the Company, at the time or times and place so specified, the amount called on his Shares.
- (iii) a call may be revoked or postponed at the discretion of the Board.”

Article 18 provides that “a call shall be deemed to have been made at the time when the resolution of the Board authorising the call was passed and may be required to be paid by installments.”

Article 19 provides that “the joint holders of a Share shall be jointly and severally liable to pay all calls in respect thereof.”

Article 20 provides that

- (i) “if a sum called in respect of a Share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest thereon from the day appointed for payment thereof to the time of actual payment at ten per cent per annum or at such lower rate, if any, as the Board may determine.
- (ii) the Board shall be at liberty to waive payment of any such interest wholly or in part.”

Article 21 provides that

- (i) “any sum which by the terms of issue of a Share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the Share or by way of premium, shall, for the purposes of these regulations, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable.
- (ii) in case of non-payment of such sum, all the relevant provisions of the Articles and the Act as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.”

Article 22 provides that “the Board —

- a) may, if it thinks fit, receive from any member willing to advance the same, all or any part of the monies uncalled and unpaid upon any shares held by him; and

- b) upon all or any of the monies so advanced, may (until the same would, but for such advance, become presently payable) pay interest at such rate not exceeding, unless the Company in General Meeting shall otherwise direct, twelve per cent per annum, as may be agreed upon between the Board and the member paying the sum in advance.”

**Forfeiture, surrender and lien**

Article 12 provides that “the company shall have a first and paramount lien—

- (i) on every Share (not being a fully paid Share), for all monies (whether presently payable or not) called, or payable at a fixed time, in respect of that Share; and
- (ii) On all Shares (not being fully paid Shares) standing registered in the name of a single person, for all monies presently payable by him or his estate to the Company:

Provided that the Board of directors may at any time declare any share to be wholly or in part exempt from the provisions of this clause.”

Articles 14 provides that ‘the company may sell, in such manner as the Board thinks fit, any Shares on which the company has a lien:

Provided that no sale shall be made—

- (i) unless a sum in respect of which the lien exists is presently payable; or
- (ii) until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or the person entitled thereto by reason of his death or insolvency.”

Article 15 provides that

- (i) “to give effect to any such sale, the Board may authorise some person to transfer the Shares sold to the purchaser thereof.
- (ii) the purchaser shall be registered as the holder of the Shares comprised in any such transfer.
- (iii) the purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the Shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.”

Article 31 provides that “If a Member fails to pay any call, or installment of a call, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or installment remains unpaid, serve a notice on him requiring payment of so much of the call or installment as is unpaid, together with any interest which may have accrued.”

Article 33 provides that “if the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may, at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect.”

Article 34 provides that

- (i) “a forfeited Share may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit.
- (ii) at any time before a sale or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.”

Article 35 provides that

- (i) “a person whose Shares have been forfeited shall cease to be a Member in respect of the forfeited Shares, but shall, notwithstanding the forfeiture, remain liable to pay to the Company all monies which, at the date of forfeiture, were presently payable by him to the Company in respect of the Shares.

- (ii) the liability of such person shall cease if and when the Company shall have received payment in full of all such monies in respect of the Shares.”

Articles 37 provides that “The provisions of the Articles on forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a Share, becomes payable at a fixed time, whether on account of the nominal value of the Share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.”

### **Transfer and transmission of shares**

Article 23 provides that

- (i) “the instrument of transfer of any Share in the Company shall be executed by or on behalf of both the transferor and transferee.
- (ii) the transferor shall be deemed to remain a holder of the Share until the name of the transferee is entered in the register of members in respect thereof.”

Article 24 provides that “the Board may, subject to the right of appeal conferred by Section 58 of the Companies Act, 2013 decline to register:

- (i) the transfer of a Share, not being a fully paid Share, to a person of whom they do not approve; or
- (ii) any transfer of Shares on which the Company has a lien.”

Article 25 provides that “the Board may decline to recognise any instrument of transfer unless—

- (i) the instrument of transfer is in the form as prescribed in rules made under Section 56 (1) of the Companies Act, 2013;
- (ii) the instrument of transfer is accompanied by the certificate of the Shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and
- (iii) the instrument of transfer is in respect of only one class of Shares.”

Article 27 provides that

- a) “on the death of a Member, the survivor or survivors where the member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only persons recognised by the Company as having any title to his interest in Shares.
- b) nothing in clause (a) shall release the estate of a deceased joint holder from any liability in respect of any Shares which had been jointly held by him with other persons.”

Article 28 (a) provides that “any person becoming entitled to Shares in consequence of the death or insolvency of a Member may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect, either:

- (i) to be registered himself as holder of the Share; or
- (ii) To make such transfer of the Shares as the deceased or insolvent member could have made.”

Article 28 (b) provides that “the Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent member had transferred the Shares before his death or insolvency.”

### **Borrowing Powers**

Article 85 provides that “the Board may from time to time, but with such consent of the Members in the General Meeting as may be required, raise any moneys or sums of money for the purpose of the Company, provided that the moneys to be borrowed by the Company apart from temporary loans obtained from the Company bankers in the ordinary course of business shall not without the sanction of the Members at a General Meeting exceed the

aggregate of the paid up capital of the company and its free reserve, that is to say reserve not set apart for any specific purpose. Subject to the provisions of the Act, the Board may from time to time at their discretion raise or borrow or secure the payment by the issue of debentures perpetual or otherwise including debentures convertible into shares of the Company or any other company or perpetual mortgage, pledge or charges the whole or any part of the property assets or revenue of the Company present or future including its uncalled capital by special assignment or otherwise or to transfer or convey the same absolutely or in trust and to give the lenders powers of sale and other powers as may be expedient and to purchase redeem or pay off any such securities.

Provided that every resolution passed by the company in General Meeting in relation to the exercises of the borrowing power as stated above shall specify the total amount up to which moneys may be borrowed by the Board.”

### **Conversion of shares into stock**

Article 40 provides that “where Shares are converted into stock:

- a) The holder of stock may transfer the same or any part thereof in the same manner as, and subject to the same regulations under which, the Shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit:

Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so however, that such minimum shall not exceed the nominal amount of the Shares from which the stock arose.

- b) The holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meeting of the Company and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits the Company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.
- c) The Articles of the Company as may be applicable to paid-up Shares shall apply to stock and the words “Share” and “Shareholder” in the Articles shall include “stock” and “stock-holder” respectively.”

### **Convening General Meeting**

Article 47 provides that “the Board may, whenever it thinks fit, call an Extraordinary General Meeting.”

Article 48 provides that “a Notice of the General Meeting, including Annual General Meeting, shall be given at least twenty one days prior to the date of the General Meeting (unless a shorter period consented by not less than 95% of the members entitled to vote at that meeting) specifying the place, day and the hour of the meeting and the general nature of business to be transacted therein shall be given to such persons entitled to receive them, in accordance with the Articles, Memorandum and the Act.”

Article 50 provides that “a General Meeting of the Company may be called by the Managing Director or by the Board.”

Article 51 (a) provides that “no business shall be transacted at any general meeting unless a quorum of Members is present at the time when the meeting proceeds to business.”

Article 51 (b) provides that “the quorum for the general meetings shall be:

- (i) five Members personally present if the number of Members as on the date of meeting is not more than one thousand;
- (ii) fifteen Members personally present if the number of Members as on the date of meeting is more than one thousand but up to five thousand;
- (iii) thirty Members personally present if the number of members as on the date of the meeting exceeds five thousand”

## **Votes of Members**

Article 56 provides that “Subject to any rights or restrictions for the time being attached to any class or classes of Shares:

- a) on a show of hands, every Member present in person shall have one vote; and
- b) on a poll, the voting rights of Members shall be in proportion to his Share in the paid-up equity Share Capital of the Company.”

Article 57 provides that “a member may exercise his vote at a meeting by electronic means in accordance with the Act and shall vote only once.”

Article 60 provides that “any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll.”

## **Proxies**

Article 63 provides that “the instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarised copy of that power-of-attorney or authority, shall be deposited at the registered office of the Company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll; and in default the instrument of proxy shall not be treated as valid.”

Article 64 provides that “an instrument appointing a proxy shall be in the form as prescribed in the rules made under Section 105 of the Companies Act, 2013.”

Article 65 provides that “a vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given:

Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the Company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used.”

## **Directors**

Article 66 provides that “Unless otherwise determined by the Company in General Meeting the number of Directors of the Company shall not be less than three or more than fifteen including the nominee directors, additional directors or alternate directors, if any.”

Article 73 provides that

- (i) “Subject to the provisions of the Act, the Board shall have power at any time, and from time to time, to appoint a person as an Additional Director, provided the number of the Directors and Additional Directors together shall not at any time exceed the maximum strength fixed for the Board by the articles.
- (ii) Such person shall hold office only up to the date of the next Annual General Meeting of the company but shall be eligible for appointment by the company as a Director at that meeting subject to the provisions of the Act.
- (iii) Subject to provisions of the Act, the Board shall have the power to appoint a chief executive officer, chief financial officer, chief accounts officer, chief operating officer, chief security officer, president and vice president of the Company.
- (iv) Subject to the provisions of Section 161 of the Companies Act, 2013, the Board shall also have power to fill a casual vacancy in the Board. Any Director so appointed shall hold office only so long as the vacating Director would have held the same if no vacancy had occurred.
- (v) Any financial institution which gives or agree to give any loan or other form of financial assistance to the Company may, if the agreement in respect of such loan or such financial assistance to the Company

may, if the agreement in respect of such loan or such financial assistance so stipulates, nominate representative on the Board of Director. Such Director(s) shall cease to be the Director(s) upon repayment of such loan or expiry of the term stipulated in the agreement for termination of such rights of nomination. Such nominating body may, from time to time remove its nominee(s) and appoint another nominee or nominees in their place and while holding such office such nominees shall not be liable to retirement by rotation.”

Article 68 provides that

- (i) “The remuneration of the Directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day-to-day.
- (ii) In addition to the remuneration payable to them in pursuance of the Act, the Directors may be paid all travelling, hotel and other expenses properly incurred by them—
  - (a) in attending and returning from meetings of the Board or any committee thereof or General Meeting of the Company; or
  - (b) in connection with the business of the Company.”

### **Key Managerial Personnel/Managing Director/Whole-Time Director**

Article 83 provides that “subject to the provisions of the Companies Act,—

- (i) A chief executive officer, manager, company secretary or chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any chief executive officer, manager, company secretary or chief financial officer so appointed may be removed by means of a resolution of the Board;
- (ii) A director may be appointed as chief executive officer, manager, company secretary or chief financial officer.

Article 84 provides that “a provision of the Act or these regulations requiring or authorizing a thing to be done by or to a director and chief executive officer, manager, company secretary or chief financial officer shall not be satisfied by its being done by or to the same person acting both as director and as, or in place of, chief executive officer, manager, company secretary or chief financial officer.”

### **Proceedings of the Board**

Article 74 provides that

- (i) “the Board may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit.
- (ii) a director may, and the manager or secretary on the requisition of a director shall, at any time, summon a meeting of the Board.”

Article 75 provides that

- (i) “Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes.
- (ii) In case of an equality of votes, the Chairperson of the Board, if any, shall have a second or casting vote.”

### **Dividends**

Article 89 provides that “the Company in the General Meeting may declare Dividends, but no dividend shall exceed the amount recommended by the Board.”

Article 90 provides that “subject to the provisions of Section 123 of the Companies Act, 2013, the Board may from time to time pay to the Members such interim Dividends as appear to it to be justified by the profits of the Company.”

Article 91 provides that

- a) “The Board may, before recommending any Dividend, set aside out of the profits of the Company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the Company may be properly applied, including provision for meeting contingencies or for equalising dividends; and pending such application, may, at the like discretion, either be employed in the business of the Company or be invested in such investments (other than shares of the company) as the Board may, from time to time, think fit.
- b) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.”

Article 92 provides that

- a) “subject to the rights of persons, if any, entitled to Shares with special rights as to Dividends, all Dividends shall be declared and paid according to the amounts paid or credited as paid on the Shares in respect whereof the Dividend is paid, but if and so long as nothing is paid upon any of the Shares in the Company, Dividends may be declared and paid according to the amounts of the Shares.
- b) no amount paid or credited as paid on a Share in advance of calls shall be treated for the purposes of this Articles as paid on the Share.
- c) all Dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the Dividend is paid; but if any share is issued on terms providing that it shall rank for Dividend as from a particular date such share shall rank for Dividend accordingly.”

### **Capitalisation of Profits**

Article 42 (a) provides that “The Company in General Meeting may, upon the recommendation of the Board, resolve:

- (a) that it is desirable to capitalize any part of the amount for the time being standing to the credit of any of the Company’s reserve accounts, or to the credit of the profit and loss account, or otherwise available for distribution; and
- (b) that such sum be accordingly set free for distribution in the manner specified in clause (b) amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.”

Article 42 (b) provides that “the sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in clause (c), either in or towards:

- (i) Paying up any amounts for the time being unpaid on any shares held by such members respectively;
- (ii) Paying up in full, unissued shares of the Company to be allotted and distributed, credited as fully paid-up, to and amongst such members in the proportions aforesaid;
- (iii) Partly in the way specified in sub-clause (i) and partly in that specified in sub-clause (ii);
- (iv) A securities premium account and a capital redemption reserve account may, for the purposes of this Articles, be applied in the paying up of unissued shares to be issued to members of the Company as fully paid bonus shares;
- (v) The Board shall give effect to the resolution passed by the Company in pursuance of this regulation.”

### **Winding up**

Article 100 provides that “subject to the provisions of Chapter XX of the Companies Act, 2013 and rules made there under:

- (i) If the Company shall be wound up, the liquidator may, with the sanction of a special resolution of the Company and any other sanction required by the Act, divide amongst the members, in-specie or kind,



the whole or any part of the assets of the Company, whether they shall consist of property of the same kind or not.

- (ii) For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the Members or different classes of Members.
- (iii) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no Member shall be compelled to accept any Shares or other securities whereon there is any liability.”

### **Indemnity**

Article 101 provides that “every officer of the Company shall be indemnified out of the assets of the Company against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in which relief is granted to him by the court or the Tribunal.”

## SECTION IX: OTHER INFORMATION

### MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following contracts which have been entered or are to be entered into by our Company (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two years before the date of the Draft Red Herring Prospectus) which are or may be deemed material will be attached to the copy of the Red Herring Prospectus which will be delivered to the RoC for registration. Copies of the abovementioned contracts and also the documents for inspection referred to hereunder, may be inspected at the Registered Office between 10 a.m. and 5 p.m. on all Working Days from Bid/Offer Opening Date until the Bid/Offer Closing Date.

#### A. Material Contracts for the Offer

1. Offer Agreement dated September 28, 2015 between our Company, the Selling Shareholders and the BRLMs
2. Registrar Agreement dated September 28, 2015 between our Company, the Selling Shareholders and the Registrar to the Offer
3. Escrow Agreement dated [●] between our Company, the Selling Shareholders, the Registrar to the Offer, the BRLMs, the Syndicate Members, the Escrow Collection Bank(s) and the Refund Bank(s)
4. Share Escrow Agreement dated [●] entered by the Selling Shareholders, our Company and the Escrow Agent
5. Syndicate Agreement dated [●] between our Company, the Selling Shareholders, the BRLMs, the Syndicate Members and the Registrar to the Offer
6. Underwriting Agreement dated [●] between our Company, the Selling Shareholders and the Underwriters

#### B. Material Documents

1. Certified copies of the updated Memorandum and Articles of Association of our Company as amended from time to time
2. Certificate of incorporation dated March 3, 1973
3. Fresh certificate of incorporation dated September 9, 2015 issued by RoC at the time of conversion from a private limited company into a public limited company
4. Resolutions of the Board of Directors dated September 10, 2015 in relation to the Offer and other related matters
5. Shareholders' resolution dated September 18, 2015 in relation to the Offer and other related matters
6. Letters dated September 25, 2015 by Dr. Sudarshan Kumar Maini, Reva Maini, Sandeep Kumar Maini, Gautam Maini and Chetan Kumar Maini in relation to the Offer for Sale
7. The examination report dated September 24, 2015 of the Statutory Auditors, on our Company's Restated Financial Information, included in this Draft Red Herring Prospectus
8. The Statement of Tax Benefits dated September 24, 2015 from the Statutory Auditors
9. Consent of the Directors, the BRLMs, the Syndicate Members, Domestic Legal Counsel to our Company, Domestic Legal Counsel to the BRLMs, Registrar to the Offer, Escrow Collection Bank(s), Bankers to the Offer, Bankers to our Company, Company Secretary and Compliance Officer as referred to in their specific capacities
10. Due Diligence Certificate dated September 30, 2015 addressed to SEBI from the BRLMs

11. Consent letter dated September 24, 2015 issued by the Statutory Auditors
12. In principle listing approvals dated [●] and [●] issued by BSE and NSE respectively
13. Tripartite agreement dated October 18, 2012 between our Company, NSDL and the Registrar to the Offer
14. Tripartite agreement dated September 28, 2015 between our Company, CDSL and the Registrar to the Offer
15. SEBI final observation letter dated [●]
16. Industrial License dated August 2, 2011 issued by Ministry of Commerce and Industry, Department of Industrial Policy and Promotion for the manufacture of parts and accessories N.E.C for aircrafts or spacecrafts
17. Quotation received from SMLXL, an independent architect firm, dated September 24, 2015
18. The letter issued by our Company to SMLXL dated September 25, 2015
19. Trademark License Agreement dated September 17, 2015 entered into between Maini Industrial Consultants and our Company
20. Shareholders Agreement and Subscription Agreement both dated June 30, 2005 entered into amongst our Promoters, Reva Maini, Vippen Sareen, AMHL and our Company
21. Settlement Agreement dated July 23, 2012 entered into amongst AMHL, our Promoters, Reva Maini, Vippen Sareen and our Company, as amended

Any of the contracts or documents mentioned in this Draft Red Herring Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

## DECLARATION

We hereby certify and declare that all relevant provisions of the Companies Act and the guidelines issued by the Government or the regulations, rules or guidelines issued by SEBI, established under section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SEBI Act or rules or regulations made there under or guidelines issued, as the case may be. We further certify that all the statements in this Draft Red Herring Prospectus are true and correct.

### SIGNED BY DIRECTORS OF OUR COMPANY

\_\_\_\_\_

**Dr. Kewal Krishan Nohria**  
*(Chairman and Independent Director)*

\_\_\_\_\_

**Gautam Maini**  
*(Managing Director)*

\_\_\_\_\_

**Dr. Sudarshan Kumar Maini**  
*(Executive Director)*

\_\_\_\_\_

**Sandeep Kumar Maini**  
*(Executive Director)*

\_\_\_\_\_

**Tarak Bhikkhalal Madhani**  
*(Non-Executive Non-Independent Director)*

\_\_\_\_\_

**Hemang Harish Raja**  
*(Independent Director)*

\_\_\_\_\_

**Shubha Kulkarni**  
*(Independent Director)*

### SIGNED BY CHIEF FINANCIAL OFFICER

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**V. Sridhar**

**Place:** Bengaluru

**Date:** September 30, 2015

## DECLARATION

We, the undersigned Selling Shareholders, hereby certify that all statements and undertakings made by us in this Draft Red Herring Prospectus about us or in relation to ourselves and the Equity Shares being sold by us in the Offer for Sale are true and correct, provided however, that we assume no responsibility for any of the statements made by the Company or any expert or any other person(s) in this Draft Red Herring Prospectus.

### SIGNED BY

\_\_\_\_\_

**Dr. Sudarshan Kumar Maini**

\_\_\_\_\_

**Reva Maini**

\_\_\_\_\_

**Sandeep Kumar Maini**

\_\_\_\_\_

**Gautam Maini**

\_\_\_\_\_

**Chetan Kumar Maini**

**Place:** Bengaluru

**Date:** September 30, 2015